

Company Master Data	
CIN	U74999KA2017NPL103474
Company / LLP Name	HIGHER EDUCATION FINANCING AGENCY
ROC Code	RoC-Bangalore
Registration Number	103474
Company Category	Company limited by Shares
Company Subcategory	Union Govt company
Class of Company	Private
Authorised Capital(Rs)	100000000000.00
Paid up Capital(Rs)	52937500000.00
Number of Members(Applicable in case of company without Share Capital)	0
Date of Incorporation	31/05/2017
Registered Address	STOCK EXCHANGE TOWERS, No. 51 1st FLOOR, 1st CROSS, JC ROAD BANGALORE URBAN Bangalore KA 560027 IN
Email Id	info@hefa.co.in
Whether Listed or not	Unlisted
Date of last AGM	22/10/2020
Date of Balance Sheet	31/03/2021
Company Status(for efilling)	Active

Charges				
Assets under charge	Charge Amount	Date of Creation	Date of Modification	Status
Book Debts	20000000000	12/05/2020		OPEN
Book debts; Floating charge	3000000000	16/12/2020		OPEN

Directors/Signatory Details			
DIN/PAN	Name	Begin date	End date
6051	ASHOK MISRA	12/06/2017	-
64067	RISHIKESHA THIRUVENKATA KRISHNAN	12/06/2017	-
454113	VIRANDER SINGH CHAUHAN	12/06/2017	-
1914155	BHASKAR RAMAMURTHI	12/06/2017	-
6975127	DARSHANA MOMAYA DABRAL	01/10/2018	-
8750890	CHELLAMUTHU JAYAKUMAR	01/06/2020	-
7225648	AMIT KHARE	03/02/2020	-
8193978	DEBASHISH MUKHERJEE	01/02/2019	-
1425921	RAJESH BHUSHAN	31/07/2020	-
07078936	VINEET JOSHI	18/11/2020	-
AIPPJ1091H	SHAILESH JALINDAR JADHAV	03/02/2020	-
ANSPB4757E	SANTOSH KUMAR BARIK	26/06/2020	-



**HIGHER EDUCATION FINANCING AGENCY**

(CIN:U74999KA2017NPL103474)

(A Non Banking Finance Company Licensed under Section 8 of the Companies Act,2013)

[Private Limited &amp; Government Company]

**BALANCE SHEET AS AT MARCH 31, 2021**

(All amounts are in crore of Indian Rupees, unless otherwise stated)

	Particulars	Note No.	As at 31.03.2021	As at 31.03.2020
	<b>ASSETS</b>			
(1)	<b>Financial Assets</b>			
(a)	Cash and Cash Equivalents	3	0.15	0.04
(b)	Bank Balance other than (a) above	4	77.32	71.84
(c)	Loans	5	7,855.44	6,334.05
(d)	Other Financial Assets	6	152.26	120.62
	<b>Total Financial Assets</b>		<b>8,085.17</b>	<b>6,526.55</b>
(2)	<b>Non-financial Assets</b>			
(a)	Current Tax Assets (Net)	7	4.23	1.91
(b)	Property, Plant and Equipment		-	-
(c)	Other Non-Financial Assets		-	-
	<b>Total Non-Financial Assets</b>		<b>4.23</b>	<b>1.91</b>
	<b>Total Assets</b>		<b>8,089.40</b>	<b>6,528.46</b>
	<b>LIABILITIES AND EQUITY</b>			
	<b>LIABILITIES</b>			
(1)	<b>Financial Liabilities</b>			
(a)	Payables	8		
	(I) Trade Payables			
	(i) total outstanding dues of micro enterprises and small enterprises		43.36	55.04
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises			
(b)	Borrowings (Other than Debt Securities)	9	1,911.40	995.71
(c)	Other Financial Liabilities	10	0.13	2.42
	<b>Total Financial Liabilities</b>		<b>1,954.89</b>	<b>1,053.17</b>
(2)	<b>Non-Financial Liabilities</b>			
(a)	Contingent Provisions Against Standard Assets	11	-	-
(b)	Other Non-Financial Liabilities	12	2.76	5.13
	<b>Total Non-Financial Liabilities</b>		<b>2.76</b>	<b>5.13</b>
(3)	<b>Equity</b>			
(a)	Equity Share Capital	13(A)	5,293.75	5,073.75
(b)	Other Equity	13(B)	838.00	396.41
	<b>Total Equity</b>		<b>6,131.75</b>	<b>5,470.16</b>
	<b>Total Liabilities and Equity</b>		<b>8,089.40</b>	<b>6,528.46</b>
	<b>Corporate Information and Significant Accounting Policies</b>	1 & 2		

Notes form an integral part of the financial statements

In terms of our report attached.

**FOR VIJAY PANCHAPPA & CO.**

Chartered Accountants

Firm's Registration No. 004693

P M Mudigoudar

Partner

M. No.- 204096



For and on behalf of the Board of

**HIGHER EDUCATION FINANCING AGENCY**

Chellamuthu Jayakumar

Managing Director &amp; CEO

DIN-08750890

Amit Khare

Chairman

DIN-07225648

Shailesh Jadhav

Chief Financial Officer

AIPPJ1091H

Santosh Kumar Barik

Company Secretary

ANSPB4757E

Place : Bengaluru

Date: 30th June 2021

**HIGHER EDUCATION FINANCING AGENCY**

(CIN:U74999KA2017NPL103474)

(A Non Banking Finance Company Licensed under Section 8 of the Companies Act,2013)

[Private Limited &amp; Government Company]

(All amounts are in crore of Indian Rupees, unless otherwise stated)

**STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED MARCH 31, 2021**

	Particulars	Note No.	For the year ended 31.03.2021	For the year ended 31.03.2020
	<b>Income :</b>			
(I)	<b>Revenue from Operations</b>			
	Interest Income	14	597.35	379.09
	<b>Total Revenue from Operations</b>		<b>597.35</b>	<b>379.09</b>
(II)	<b>Other Income</b>	15	0.06	10.09
(III)	<b>Total Income (I+II)</b>		<b>597.41</b>	<b>389.18</b>
(IV)	<b>Expenditure</b>			
(a)	Finance Costs	16	109.46	5.64
(b)	Impairment on Financial Instruments	17	-	-
(c)	Employee Benefits Expenses		-	-
(d)	Depreciation, Amortization and Impairment		-	-
(e)	Others Expenses	18	46.36	67.72
	<b>Total Expenses (IV)</b>		<b>155.82</b>	<b>73.36</b>
(V)	<b>Excess of Income over Expenditure(Surplus) before Exceptional Items and Tax (III- IV)</b>		441.59	315.82
(VI)	<b>Exceptional items</b>		-	-
(VII)	<b>Surplus Before Tax (V -VI)</b>		<b>441.59</b>	<b>315.82</b>
(VIII)	<b>Tax Expense:</b>			
	(1) Current Tax	21	-	-
	(2) Deferred Tax	21	-	-
(IX)	<b>Excess of Income over Expenditure(Surplus) for the year (VII - VIII)</b>		<b>441.59</b>	<b>315.82</b>
(X)	<b>Other Comprehensive Income</b>			
	(i) Items that will not be reclassified to Surplus or Deficit		-	-
	(ii) Income tax relating to items that will not be reclassified to Surplus or Deficit		-	-
	<b>Other Comprehensive Income</b>		-	-
(XI)	<b>Total Comprehensive Income for the year (IX+X)</b>		<b>441.59</b>	<b>315.82</b>
	(Comprising Surplus and other Comprehensive Income for the year)			
	<b>Earnings per Equity Share</b>	19		
	Basic (Rs.)		0.84	0.72
	Diluted (Rs.)		0.84	0.72
	<b>Corporate Information and Significant Accounting Policies</b>	1 & 2		

Notes form an integral part of the financial statements

In terms of our report attached.

