

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	cfo@hefa.co.in
Whether Listed or not	Unlisted
Date of last AGM	21/09/2021
Date of Balance Sheet	31/03/2022
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	30000000000	16/12/2020	-	OPEN
Book debts	170000000000	29/12/2021	-	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	
8193978	DEBASHISH MUKHERJEE	01/02/2019	
8750890	CHELLAMUTHU JAYAKUMAR	01/06/2020	
1425921	RAJESH BHUSHAN	31/07/2020	
7078936	VINEET JOSHI	18/11/2020	
3532374	SANJAY MURTHY KONDRU	01/10/2021	
AIPPJ1091H	SHAIKESH 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]

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

**BALANCE SHEET AS AT MARCH 31, 2022**

	Particulars	Note No.	As at 31.03.2022	As at 31.03.2021
	<b>ASSETS</b>			
(1)	<b>Financial Assets</b>			
(a)	Cash and Cash Equivalents	3	2,652.07	0.15
(b)	Bank Balance other than (a) above	4	-	77.32
(c)	Loans	5	5,138.55	7,855.44
(d)	Other Financial Assets	6	97.12	152.26
	<b>Total Financial Assets</b>		<b>7,887.74</b>	<b>8,085.17</b>
(2)	<b>Non-financial Assets</b>			
(a)	Current Tax Assets (Net)	7	8.52	4.23
(b)	Property, Plant and Equipment		-	-
(c)	Other Non-Financial Assets		-	-
	<b>Total Non-Financial Assets</b>		<b>8.52</b>	<b>4.23</b>
	<b>Total Assets</b>		<b>7,896.26</b>	<b>8,089.40</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		30.66	43.36
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises			
(b)	Borrowings (Other than Debt Securities)	9	1,282.57	1,911.40
(c)	Other Financial Liabilities	10	1.13	0.13
	<b>Total Financial Liabilities</b>		<b>1,314.36</b>	<b>1,954.89</b>
(2)	<b>Non-Financial Liabilities</b>			
(a)	Contingent Provisions Against Standard Assets	11	-	-
(b)	Other Non-Financial Liabilities	12	2.63	2.76
	<b>Total Non-Financial Liabilities</b>		<b>2.63</b>	<b>2.76</b>
(3)	<b>Equity</b>			
(a)	Equity Share Capital	13(A)	5,293.75	5,293.75
(b)	Other Equity	13(B)	1,285.52	838.00
	<b>Total Equity</b>		<b>6,579.27</b>	<b>6,131.75</b>
	<b>Total Liabilities and Equity</b>		<b>7,896.26</b>	<b>8,089.40</b>

The accompanying notes are 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



*[Signature]*  
**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]*  
**K. Sanjay Murthy**  
 Chairman  
 DIN-3532374

Place : Bengaluru  
 Date : 2nd June 2022

*[Signature]*  
**Shailesh/ Jadhav**  
 Chief Financial Officer  
 AIPPJ1091H

*[Signature]*  
**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]

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

**STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED MARCH 31, 2022**

	Particulars	Note No.	For the year ended 31.03.2022	For the year ended 31.03.2021
	<b>Income :</b>			
(I)	<b>Revenue from Operations</b>			
	Interest Income			
	<b>Total Revenue from Operations</b>	14	589.34	597.35
			<b>589.34</b>	<b>597.35</b>
(II)	<b>Other Income</b>	15	-	0.06
(III)	<b>Total Income (I+II)</b>		<b>589.34</b>	<b>597.41</b>
(IV)	<b>Expenditure</b>			
(a)	Finance Costs	16	103.54	109.46
(b)	Impairment on Financial Instruments	17	1.56	-
(c)	Employee Benefits Expenses		-	-
(d)	Depreciation, Amortization and Impairment		-	-
(e)	Others Expenses		-	-
	<b>Total Expenses (IV)</b>	18	36.72	46.36
			<b>141.82</b>	<b>155.82</b>
(V)	<b>Excess of Income over Expenditure(Surplus) before Exceptional Items and Tax (III-IV)</b>		447.52	441.59
(VI)	<b>Exceptional items</b>		-	-
(VII)	<b>Surplus Before Tax (V -VI)</b>		-	-
(VIII)	<b>Tax Expense:</b>		<b>447.52</b>	<b>441.59</b>
	(1) Current Tax	21	-	-
	(2) Deferred Tax	21	-	-
(IX)	<b>Excess of Income over Expenditure(Surplus) for the year (VII - VIII)</b>		447.52	441.59
(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> (Comprising Surplus and other Comprehensive Income for the year)		<b>447.52</b>	<b>441.59</b>
	<b>Earnings per Equity Share</b>	19		
	Basic (Rs.)		0.85	0.84
	Diluted (Rs.)		0.85	0.84

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

In terms of our report attached.

**FOR VIJAY PANCHAPPA & CO**

Chartered Accountants

Firm's Registration No. 004935



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

Place : Bengaluru  
Date : 2nd June 2022

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

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

*Shailesh Jadhav*  
Shailesh Jadhav  
Chief Financial Officer  
AIPPJ1091H

*K. Sanjay Murthy*  
K. Sanjay Murthy  
Chairman  
DIN-3532374

*Santosh Kumar Barik*  
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 &amp; Government Company]

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

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022**

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>A. Cash Flow from Operating Activities</b>		
Net Surplus before Taxation	447.52	441.59
<b>Adjustments for:</b>		
Interest Income from Banks	(3.02)	(3.53)
Finance Costs	103.54	109.46
Impairment on Financial Instruments	1.56	-
<b>Operating Surplus before working capital changes</b>	549.60	547.52
<b>Changes in Working Capital:</b>		
(Increase)/Decrease in Other Non-Financial Assets	-	-
(Increase)/Decrease in Other Financial Assets	54.65	(31.38)
(Increase)/Decrease in Loans	2715.33	(1521.39)
Increase/(Decrease) in Trade Payables	-12.70	-11.68
Increase / (decrease) in Other Financial Liabilities	1.00	-2.29
Increase/(Decrease) Provisions	-	-
Increase/(Decrease) in Other Non-Financial Liabilities	(0.13)	(2.37)
<b>Cash generated from Operations</b>	3307.75	(1021.59)
Net Income Taxes Paid	(4.29)	(2.32)
<b>Net cash generated from operating activities - A</b>	3303.46	(1023.91)
<b>B. Cash Flow from Investing Activities</b>		
Bank Balances not considered as Cash and Cash Equivalent	77.32	-5.48
Interest Received	3.51	3.27
<b>Net Cash from Investing Activities-B</b>	80.83	-2.21
<b>C. Cash flow from Financing Activities</b>		
Proceed from Term Loan	-628.83	915.69
Repayment of Term Loan	-	220.00
Proceeds from issue of Equity Share	-	-
Share premium on Equity Shares Allotted	-	-
Finance Cost Paid	(103.54)	(109.46)
<b>Net Cash raised in Financing Activities-C</b>	-732.37	1,026.23
<b>Net Increase in Cash and Cash Equivalents (A+B+C)</b>	2651.92	0.11
<b>Cash and Cash Equivalents at the beginning of the year</b>	0.15	0.04
<b>Cash and Cash Equivalents at the end of the year</b>	2652.07	0.15

The accompanying notes are 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



*[Signature]*  
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]*  
K. Sanjay Murthy  
Chairman  
DIN-3532374

*[Signature]*  
Shafiq Jadhav  
Chief Financial Officer  
AIPPJ1091H

*[Signature]*  
Santosh Kumar Barik  
Company Secretary  
ANSPB4757E

Place : Bengaluru  
Date : 2nd June 2022

**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 31.03.2022	As at 31.03.2021
Balance at the beginning of the reporting Year	5,293.75	5,073.75
Issued during the year	-	220.00
<b>Balance at the end of the reporting period</b>	<b>5,293.75</b>	<b>5,293.75</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	-	167.60	32.03	638.37	838.00
Surplus for the year	-	-	-	447.52	447.52
Other comprehensive income for the year (net of tax)	-	-	-	-	-
Transfer to special reserve u/s 45 IC of the RBI Act, 1934	-	89.50	-	(89.50)	-
Released to Impairment Reserve	-	-	(12.64)	12.64	-
<b>Balance at the end of the reporting period</b>	-	<b>257.1</b>	<b>19.39</b>	<b>1,009.03</b>	<b>1285.52</b>