**FOR VIJAY PANCHAPPA & CO.**

Chartered Accountants

Firm's Registration No. 00469

**P M Mudigoudar**

Partner

M. No.- 204096



For and on behalf of the Board of

**HIGHER EDUCATION FINANCING AGENCY****Chellannurthy Jayakumar**

Managing Director &amp; CEO

DIN-08750890

**Shailesh Jadhav**

Chief Financial Officer

AIPPJ1091H

**Amit Khare**

Chairman

DIN-07225648

**Santosh Kumar Barik**

Company Secretary

ANSPB4757E

Place : Bengaluru

Date: 30th June 2021

**HIGHER EDUCATION FINANCING AGENCY**

(CIN:U74999KA2017NPL103474)

(A Non Banking Finance Company Licensed under Section 8 of the Companies Act,2013)

[Private Limited &amp; Government Company]

(All amounts are in crore of Indian Rupees, unless otherwise stated)

**CASH FLOW STATEMENT FOR THE YEAR ENDING MARCH 31, 2021**

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
<b>A. Cash Flow from Operating Activities</b>		
Net Surplus before Taxation	441.59	315.82
<b>Adjustments for:</b>		
Interest Income from Banks	(3.53)	(39.96)
Provision no longer required	0.00	(10.09)
Finance Costs	109.46	5.64
Impairment on Financial Instruments	-	-
<b>Operating Surplus before working capital changes</b>	<b>547.52</b>	<b>271.41</b>
<b>Changes in Working Capital:</b>		
(Increase)/Decrease in Other Non-Financial Assets	-	-
(Increase)/Decrease in Other Financial Assets	(31.38)	(95.39)
(Increase)/Decrease in Loans	(1521.39)	(3837.34)
Increase/(Decrease) in Trade Payables	-11.68	29.67
Increase / (decrease) in Other Financial Liabilities	-2.29	2.42
Increase/(Decrease) Provisions	-	-
Increase/(Decrease) in Other Non-Financial Liabilities	-2.37	5.13
<b>Cash generated from Operations</b>	<b>(1021.59)</b>	<b>(3624.10)</b>
Net Income Taxes Paid	(2.32)	(1.02)
<b>Net cash generated from operating activities - A</b>	<b>(1023.91)</b>	<b>(3625.12)</b>
<b>B. Cash Flow from Investing Activities</b>		
Bank Balances not considered as Cash and Cash Equivalent	-5.48	284.63
Interest Received	3.27	40.46
<b>Net Cash from Investing Activities-B</b>	<b>-2.21</b>	<b>325.09</b>
<b>C. Cash flow from Financing Activities</b>		
Proceed from Term Loan	915.69	995.71
Repayment of Term Loan		
Proceeds from issue of Equity Share	220.00	2,310.00
Share premium on Equity Shares Allotted	-	-
Finance Cost Paid	(109.46)	(5.64)
<b>Net Cash raised in Financing Activities-C</b>	<b>1,026.23</b>	<b>3,300.07</b>
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	<b>0.11</b>	<b>0.04</b>
<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>0.04</b>	<b>0.00</b>
<b>Cash and Cash Equivalents at the end of the year</b>	<b>0.15</b>	<b>0.04</b>

Notes form an integral part of the financial statements

In terms of our report attached.

**FOR VIJAY PANCHAPPA & CO.**

Chartered Accountants

Firm's Registration No. 004693 S



P M Mudigoudar  
Partner  
M. No.- 204096

For and on behalf of the Board of

**HIGHER EDUCATION FINANCING AGENCY**

*[Signature]*  
Chellamuthu Jayakumar  
Managing Director & CEO  
DIN-08750890

*[Signature]*  
Amit Khare  
Chairman  
DIN-07225648

*[Signature]*  
Shailesh Jadhav  
Chief Financial Officer  
AIPPJ1091H

*[Signature]*  
Santosh Kumar Barik  
Company Secretary  
ANSPB4757E

Place : Bengaluru  
Date: 30th June 2021

**HIGHER EDUCATION FINANCING AGENCY**

(CIN:U74999KA2017NPL103474)

(A Non Banking Finance Company Licensed under Section 8 of the Companies Act,2013)

[Private Limited &amp; Government Company]

(All amounts are in crore of Indian Rupees, unless otherwise stated)

**STATEMENT OF CHANGES IN EQUITY****A. EQUITY SHARE CAPITAL**

Particulars	As at 31.03.2021	As at 31.03.2020
Balance at the beginning of the reporting Year	5,073.75	2,763.75
Issued during the year	220.00	2,310.00
<b>Balance at the end of the reporting period</b>	<b>5,293.75</b>	<b>5,073.75</b>

**B. OTHER EQUITY**

Particulars	Share Application Money Pending Allotment	Reserves and Surplus			Total
		Statutory Reserves	Impairment Reserve	Retained Earnings	
Balance at the beginning of the reporting period	-	79.28	25.82	291.31	396.41
Surplus for the year	-	-	-	441.59	441.59
Other comprehensive income for the year (net of tax)	-	-	-	-	-
Transfer to special reserve u/s 45 IC of the RBI Act, 1934	-	88.32	-	-88.32	-
Transfer to Impairment Reserve	-	-	6.21	-6.21	-
<b>Balance at the end of the reporting period</b>	<b>0</b>	<b>167.6</b>	<b>32.03</b>	<b>638.37</b>	<b>838</b>

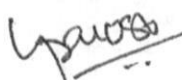
**Notes form an integral part of the financial statements**

In terms of our report attached.

**FOR VIJAY PANCHAPPA & CO.**

Chartered Accountants

Firm's Registration No. 004693 S


  
**P M Mudigoudar**  
 Partner  
 M. No.- 204096

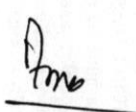



Place : Bengaluru  
 Date: 30th June 2021

For and on behalf of the Board of  
**HIGHER EDUCATION FINANCING AGENCY**

  
**Chellamuthu Jayakumar**  
 Managing Director & CEO  
 DIN-08750890

  
**Shailesh Jadhav**  
 Chief Financial Officer  
 AIPPJ1091H

  
**Amit Khare**  
 Chairman  
 DIN-07225648

  
**Santosh Kumar Barik**  
 Company Secretary  
 ANSPB4757E



## HIGHER EDUCATION FINANCING AGENCY

(CIN:U74999KA2017NPL103474)

(A Non Banking Finance Company Licensed under Section 8 of the Companies Act,2013)  
[Private Limited & Government Company]

### 1 CORPORATE INFORMATION

HIGHER EDUCATION FINANCING AGENCY(Referred as HEFA or the Company) has been incorporated as a Private limited company under section 8 of the Companies Act, 2013 & Government Company as a Joint Venture Company of Ministry of Education and Canara Bank, pursuant to Certificate of Incorporation issued by the Registrar of companies dated 31st May 2017 (CIN:U74999KA2017NPL103474) with an object of financing the India's higher education institutions.

HEFA is an initiative of the Ministry of Education to leverage funds from the market and supplement with donations and Corporate social responsibility (CSR) funds to finance the infrastructure in the top educational institutions. This will incentivise the institutions better internal resource generation and lead to developing into a world class institutions. At present, the company is functionally managed by Canara Bank .

The Company has received its Licence no. 109468 dated 30th May 2017 under Section 8 of Companies Act, 2013.

The Company has also been granted Registration under Section 12AA of the Income Tax Act, 1961 as a Public Charitable Company with effect from 2nd February 2018.

The Company has obtained registration with Reserve Bank of India as a 'Non-deposit taking non-systemically important NBFC' i.e. (i.e. NBFC-ND-Type II) vide COR No. 02.00289 dated 21st November, 2017 for the purpose of carrying out Non Banking Finance business. Subsequently, the status of the Company has been changed from 'Not Accepting Public Deposits and Non Systemically Important Non-Banking Financial Company (NBFC-ND-TYPE II)' to 'Not Accepting Public Deposits And Systemically Important Non-Banking Financial Company (NBFC-ND-SI)' on crossing of asset size of Rs. 500 crore as on 29th December, 2018. The company's registered office is at 1st Floor, Stock Exchange Towers, No. 51, 1st Cross, J.C.Road, Bengaluru, KA 560027 INDIA.

### 2 SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF FINANCIAL STATEMENTS

#### 2.1 Basis of Preparation of Financial Statements

The financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). 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. Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

The Company has adopted Indian Accounting Standards ("Ind AS") with effect from 1 April, 2018 and the effective date of transition being 1 April, 2017. Accordingly, the above financial statements have been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India mainly considering the Master Directions issued by the Reserve Bank of India ('RBI') as applicable to Non-Banking Finance Companies - ND-SI.

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 2.3 - Significant accounting judgements, estimates and assumptions.

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest crores, except when otherwise indicated.

These financial statements include the Balance Sheet, the Statement of Changes in Equity, the Statement of Income and Expenditure, the Statement of Cash flows and Notes, comprising a summary of significant accounting policies and other explanatory information and comparative information in respect of the preceding period.

#### 2.2 Presentation of Financial Statements

These financial statements include the Balance Sheet, the Statement of Changes in Equity, the Statement of Income and Expenditure, the Statement of Cash flows and Notes, comprising a summary of significant accounting policies and other explanatory information and comparative information in respect of the preceding year. The Balance Sheet and the Statement of Income and Expenditure are prepared and presented in the format prescribed in the Schedule III to the Companies Act, 2013 ("the Act"). The statement of Cash Flow has been prepared and presented as per the requirements of Ind-AS 7 "Statement of Cash flows". The disclosure requirements with respect to items in the Balance Sheet and Statement of Income and Expenditure, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of accounts along with the other notes required to be disclosed under the notified Accounting Standard.

#### 2.3 Significant accounting Policies, Judgements, Estimates and Assumptions

##### a) Use of Estimates

The preparation of financial statements in conformity with Indian Accounting Standard requires Management to make estimates and assumptions that affect the reported amounts of Assets and liabilities and disclosure of contingent Assets and liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon Management's best knowledge of current events and actions, actual results may differ from these estimates.



**b) Revenue Recognition**

Revenue is recognised based on the nature of activity when consideration can be reasonably measured and there exists reasonable certainty of its recovery. Revenue is measured at the fair value of the consideration received or receivable.

**c) Income from Operations**

The Company derives revenue primarily from financial assistance for creation of educational infrastructure and R&D in India's premier educational Institutions. Interest will be accrued on monthly basis as interest is paid by the Ministry of Education which will be calculated on the basis of outstanding balance. Interest Income for all financial instruments are calculated at gross carrying amount, are recognised in interest income as interest on deposits with banks and Interest on Loan in the Statement of Income and Expenditure using effective rate of Interest (EIR).

**d) Other Income**

In case of other Income, revenue is recognized during the period in which the services are rendered. Interest income is recognized on a time proportion basis, taking into account the amount outstanding and at an effective interest rate, as applicable.

**e) Cash and Cash Equivalents**

Cash and cash equivalents comprise the net amount of short-term, highly liquid investments that are readily convertible to known amounts of cash (short-term deposits with an original maturity of three months or less) and are subject to an insignificant risk of change in value, cheques on hand and balances with banks. They are held for the purposes of meeting short-term cash commitments (rather than for investment or other purposes). For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

**f) Cash Flow Statement**

Cash flows are reported using the indirect method, whereby surplus for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

**g) Property, Plant and Equipment(PPE)**

PPE is recognized when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can have measured reliably. PPE is stated at original cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment. Cost comprises the purchase price and any attributable costs of bringing the asset to its working condition for its intended use as estimated by the management. Any trade discounts and rebates are deducted in arriving at the purchase price. PPE not ready for the intended use, on the date of the Balance Sheet are disclosed as "Capital Work-in-Progress".

**h) Intangible Assets**

Intangible Assets are stated at original cost net of tax/duty credits availed, if any, less accumulated amortisation and cumulative impairment. Intangible Assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible Assets not ready for the intended use on the date of the Balance Sheet are disclosed as "Intangible Assets under development".

**i) Leases**

The determination of whether an agreement is, or contains, a lease is based on the substance of the agreement at the date of inception.

i. Finance Leases: There are no Finance leases entered into by the Company.

ii. Operating Leases: Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease rentals/payments are charged as an expense in the Income and Expenditure account on a straight-line basis over the lease term.

**j) Provisions**

Provisions are recognised when the enterprise 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 enterprise 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 Income and Expenditure net of any reimbursement.

**k) Earnings Per Share**

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net surplus or deficit for the year attributable to equity shareholders (after attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net surplus or deficit for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year 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 deficit per share are included.



**l) Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The Board of Directors (BOD) of the Company assesses the financial performance and position of the Company, and makes strategic decisions. The BOD, which has been identified as being the chief operating decision maker. The Company is engaged in the single business operation of "financial assistance for creation of educational infrastructure and R&D in India's premier educational Institutions".

**m) Financial Instruments**

Financial Assets and Financial Liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial Assets and Financial Liabilities are initially measured at fair value.

**Financial Assets**

All recognised Financial Assets are subsequently measured in their entirety at amortised cost.

A Financial Asset shall be measured at amortised cost if both of the following conditions are met:

- i. The Financial Asset is held within a business model whose objective is to hold Financial Assets in order to collect contractual cash flows and
- ii. The contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income on Financial Asset measured at amortised cost, is measured at effective interest rate on the gross carrying amount.

**Financial Liabilities**

Financial Liabilities are subsequently carried at amortised cost using the effective interest method for trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**n) Impairment of Asset**

**Impairment of financial assets** The Company recognises impairment allowance for expected credit loss on financial assets held at amortised cost. In addition to that the Company has provided provision as per Prudential Norms of RBI.

The Company recognises loss allowances (provisions) for expected credit losses on its financial assets (including non-fund exposures) that are measured at amortised costs or at fair value through other comprehensive income account. The Company applies a three-stage approach to measuring expected credit losses (ECLs) for the financial assets that are not measured at fair value through Surplus or Deficit:

Financial assets migrate through the following three stages based on the change in credit risk since initial recognition.

**Stage 1: 12-months ECL** For exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, the portion of the lifetime ECL associated with the probability of default events occurring within the next 12 months is recognised.

**Stage 2: Lifetime ECL – not credit impaired** For exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired, a lifetime ECL (i.e. reflecting the remaining lifetime of the financial asset) is recognised.

**Stage 3: Lifetime ECL – credit impaired** Exposures are 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. 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. Determining the stage for impairment At each reporting date, the Company assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Company considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and also, forward-looking analysis. An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowances reverts from lifetime ECL to 12-months ECL.

**o) Income Tax**

The Company has been incorporated as a 'Not for Profit Company' under section 25 of the Companies Act, 1956 (now section 8 of Companies Act 2013), and granted registration under section 12AA of the Income Tax Act, 1961. The Company is prohibited by its objects to carry out any activity on commercial basis and thereby claims to be eligible for tax exemption.

**p) Contingent Liabilities and Commitments**

Contingent Liabilities, if any, are disclosed in the Notes to Accounts. Provision is made in the Accounts if it becomes probable that an outflow of resources embodying economic benefits will be required to settle the obligation. Commitments are future liabilities for contractual expenditure.

**q) Borrowing Costs**

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Other borrowing costs are recognised as an expense in the period in which they are incurred.

**r) Operating Cycle**

Based on the nature of its activities, the Company has determined its operating cycle as 12 months for the purpose of classification of its Assets and Liabilities as current and non-current.





**HIGHER EDUCATION FINANCING AGENCY**

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(A Non Banking Finance Company Licensed under Section 8 of the Companies Act,2013)

[Private Limited &amp; Government Company]

(All amounts are in crore of Indian Rupees, unless otherwise stated)

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED MARCH 31,2021****3 CASH AND CASH EQUIVALENTS**

Particulars	As at 31.03.2021	As at 31.03.2020
<b>Cash and Cash equivalents</b>		
Cash on hand	-	-
Balances with Banks		
In Savings Account	-	-
in Current Account	0.15	0.04
Bank deposit with maturity of less than 3 months	-	-
<b>Total</b>	<b>0.15</b>	<b>0.04</b>

**4 BANK BALANCE OTHER THAN ABOVE**

Particulars	As at 31.03.2021	As at 31.03.2020
Deposits with original maturity for more than 3 months but less than 12 months	77.32	71.84
<b>Total</b>	<b>77.32</b>	<b>71.84</b>

The deposits maintained by the company with banks are in the form of Canflexi deposits with original maturity of less than 12 months. On premature withdrawal interest will be paid at rate applicable short term deposits.