The accompanying notes are 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

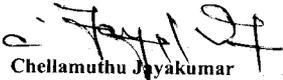
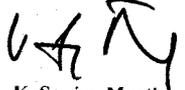
Partner

M. No.- 204096

Place : Bengaluru

Date : 2nd June 2022

For and on behalf of the Board of

**HIGHER EDUCATION FINANCING AGENCY**  
Chellamuthu Jayakumar  
Managing Director & CEO  
DIN-08750890  
K. Sanjay Murthy  
Chairman  
DIN-3532374  
Shailesh Jadhav  
Chief Financial Officer  
AIPPJ1091H  
Santosh Kumar Barik  
Company Secretary  
ANSPB4757E

## HIGHER EDUCATION FINANCING AGENCY

(CIN:U74999K2017NPL103474)

(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 (MOE) and Canara Bank, pursuant to Certificate of Incorporation issued by the Registrar of Companies dated 31st May 2017 (CIN:U74999K2017NPL103474) with an object of financing India's higher education institutions.

HEFA is engaged in providing timely finance at competitive interest rates for capital assets creation in India's higher educational institutions and supplement it with grants by channelizing CSR funds from the corporate and donations from others. At present, the company is functionally managed by Canara Bank.

HEFA would incentivise better internal resource generation and at the same time allow substantial investments through market borrowings that can be repaid over a longer period.

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 and a renewal application has been made on 10.03.2022

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 Tower No.51 1st Cross J. C.Road Bangalore -560027 Karnataka

### 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 amount 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 and Ministry of Health and Family Welfare 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 be 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**

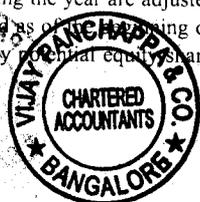
Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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 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 to have been outstanding from the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only dilutive 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. A renewal application for 12AB has been made on 10.03.2022. The Company is prohibited by its objective 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**

(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)

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED MARCH 31,2022****3 CASH AND CASH EQUIVALENTS**

Particulars	As at	
	31.03.2022	31.03.2021
<b>Cash and Cash equivalents</b>		
Cash on hand	-	-
Balances with Banks		
In Savings Account	2,650.08	-
in Current Account	1.10	0.15
In CSR Unspent Account*	0.89	-
Bank deposit with maturity of less than 3 months	-	-
<b>Total</b>	<b>2,652.07</b>	<b>0.15</b>

\* CSR fund available in CSR Unspent Account is towards ongoing projects sanctioned under CSR by the company.

**4 BANK BALANCE OTHER THAN ABOVE**

Particulars	As at	
	31.03.2022	31.03.2021
Deposits with original maturity for more than 3 months but less than 12 months	-	77.32
<b>Total</b>	<b>-</b>	<b>77.32</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	
	31.03.2022	31.03.2021
Interest accrued on loan portfolio (Secured, considered good)	96.71	151.59
Interest accrued on loan portfolio (Unsecured, considered good)	-	-
Interest accrued on fixed deposits and investment	-	0.49
Other Receivables *	0.41	0.18
<b>Total</b>	<b>97.12</b>	<b>152.26</b>

\*Excess TDS remitted to IT Dept. - Rs. 0.18 Cr.

Excess Interest charged on bank borrowings to be refunded- Rs. 0.23 Cr.