**6 OTHER FINANCIAL ASSETS**

Particulars	As at 31.03.2021	As at 31.03.2020
Interest accrued on loan portfolio (Secured, considered good)	151.59	120.39
Interest accrued on loan portfolio (Unsecured, considered good)	-	-
Interest accrued on fixed deposits and investment	0.49	0.23
Other Receivables *	0.18	-
<b>Total</b>	<b>152.26</b>	<b>120.62</b>

\*Excess TDS remitted, receivable from IT Dept.

**NON-FINANCIAL ASSETS****7 CURRENT TAX ASSETS (NET)**

Particulars	As at 31.03.2021	As at 31.03.2020
Advance tax and tax deducted at source (net of provisions)	4.23	1.91
<b>Total</b>	<b>4.23</b>	<b>1.91</b>



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NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED MARCH 31,2021

5. LOAN

Particulars	As at 31.03.2021					As at 31.03.2020				
	At Fair Value			Designated at fair value through Surplus or Deficit	Total	At Fair Value			Designated at fair value through Surplus or Deficit	Total
	Amortised Cost	Through Other Comprehensive Income	Through Surplus or Deficit			Amortised Cost	Through Other Comprehensive Income	Through Surplus or Deficit		
	(1)	(2)	(3)	(4)	5 = (1+2+3+4)	(6)	(7)	(8)	(9)	10 = (6+7+8+9)
(A)										
(i) Term Loans (Civil works & Plant and Equipment)	7,855.44	-	-	-	7,855.44	6,334.05	-	-	-	6,334.05
(ii) Others to be Specified	-	-	-	-	-	-	-	-	-	-
Total (A) - Gross	7,855.44	-	-	-	7,855.44	6,334.05	-	-	-	6,334.05
Less : Impairment Loss Allowance	-	-	-	-	-	-	-	-	-	-
Total (A) - Net	7,855.44	-	-	-	7,855.44	6,334.05	-	-	-	6,334.05
(B)										
(i) Secured by receivables and Escrow account and equipment and furniture's purchased *	7,855.44	-	-	-	7,855.44	6,334.05	-	-	-	6,334.05
(ii) Covered by Bank/Government Guarantees	-	-	-	-	-	-	-	-	-	-
(iii) Unsecured	-	-	-	-	-	-	-	-	-	-
Total (B) - Gross	7,855.44	-	-	-	7,855.44	6,334.05	-	-	-	6,334.05
Less : Impairment Loss Allowance	-	-	-	-	-	-	-	-	-	-
Total (B) - Net	-	-	-	-	-	-	-	-	-	-
(C I) Loans in India										
(i) Public Sector	-	-	-	-	-	-	-	-	-	-
(ii) Others - Higher Education Institutions	7,855.44	-	-	-	7,855.44	6,334.05	-	-	-	6,334.05
Total (C I) - Gross	7,855.44	-	-	-	7,855.44	6,334.05	-	-	-	6,334.05
Less : Impairment Loss Allowance	-	-	-	-	-	-	-	-	-	-
Total (C I) - Net	7,855.44	-	-	-	7,855.44	6,334.05	-	-	-	6,334.05
(C II) Loans Outside India										
Total (C II) - Gross	-	-	-	-	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-
Total (C II) - Net	-	-	-	-	-	-	-	-	-	-

Refer Note 23 for classification of Current and non Current

\*Security : Charge over the Receivables and Escrow account balance which is opened jointly and Hypothecation of equipment and furniture's values for which loan is availed. Receivables - Shall mean all receivables of the Loan Borrowers from: (a) the fees and other academics proceeds collected by students enrolled with loan Borrowers; and (b) all receivables in the form of grant and / or aid received by the Borrower from the Government of India or any State Government.

Details of No. of Projects, Sanctioned and Disbursement of Loans

	As at 31. 03. 2021			As at 31. 03. 2020		
	No of Projects	Sanction amount	Disbursed Amount	No of Projects	Sanction amount	Disbursed Amount
Project fully disbursed	1	35.00	35.00	1	15.00	15.00
Project partially disbursed	96	24,206.82	11,273.07	83	21,916.77	7,615.10
Project not disbursed	27	7,171.98	-	35	7,302.07	-
Total	124	31,413.80	11,308.07	119	29,233.84	7,630.10

Summary of ECL provisions

Particulars	As at 31.03.2021	As at 31.03.2020
Allowance for Impairment on Term Loans		
(i) Term Loans (Civil works & Plant and Equipment)	-	-
Total	-	-



Provision as per RBI Prudential Norms (Refer Note 11)

Particulars	As at 31.03.2021	As at 31.03.2020
Performing Assets		
Standard Assets	32.03	25.82
Non-Performing Asset (NPA)		-
<b>Total</b>	<b>32.03</b>	<b>25.82</b>

Loan Portfolio Classification and Provision for Non Performing Assets (As per RBI Prudential Norms)

Particulars	Gross Loan Outstanding		Provision/Transfer to Reserve For Assets		Net Loan Outstanding	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Term Loans						
Performing Assets						
Standard Assets	7,855.44	6,334.05	32.03	25.82	7,823.41	6,308.23
Non-Performing Asset(NPA)		-		-		-

Note :

ECL Provisions

Ind AS 109 requires management, when determining whether the credit risk on a financial asset has increased significantly, to consider reasonable and supportable information available, in order to compare the risk of a default occurring at the balance sheet date with the risk of a default occurring at initial recognition of the financial Assets.

When estimating ECL, management should consider information that is reasonably available, including information about past events, current conditions and reasonable and supportable forecasts of future events and economic conditions. The degree of judgment that is required for the estimates depends on the availability of detailed information.

From the First disbursement to till now, the company has not come across any default or exposure for default and also company has not come across any delay in repayment more than 60 days. Also note that the company has ESCROW account with all its customer and 60% to 70% of the loans & 100% interests are reimbursed by Ministry of Education. HEFA would finance only the infrastructure requirements of higher educational Institutions under Ministry of Education, hence the chances of default is very very minimal.

Exposure at Default (EAD)

The outstanding balance at the reporting date is considered as EAD by the Company including accrued Interest. Considering that the Risk factors in amount at default, there is no separate requirement to estimate EAD.

Loss Given Default

LGD is an estimate of the loss from a transaction given that a default occurs. There is no default till now from the incorporation of company and there is no probability of Loss given default that are possible in the next 12 months.

Probability of default (PD):

PD is defined as the probability of whether borrowers will default on their obligations in the future. There is no default till now from the incorporation of company and there is no probability of default that are possible in the next 12 months.

Based on the past trend, the company has not come across default or delay in repayment. The company has worked out ECL as per the past trend and the nature of loan. As per workings there is no impairment of assets or provision is required. However Company followed Prudential Norms of RBI and classified all the loans under "Standard Asset" based on the definition defined in Prudential Norms of RBI. Company also created provision to the extent of 0.40% on the Standard Asset.

Asset classification and Provision Disclosure of Loan for March 31,2021

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Provisions as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Diff between Ind AS 109 provisions and IRACP norms
Performing Assets						
Standard Asset	Stage 1	7,855.44	-	7,855.44	32.03	(32.03)
Subtotal		7,855.44	-	7,855.44	32.03	(32.03)
Non-Performing Assets(NPA)						
Substandard, Doubtful, Loss Assets	Stage 3	-	-	-	-	-
Other items such as guarantees, loan commitments, etc. which are in the scope	Stage 1	-	-	-	-	-
<b>Total</b>	<b>Stage 1</b>	<b>7,855.44</b>	<b>-</b>	<b>7,855.44</b>	<b>32.03</b>	<b>(32.03)</b>

Asset classification and Provision Disclosure of Loan for March 31,2020

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Provisions as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Diff between Ind AS 109 provisions and IRACP norms
Performing Assets						
Standard Asset	Stage 1	6,334.05	-	6,334.05	25.82	(25.82)
Subtotal		6,334.05	-	6,334.05	25.82	(25.82)
Non-Performing Assets(NPA)						
Substandard, Doubtful, Loss Assets	Stage 3	-	-	-	-	-
Other items such as guarantees, loan commitments, etc. which are in the scope	Stage 1	-	-	-	-	-
<b>Total</b>	<b>Stage 1</b>	<b>6,334.05</b>	<b>-</b>	<b>6,334.05</b>	<b>25.82</b>	<b>(25.82)</b>



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NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED MARCH 31,2021

8 TRADE PAYABLE

Particulars	As at 31.03.2021	As at 31.03.2020
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	43.36	55.04
<b>Total</b>	<b>43.36</b>	<b>55.04</b>

9 BORROWINGS (OTHER THAN DEBT SECURITIES)

Particulars	As at 31.03.2021	As at 31.03.2020
<b>At amortised cost:</b>		
(a) Term Loan -Indian Rupee Loan from Banks (Secured)	1911.40	-
(b) Working Capital Demand Loan Indian rupee loan from banks (Unsecured)*	-	995.71
(c) Loans from related parties	-	-
<b>Total</b>	<b>1,911.40</b>	<b>995.71</b>
Borrowings in India	1,911.40	995.71
Borrowings outside India	-	-
<b>Total</b>	<b>1,911.40</b>	<b>995.71</b>

\* Working Capital Demand Loan: Indian rupee loan from banks (unsecured): These are unsecured Working Capital Demand Loan obtained for meeting working capital requirement /onward lending requirements and total Sanction amount is Rs.1000 Crore.

(a) Term Loan -Indian Rupee Loan from Banks (Secured)

As at 31 March, 2021		
Terms of repayment		
<b>Tenure (from the date of Balance Sheet)</b>	<b>Rate of Interest</b>	<b>Amount</b>
Above 2 year	6.65%	1,486.31
Due within 1-2 years	6.65%	200.00
Due within 3month - 1 years	6.65%	100.00
Due within 3 Month*	6.30%-6.65%	125.09
<b>Total</b>		
Effective interest rate adjustment**		-
<b>Net Amount</b>		<b>1,911.40</b>

\*Interest is paid monthly while principal to be repaid half year after the first disbursement.

\*\* Effective interest rate adjustment is Nil because there is no processing fee or other charges on Term Loan.  
There is no default as on the balance sheet date in repayment of borrowings and interest.



**(b) Working Capital Demand Loan**

As at 31 March, 2020		
Terms of repayment		
Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Above 2 year		-
Due within 1-2 years		-
Due within 1 years		-
Due within 3 Month*	7.25%	995.71
Total		
Effective interest rate adjustment**		-
Net Amount		995.71

\*Interest is paid monthly while principal be repaid as bullet repayment in the 3rd month after the first disbursement.

\*\* Effective interest rate adjustment is Nil because there is no processing fee or other charges on Working Capital Demand Loan  
There is no default as on the balance sheet date in repayment of borrowings and interest.

**10 OTHER FINANCIAL LIABILITIES**

Particulars	As at 31.03.2021	As at 31.03.2020
Interest accrued on Borrowings	0.13	2.42
Total	0.13	2.42

**11****CONTINGENT PROVISIONS AGAINST STANDARD ASSETS**

Particulars	As at 31.03.2021	As at 31.03.2020
Provisions on Standard Assets	-	-
Total	-	-

Note :Company followed Prudential Norms of RBI and classified all the loans under "Standard Asset" based on the definition defined in Prudential Norms of RBI and also created provision to the extent of 0.40% on the Standard Asset.

**12****OTHER NON-FINANCIAL LIABILITIES**

Particulars	As at 31.03.2021	As at 31.03.2020
Statutory Dues Payable	2.76	5.10
Other Payables	-	0.03
Total	2.76	5.13





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NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED MARCH 31,2021

13(A) EQUITY SHARE CAPITAL

Particulars	As at 31.03.2021	As at 31.03.2020
<b>Authorised</b> (1000000000 (31.03.2020 - 1000,00,00,000 ) equity shares of Rs.10 each)	10,000.00	10,000.00
<b>Issued and Subscribed and fully Paid-up</b> (5,293,750,000 (31.03.2020 : 507,37,50,000) equity shares of Rs.10 each issued & fully paid)	5,293.75	5,073.75
<b>Total Issued and Subscribed and fully Paid-up</b>	<b>5,293.75</b>	<b>5,073.75</b>

Reconciliation of number of Shares

Equity Shares:	As at 31.03.2021		As at 31.03.2020	
	Number of Shares	Amount	Number of Shares	Amount
Balance as at the beginning of the previous year	5,073,750,000	5,073.75	2,763,750,000	2,763.75
Add: Shares issued during the year	220,000,000	220.00	2,310,000,000	2,310.00
<b>Balance as at the end of the year</b>	<b>5,293,750,000</b>	<b>5,293.75</b>	<b>5,073,750,000</b>	<b>5,073.75</b>

Terms/ rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of Re.10/-. Each holder of equity shares is entitled to one vote per share held.

Company is a Not for profit Company licensed under section 8 of the Companies Act, 2013 and hence no portion of the surplus, other income or property shall be paid or transferred, directly or indirectly, by way of dividend or bonus or otherwise by way of surplus to the members of the company. Upon winding up or dissolution of the company, the remaining property after the satisfaction of all the debts and liabilities shall not be distributed amongst the members of the company, but shall be given or transferred to such other company having similar objects; and also if that remaining property is sold on order of any authority, the proceeds of it will be credited to the Rehabilitation and Insolvency Fund.

Details of Shares held by shareholders, holding more than 5% of the aggregate shares in the Company.

Particulars	As at 31.03.2021		As at 31.03.2020	
	No. of shares	% holding in	No. of shares	% holding in
1. Ministry of Education, Department of Higher Education (Government of India)	4,812,500,000	90.91	4,612,500,000	90.91
2. Canara Bank	481,250,000	9.09	461,250,000	9.09
	<b>5,293,750,000</b>	<b>100.00</b>	<b>5,073,750,000</b>	<b>100.00</b>

As per the records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

13(B) OTHER EQUITY

Particulars	As at 31.03.2021	As at 31.03.2020
<b>1. Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934 (Refer Note 1 below)</b>		
Opening balance	79.28	16.12
Add: Transfer from surplus balance in the Statement of Income and Expenditure	88.32	63.16
<b>Balance as at the end of the year</b>	<b>167.60</b>	<b>79.28</b>
<b>2. Impairment Reserve (Refer Note 2 below)</b>		
Opening balance	25.82	-
Add: Transfer from surplus balance in the Statement of Income and Expenditure	6.21	25.82
<b>Balance as at the end of the year</b>	<b>32.03</b>	<b>25.82</b>
<b>3. Retained Earnings</b>		
Opening balance	291.31	64.47
Add: Surplus for the year	441.59	315.82
Less: Appropriation	-	-
Transfer to Statutory Reserve	88.32	63.16
Transfer to Impairment Reserve	6.21	25.82
<b>Balance as at the end of the year</b>	<b>638.37</b>	<b>291.31</b>
<b>4. Other Comprehensive Income</b>		
Opening balance	-	-
Movements during the year	-	-
<b>Balance as at the end of the year</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>838.00</b>	<b>396.41</b>

Nature and purpose of Reserves

1. Statutory Reserve (Statutory Reserve pursuant to Section 45-IC of The RBI Act, 1934):

Section 45IC of Reserve Bank of India Act, 1934 ("RBI Act, 1934") defines that every non banking finance institution which is a Company shall create a reserve fund and transfer therein a sum not less than twenty percent of its net surplus every year as disclosed in the statement of Income and Expenditure before any dividend is declared. The Company has transferred an amount of Rs.88.32 Crores (2020- 63.16 Crores) to Statutory reserve pursuant to Section 45-IC of RBI Act, 1934 .