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

Particulars	As at	
	31.03.2022	31.03.2021
Advance tax and tax deducted at source (net of provisions)	8.52	4.23
<b>Total</b>	<b>8.52</b>	<b>4.23</b>



**HIGHER EDUCATION FINANCING AGENCY**

(CIN:U74999KA2017NPL103474)

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

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

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED MARCH 31,2022**

**5. LOAN**

Particulars	As at 31.03.2022					As at 31.03.2021				
	At Fair Value			Total	Total	At Fair Value			Total	Total
	Amortised Cost	Through Other Comprehensive Income	Through Surplus or Deficit	Designated at fair value through Surplus or Deficit		Amortised Cost	Through Other Comprehensive Income	Through Surplus or Deficit	Designated at fair value 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)	5,140.11	-	-	-	5,140.11	7,855.44	-	-	-	7,855.44
(ii) Others to be Specified										
<b>Total (A) - Gross</b>	<b>5,140.11</b>	-	-	-	<b>5,140.11</b>	<b>7,855.44</b>	-	-	-	<b>7,855.44</b>
Less : Impairment Loss Allowance	1.56	-	-	-	1.56	-	-	-	-	-
<b>Total (A) - Net</b>	<b>5,138.55</b>	-	-	-	<b>5,138.55</b>	<b>7,855.44</b>	-	-	-	<b>7,855.44</b>
(B)										
(i) Secured by receivables and Escrow account and equipment and furniture's purchased *	5,140.11	-	-	-	5,140.11	7,855.44	-	-	-	7,855.44
(ii) Covered by Bank/Government Guarantees	-	-	-	-	-	-	-	-	-	-
(iii) Unsecured	-	-	-	-	-	-	-	-	-	-
<b>Total (B) - Gross</b>	<b>5,140.11</b>	-	-	-	<b>5,140.11</b>	<b>7,855.44</b>	-	-	-	<b>7,855.44</b>
Less : Impairment Loss Allowance	1.56	-	-	-	1.56	-	-	-	-	-
<b>Total (B) - Net</b>	<b>5,138.55</b>	-	-	-	<b>5,138.55</b>	<b>7,855.44</b>	-	-	-	<b>7,855.44</b>
(C I) Loans in India										
(i) Public Sector	-	-	-	-	-	-	-	-	-	-
(ii) Others - Higher Education Institutions	5,140.11	-	-	-	5,140.11	7,855.44	-	-	-	7,855.44
<b>Total (C I) - Gross</b>	<b>5,140.11</b>	-	-	-	<b>5,140.11</b>	<b>7,855.44</b>	-	-	-	<b>7,855.44</b>
Less : Impairment Loss Allowance	1.56	-	-	-	1.56	-	-	-	-	-
<b>Total (C I) - Net</b>	<b>5,138.55</b>	-	-	-	<b>5,138.55</b>	<b>7,855.44</b>	-	-	-	<b>7,855.44</b>
(C II) Loans Outside India										
<b>Total (C II) - Gross</b>	-	-	-	-	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-	-	-	-	-
<b>Total (C II) - Net</b>	-	-	-	-	-	-	-	-	-	-

\*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 from 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.

Impairment Loss Allowance- The Company's impairment allowance is derived from estimates including default on interest payments. The company has considered a PD of 0.004 for calculating the impairment allowance.

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

	As at 31.03.2022			As at 31.03.2021		
	No of Projects	Sanction amount	Disbursed Amount	No of Projects	Sanction amount	Disbursed Amount
Project fully disbursed	6	1,241.98	1,241.98	1	35.00	35.00
Project partially disbursed	105	24,767.25	12,693.39	96	24,206.82	11,273.07
Project not disbursed	26	7,477.14	-	27	7,171.98	-
<b>Total</b>	<b>137</b>	<b>33,486.37</b>	<b>13,935.37</b>	<b>124</b>	<b>31,413.80</b>	<b>11,308.07</b>

**Summary of ECL provisions**

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Allowance for Impairment on Term Loans</b>		
(i) Term Loans (Civil works & Plant and Equipment)	1.56	-
<b>Total</b>	<b>1.56</b>	<b>-</b>



**Provision as per RBI Prudential Norms**

Particulars	As at 31.03.2022	As at 31.03.2021
Performing Assets		
Standard Assets	20.95	32.03
Non-Performing Asset (NPA)	-	-
<b>Total</b>	<b>20.95</b>	<b>32.03</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-22	31-Mar-21	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
Term Loans						
Performing Assets						
Standard Assets	5,140.11	7,855.44	20.95	32.03	5,119.16	7,823.41
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 judgement that is required for the estimates depends on the availability of detailed information.