2.Impairment Reserve As Per RBI circular (RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 ) Where impairment allowance under Ind AS 109 is lower than the provisioning required under IRACP (including standard asset provisioning), NBFCs/ARCs shall appropriate the difference from their net surplus or deficit after tax to a separate 'Impairment Reserve'. The balance in the 'Impairment Reserve' shall not be reckoned for regulatory capital. Further, no withdrawals shall be permitted from this reserve without prior permission from the Department of Supervision, RBI.



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NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED MARCH 31,2021

14 INTEREST INCOME

Particulars	For Year Ended 31.03.2021	For Year Ended 31.03.2020
On financial assets measured at amortised cost:		
Interest on Loans	597.35	379.09
<b>Total*</b>	<b>597.35</b>	<b>379.09</b>

\* The revenue from operations is earned in India and accrued at effective interest rate on assets measured at amortised cost.

Disaggregated revenue disclosures:

The table below presents disaggregated revenues from contracts with customers for the year ended 31 March 2021 and 31 March, 2020 by nature of products sold. The Company believe that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors.

Particulars	For Year Ended 31.03.2021	For Year Ended 31.03.2020
<b>Revenue by products / services</b>		
Interest on Loans	593.82	339.13
Others-Interest on Deposits with Bank	3.53	39.96
<b>Total Revenue from operations</b>	<b>597.35</b>	<b>379.09</b>

15 OTHER INCOME

Particulars	For Year Ended 31.03.2021	For Year Ended 31.03.2020
Provision no longer required	-	10.09
Others	0.06	-
<b>Total</b>	<b>0.06</b>	<b>10.09</b>

16 FINANCE COSTS

Particulars	For Year Ended 31.03.2021	For Year Ended 31.03.2020
On financial assets measured at amortised cost:		
Interest on borrowings	109.46	5.64
<b>Total</b>	<b>109.46</b>	<b>5.64</b>

17 IMPAIRMENT / PROVISION ON FINANCIAL INSTRUMENTS

Particulars	For Year Ended 31.03.2021	For Year Ended 31.03.2020
On financial assets measured at amortised cost:		
Loans :		
- Standard assets	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

18 OTHER EXPENSES

Particulars	For Year Ended 31.03.2021	For Year Ended 31.03.2020
Audit Fees	0.02	0.02
Management Fees*	36.78	60.12
Rates and taxes	6.83	7.53
Legal and professional charge	-	-
Other expenditure	0.03	0.05
CSR Expenditure & Provisions	2.70	-
<b>Total</b>	<b>46.36</b>	<b>67.72</b>

\* Refer Note No. 28

Note (i) Payment to auditor:

Particulars	For Year Ended 31.03.2021	For Year Ended 31.03.2020
As auditors:		
Statutory audit fee	0.02	0.02
Taxation matters	-	-
Company law matters	-	-
Other services	-	-
Reimbursement of expense	-	-
<b>Total</b>	<b>0.02</b>	<b>0.02</b>

Note (ii) Details of CSR expenditure

Particulars	For Year Ended 31.03.2021	For Year Ended 31.03.2020
Gross Amount required to be spent by the Company	5.53	2.70

Particulars	In cash	Yet to be paid in cash	Total
II) Amount to be spent during F.Y 2021-22			
a) Construction/acquisition of assets	-	-	-
b) On purpose other than (a) above	-	5.53	5.53

Particulars	In cash	Yet to be paid in cash	Total
II) Amount to be spent during F.Y 2020-21			
a) Construction/acquisition of assets	-	-	-
b) On purpose other than (a) above	-	2.70	2.70



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**NOTE 19: EARNINGS PER SHARE**

Basic EPS amounts are calculated by dividing the surplus for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the surplus attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
Net surplus for calculation of basic earnings per share	441.59	315.82
Weighted average number of equity shares in calculating basic earnings per share (Nos.)	524.98	437.92
Nominal Value per share (Rs.)	10.00	10.00
Basic Earnings Per Share (Rs.)	0.84	0.72
Diluted Earnings Per Share (Rs.)	0.84	0.72

**NOTE 20: CONTINGENT LIABILITIES, COMMITMENTS AND LEASING ARRANGEMENTS**

Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
Claims not acknowledged as debts	-	-
Guarantees given on behalf of constituents - in India	-	-
Capital commitments not provided	-	-
LC Commitment to vendor on behalf of Institute [Refer Note Below]	271.00	383.60
<b>Total</b>	<b>271.00</b>	<b>383.60</b>

Note: The above commitment shall be met out of future term loan disbursement.

**NOTE 21: INCOME TAX**

The Company was incorporated as a 'Not for Profit Company' under Section 8 of the Companies Act, 2013 and The Company has been granted Registration under Section 12AA of the Income Tax Act, 1961 as a Public Charitable Company with effect from 2nd February 2018. The Company was granted license by RBI under Non-deposit taking non-systemically important NBFC i.e. (i.e. NBFC-ND-Type II) vide CoR no. 02.00289 dated 21st November, 2017 for the purpose of carrying out Non Banking Finance business. Subsequently, the status of the Company has been changed from 'Not Accepting Public Deposits and Non Systemically Important Non-Banking Financial Company (NBFC-ND-TYPE II)' to 'Not Accepting Public Deposits And Systemically Important Non-Banking Financial Company (NBFC-ND-SI)' on crossing of asset size of Rs. 500 crore as on 29th December, 2018.

As per Memorandum and Articles of Association of the Company, no objects shall be carried out on a commercial basis. The Management is of the view that the income received while financial assistance for creation of educational infrastructure and R&D in India's premier educational Institutions is only incidental as the Company has not carried out the same on commercial basis and hereby claim to be eligible for Tax Exemption.

**NOTE 22: EMPLOYEES BENEFIT PLAN**

As of March 31, 2021 there is no Employee on the Roll of the Company and all the operations are managed by the Canara Bank employees for which they are getting the Management Fee based on the amount disbursed during the year.

**NOTE 23: MATURITY ANALYSIS OF ASSETS AND LIABILITIES**

Particulars	As at 31.03.2021			As at 31.03.2020		
	Within 12 months (current)	After 12 months (non-current)	Total	Within 12 months (current)	After 12 months (non-current)	Total
<b>ASSETS</b>						
Financial Assets						
Cash and Cash Equivalents	0.15	-	0.15	0.04	-	0.04
Bank Balance other than (a) above	77.32	-	77.32	71.84	-	71.84
Loans	1,885.96	5,969.48	7,855.44	2,036.85	4,297.20	6,334.05
Other Financial Assets	152.26	-	152.26	120.62	-	120.62
<b>Non-financial Assets</b>						
Current Tax Assets (Net)	-	4.23	4.23	-	1.91	1.91
Property, Plant and Equipment	-	-	-	-	-	-
Other Non-Financial Assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>2,115.69</b>	<b>5,973.71</b>	<b>8,089.40</b>	<b>2,229.35</b>	<b>4,299.11</b>	<b>6,528.46</b>
<b>LIABILITIES</b>						
Financial Liabilities						
Payables	43.36	-	43.36	55.04	-	55.04
Borrowings (Other than Debt Securities)	225.09	1,686.31	1,911.40	995.71	-	995.71
Other Financial Liabilities	0.13	-	0.13	2.42	-	2.42
<b>Non-Financial Liabilities</b>						
Provisions	-	-	-	-	-	-
Other Non-Financial Liabilities	2.76	-	2.76	5.13	-	5.13
<b>Total Liabilities</b>	<b>271.34</b>	<b>1,686.31</b>	<b>1,957.65</b>	<b>1,058.30</b>	<b>-</b>	<b>1,058.30</b>
<b>Net</b>	<b>1,844.35</b>	<b>4,287.40</b>	<b>6,131.75</b>	<b>1,171.05</b>	<b>4,299.11</b>	<b>5,470.16</b>



**NOTE 24: CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES****Changes in liabilities arising from financing activities**

Particulars	As at 31.3.2021	Cash Flow	As at 31.3.2020	Cash Flow
Borrowings (Other than Debt Securities)	1,911.40	1,911.40	995.71	995.71
<b>Total</b>	<b>1,911.40</b>	<b>1,911.40</b>	<b>-</b>	<b>995.71</b>

**NOTE 25 - LEASING ARRANGEMENTS**

The Company is carrying out its operation at Canara bank premise. The Company has taken over an area of 3500 sq.feet on sub lease basis from Canara Bank for functioning of its office and the lease deed was executed between them for four years w.e.f 27th of October 2020, with a monthly rent of Rs. 217,000/- and it was also agreed in the lease deed that the sub lease shall punctually pay the rent to the sub lessor on the 5th day of every succeeding month clear of all deductions without any demand. In addition to this, the electricity, water charges, property and other applicable taxes for the premises shall be payable by the sub lessee. The Company is paying the Management Fees i.e 1% on disbursement for managing entire company operations including Premises provided. As per JV Agreement, Management Fees charged all service put together consolidatedly but not defined for each categories therefore no bifurcated lease amount shown separately.

**NOTE 26: SEGMENT REPORTING**

1. Operating segment/s are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the Chief Operating Decision Maker, in deciding how to allocate resources and assessing performance. The Company's Chief Operating Decision Maker (CODM) is the Managing Director and Chief Executive Officer. The Company has only one identified business segments (industry practice) namely "financial assistance for creation of educational infrastructure and R&D in India's premier educational Institutions".

The Financial Statements itself may be considered to be the segment result as per disclosure requirement of Indian Accounting Standard 108.

2. Geographical segment : The entity is domiciled in India and operates only in India. So geographical information is not required and No single customers contributed 10% or more to the Group's revenue for both 2019-2020 and 2020-2021.

**NOTE 27 :RELATED PARTY DISCLOSURES**

Related party disclosures, as required by notified Ind AS 24 - 'Related Party Disclosures' are given below:

Ind AS 24 exempts Reporting Entity (RE) from disclosure requirements in relation to related party transactions and outstanding balances, including commitments with:

a) a Government that has control, joint control or significant influence over RE. b) Another entity that is a related party because the same government has control, joint control or significant influence over RE and the other entity.

Name of related parties	Relationship
Ministry of Education	Entity having joint control/significant influence over the Company.
Canara Bank	Entity having joint control/significant influence over the Company and Entity with common director
Canarabank Computer Services Limited	Subsidiary of Entity having joint control/significant influence over the Company and Entity with common director

Name of related party	Nature of transaction	Year ended 31st March 2021	Year ended 31st March 2020
<b>Transactions with related parties</b>			
Canara Bank	Receiving of Management Service	36.78	60.12
	Capital Contribution	20.00	210.00
Canara bank Computer Services Limited	R T I - Annual Maintenance	-	0.00
<b>Amount payable to related parties:</b>			
Canara Bank	Trade Payable	40.64	55.02
Canara bank Computer Services Limited	Trade Payable	-	-

All transactions with these related parties are made in the normal course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances (excluding collateralized borrowings) at the year-end are unsecured and settlement occurs in cash.

**NOTE 28: DISCLOSURE OF THE ASSETS, WHETHER TANGIBLE OR INTANGIBLE, PROVIDED BY CANARA BANK**

The Company is paying 1% of total disbursements made in a financial year to Canara Bank as Management Fees as per master JV Agreement between Ministry of Education & Canara Bank. The Canara bank is providing following service under the management service and Fee charged all service put together and not defined for each categories of the service.

- Premises for office.
- Required Computer and Other Office Equipment (referred below).
- Software and other intangible Asset required for operation.
- Manpower for running the business.
- Management of finance operation end to end.

**LIST OF TANGIBLE ASSETS PROVIDED BY CANARA BANK**

SLNo	Particulars	Quantity
1	Personal Computer's	18
2	Printer bizhub	1
3	HP Scanner + Printer	3
4	Lenovo Tablet	15
5	ERP Software	2



**NOTE 29: CAPITAL MANAGEMENT**

The primary objectives of the Company's capital management policy are to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ratings and healthy capital ratios in order to support its business and to maximise shareholder value.

The Company manages its capital structure and makes adjustments to it according to changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the return capital to shareholders or issue capital securities. No changes have been made to the objectives, policies and processes from the previous years. However, they are under constant review by the Board.

Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
Capital Fund		
Tier -1	6,131.75	5,470.16
Tier -2	-	-
Total Capital Fund	6,131.75	5,470.16
Risk weighted assets (along with the adjusted value of Balance sheet items including Accrued Interest)	8,007.03	6,454.44
CRAR	76.58%	84.75%
CRAR - Tier I Capital	76.58%	84.75%
CRAR - Tier II Capital	0.00%	0.00%

**NOTE 30: FINANCIAL INSTRUMENTS  
FAIR VALUE MEASUREMENT**

i) **Valuation principles** : Fair value 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, regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

ii) **Valuation governance** : The Company's process to determine fair values is part of its periodic financial close process. The Board exercises the overall supervision over the methodology and models to determine the fair value as part of its overall monitoring of financial close process and controls. The responsibility of ongoing measurement resides with business units. Once submitted, fair value estimates are also reviewed and challenged by the Risk and Finance functions.

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

Particulars	Carrying Value		Fair Value	
	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
<b>Financial Assets</b>				
Cash and Cash Equivalents	0.15	0.04	0.15	0.04
Bank Balance other than (a) above	77.32	71.84	77.32	71.84
Loans	7,855.44	6,334.05	7,855.44	6,334.05
Other Financial Assets	152.26	120.62	152.26	120.62
<b>Total Financial Assets</b>	<b>8,085.17</b>	<b>6,526.55</b>	<b>8,085.17</b>	<b>6,526.55</b>
<b>Financial Liabilities</b>				
Payables	43.36	55.04	43.36	55.04
Borrowings (Other than Debt Securities)	1,911.40	995.71	1,911.40	995.71
Other Financial Liabilities	0.13	2.42	0.13	2.42
<b>Total Financial Liabilities</b>	<b>1,954.89</b>	<b>1,053.17</b>	<b>1,954.89</b>	<b>1,053.17</b>

Note :

The management assessed that cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Borrowings: fixed rate loans, the carrying values are a reasonable approximation of their fair value.

**NOTE 31: RISK MANAGEMENT**

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 risk associated with the financial assets and liabilities. The Board of Directors of the company are responsible for the overall risk management approach, approving risk management strategies and principles. The company has a risk management policy which covers all the risk associated with its assets and liabilities.

The Company has 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 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.

**Credit risk**

Credit risk is the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's main income generating activity is lending to customers and therefore credit risk is a principal risk. Credit risk mainly arises from loans and advances.

The credit risk management policy of the Company seeks to have following controls and key metrics that allows credit risks to be identified, assessed, monitored and reported in a timely and efficient manner in compliance with regulatory requirements.

Company gives Loan only to Educational institutions under higher education, school education and institutions under Ministry of Education. The Company has robust accounts receivable collection mechanism which has ensured zero level of credit risk since inception. The Company maintaining an appropriate credit administration and loan review system.

The following table gives details in respect of % of revenue generated from top customer and top 5 customers:

Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
Revenue from top customer	36.99	28.08
Revenue from top 5 customers	171.91	117.09





**Credit risk exposure**

There is no requirement for providing for expected credit loss as the Company has robust collection mechanism and has not written off any amount due to client credit risk exposure.

**Asset & Liability management**

Asset and Liability Management (ALM) is defined as the practice of managing risks arising due to mismatches in the asset and liabilities. Company's funding consists of both long term as well as short term sources with different maturity patterns and varying interest rates. On the other hand, the asset book also comprises of loans of different duration and interest rates. Maturity mismatches are therefore common and has an impact on the liquidity and surplus of the company. It is necessary for Company's to monitor and manage the assets and liabilities in such a manner to minimize mismatches and keep them within reasonable limits.

**Liquidity Risk :**

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

**Maturity pattern of assets and liabilities as on 31 March, 2021:**

Particulars	1-30 days	31D to 3M	3M to 6M	6M to 1Y	1Y to 3Y	3Y to 5Y	Over 5Y	Total
Borrowings (Other than Debt Securities)	-	125.09	-	100.00	400.00	400.00	886.31	1,911.40
Loans	148.41	300.25	494.32	942.98	1,225.00	1,225.00	3,519.48	7,855.44

The loans tenure is for 10 years having 20 equal installments i.e. Sanction amount divided by 20 installments and interest will accrue monthly and paid

**Maturity pattern of assets and liabilities as on 31 March, 2020:**

Particulars	1-30 days	31D to 3M	3M to 6M	6M to 1Y	1Y to 3Y	3Y to 5Y	Over 5Y	Total
Borrowings (Other than Debt Securities)	-	995.71	-	-	-	-	-	995.71
Loans	116.17	189.15	598.81	780.92	2,213.64	1,405.47	1,029.89	6,334.05

**Market Risk**

Market Risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market factor. Such changes in the values of financial instruments may result from changes in the interest rates, credit, liquidity, and other market changes. The Company exposure to market is very minimal due to Interest rate are fixed and paid by the Ministry of Education.

**Operational and business risk**

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to operate effectively, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The Company cannot expect to eliminate all operational risks, but it endeavours to manage these risks through a control framework and by monitoring and responding to potential risks. Controls include effective segregation of duties, access, authorisation and reconciliation procedures, staff education and assessment processes, such as the use of internal audit.

**NOTE 32: PROVISIONS AND CONTINGENCIES**

Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
Provision for Standard Assets	-	-
Provision made towards Current Tax	-	-

**NOTE 33: DRAW DOWN FROM RESERVES**

Details of Draw down from reserves, if any, are provided in Statement of Changes in Equity to these financial statements.

**NOTE 34: CONCENTRATION OF ADVANCES, EXPOSURES AND NPAs****i) Concentration of Advances**

Particulars	As at 31.03.2021	As at 31.03.2020
Total advances to twenty largest borrowers (Disbursed)	7,064.66	5,480.23
Percentage of advances to twenty largest borrowers to total advances of the Company	62.47%	71.97%

**ii) Concentration of Exposures**

Particulars	As at 31.03.2021	As at 31.03.2020
Total exposure to twenty largest borrowers/customers	5,587.34	4,725.70
Percentage of exposures to twenty largest borrowers/customers to total exposure of the Company on borrowers/customers	69.78%	74.61%

**iii) Concentration of NPAs**

Particulars	As at 31.03.2021	As at 31.03.2020
Total exposure to top four NPA accounts	-	-

**iv) Sector-wise NPAs**

Particulars	As at 31.03.2021	As at 31.03.2020
Agriculture & allied activities	0%	0%
MSME	0%	0%
Corporate borrowers	0%	0%
Services	0%	0%
Unsecured personal loans	0%	0%
Auto loans	0%	0%
Other personal loans	0%	0%



v) Movement of NPAs

Particulars	As at 31.03.2021	As at 31.03.2020
I) Net NPAs to Net Advances (%)	0%	0%
II) Movement of NPAs (Gross)		
a) Opening balance	-	-
b) Addition during the year	-	-
c) Reduction during the year	-	-
d) Closing balance	-	-
III) Movement of NPAs (Net)		
a) Opening balance	-	-
b) Addition during the year	-	-
c) Reduction during the year	-	-
d) Closing balance	-	-
IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
a) Opening balance	-	-
b) Provision made during the year	-	-
c) Write-off/write-back of excess provisions	-	-
d) Closing balance	-	-

NOTE 35: CUSTOMER COMPLAINTS

Particulars	As at 31.03.2021	As at 31.03.2020
No. of complaints pending at the beginning of the year	-	-
No. of complaints received during the year	-	-
No. of complaints redressed during the year	-	-
No. of complaints pending at the end of the year	-	-

NOTE 36: DERIVATIVES DISCLOSURES AS PER RBI

As at 31 March, 2021 and 31 March, 2020, the Company was not having any outstanding derivatives transaction.

NOTE 37: MISCELLANEOUS

- i) No penalties have been imposed by RBI and other Regulators during the year ended 31 March, 2021, 31 March, 2020
- ii) The Company is registered with the following Financial Sector Regulators (Financial Sector Regulators as described by Ministry of Finance)
- a) Reserve Bank of India
- b) Ministry of Finance (Financial Intelligence Unit) - FINBF15251
- Others Registrations
- a) Central Registry of Securitisation Asset Reconstruction and Security Interest of India(CERSAI) - IN2805
- b) Legal Entity Identifier (LEI) - 984500DB0605ESD5B063

iii) Ratings assigned by credit rating agencies and migration of ratings during the year

Credit rating Agency	Type of Facility	As at 31.03.2021	As at 31.03.2020
ICRA	Loan	[ICRA]AA- (Positive)	[ICRA]AA- (Stable)

NOTE 38: EXPENDITURE IN FOREIGN CURRENCY

There is no expenditure incurred during the year 2020-21 and 2019-20

NOTE 39: FRAUD

During the year and previous year there have been no fraud reported or identified by the management.

NOTE 40: BALANCE OF INSTITUTE ESCROW ACCOUNT WITH BANK

Particulars	As at 31.03.2021	As at 31.03.2020
Balance in principal and Interest Repayment Account		
(For availing the proposed loan, every institute (borrowers) has to open an escrow account with the Canara bank by crediting the instalment/interest, known as the "Principal and Interest Repayment account" "The Escrow amount received in the principal and interest repayment with Canara bank is to be invested first in short term deposit as per the borrower's instruction till the period for the purpose of coinciding with the due date of term loan repayment.)	1,524.00	1,275.38



**NOTE 41: SUBSEQUENT EVENT - IMPACT OF COVID-19**

Consequent to the outbreak of the COVID-19 pandemic, the Indian government announced a lockdown in March 2020. Subsequently, the national lockdown was lifted by the government, but regional lockdowns continue to be implemented in areas with a significant number of COVID-19 cases. The impact of COVID-19, including changes in customer behaviour and pandemic fears, as well as restrictions on business and individual activities, has led to significant volatility in global and Indian financial markets and a significant decrease in global and local economic activities. The extent to which the COVID 19 pandemic, including the current "second wave" that has significantly increased the number of cases in India, will continue to impact the on ongoing as well as future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by us.

**Impact on the Company Operations**

**Loan Repayment :** As of now there is no impact on the Company business, as 70% to 80% of the loan repayment is to be made by government & balance by Government Educational Institute and one instalment will be as advance in Escrow Account always.

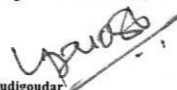
**Loan Disbursement :** Disbursement of loan is impacted as construction and other civil work have slowed down due to lockdown.

**NOTE 42: PROPERTY, PLANT AND EQUIPMENT(PPE)**

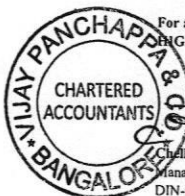
Company does not own any asset however Company use the tangible and intangible Assets of Canara bank which is the part of management service as per master JV Agreement where Canara Bank has to manage the entire operation including bringing asset required in such operation. All assets are owned by the Canara Bank and hence are not capitalized by the Company.

**NOTE 43:** Previous year's figures have been regrouped, reclassified & rearranged to conform to current period presentation wherever necessary.

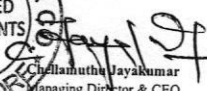
**FOR VIJAY PANCHAPPA & CO.**  
Chartered Accountants  
Firm's Registration No. 004693 S

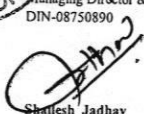
  
**P M Mudigoudar**  
Partner  
M. No.- 204096

Place : Bengaluru  
Date: 30th June 2021




For and on behalf of the Board of  
**HIGHER EDUCATION FINANCING AGENCY**

  
**Chellamuthu Jayakumar**  
Managing Director & CEO  
DIN-08750890

  
**Shalish Jadhav**  
Chief Financial Officer  
AIPPJ1091H

  
**Amit Khare**  
Chairman  
DIN-07225648

  
**Santosh Kumar Barik**  
Company Secretary  
ANSPB4757E