Since inception, the company has not come across any default or any delay in repayment for more than 60 days. The company follows a strong escrow mechanism wherein the borrower escrows one advance instalment in their escrow account on the date of first disbursement. The interest charged on all loans are paid by the Ministry of Education. HEFA finances only the infrastructure requirements of higher educational Institutions under Ministry of Education, hence the chances of default is very minimal.

**Exposure at Default (EAD)**

The outstanding balance of penal charged accounts during F.Y 2021-22 at the reporting date is considered as EAD by the Company including accrued interest.

**Loss Given Default**

LGD is an estimate of the loss from a transaction given that a default occurs. Based on past performance, the recovery rate has been 100% and all accounts are Standard assets.

**Probability of default (PD):**

PD is defined as the probability of whether borrowers will default on their obligations in the future. For Assets in Stage 1, a 12 month PD is required.

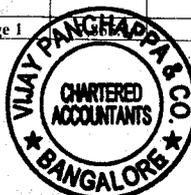
Based on the past trend, the company had not come across any default or delay in principal repayment by borrower Institutions. Though there has been delay in prompt payment of interest on loans. The company has worked out ECL as per the past trend and the nature of loan. As per workings the Company's impairment allowance is derived from estimates including default on interest payments. Collective impairment allowances are calculated using ECL model which approximate credit conditions on portfolios of loans. Thus, a minimum PD of 0.004 is considered taking into account the outstanding liability of penal charged accounts to the total outstanding liability as on 31.03.2022. As the Impairment allowance is lower than the provisioning of standard assets required under IRACP, the difference is appropriated to a separate Impairment Reserve.

**Asset classification and Provision Disclosure of Loan for March 31,2022**

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	5,140.11	1.56	5,138.55	20.95	(19.39)
<b>Subtotal</b>		<b>5,140.11</b>	<b>1.56</b>	<b>5,138.55</b>	<b>20.95</b>	<b>(19.39)</b>
Non-Performing Assets(NPA)						
Substandard, Doubtful, Loss Assets	Stage 3	-	-	-	-	-
Other items such as guarantees, 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	-	-	-	-	-
<b>Total</b>	<b>Stage 1</b>	<b>5,140.11</b>	<b>1.56</b>	<b>5,138.55</b>	<b>20.95</b>	<b>(19.39)</b>

**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)
<b>Subtotal</b>		<b>7,855.44</b>	<b>-</b>	<b>7,855.44</b>	<b>32.03</b>	<b>(32.03)</b>
Non-Performing Assets(NPA)						
Substandard, Doubtful, Loss Assets	Stage 3	-	-	-	-	-
Other items such as guarantees, 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	-	-	-	-	-
<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>



NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED MARCH 31,2022

8 TRADE PAYABLE

Particulars	As at 31.03.2022	As at 31.03.2021
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises*	30.66	43.36
<b>Total</b>	<b>30.66</b>	<b>43.36</b>

\* Management Fees payable excluding TDS - Rs. 23.65 Cr.  
GST on Management Fees payable - Rs. 4.73 Cr.  
CSR Unspent Account - Rs. 2.27 Cr.  
Audit Fees payable- Rs. 0.02 Cr.

Particulars	Less than 1 year	1-2 year	2-3 year	2-3 year	Total
1. Dues of micro enterprises and small enterprises	-	-	-	-	-
2.Others	29.66	0.80	0.20	-	30.66
3.Disputed dues – MSME	-	-	-	-	-
4.Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>29.66</b>	<b>0.80</b>	<b>0.20</b>	<b>-</b>	<b>30.66</b>

9 BORROWINGS (OTHER THAN DEBT SECURITIES)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>At amortised cost:</b>		
(a) Term Loan -Indian Rupee Loan from Banks (Secured)	1,282.57	1,911
(b) Working Capital Demand Loan Indian rupee loan from banks (Unsecured)*	-	-
(c) Loans from related parties	-	-
<b>Total</b>	<b>1,282.57</b>	<b>1,911.40</b>
Borrowings in India	1,282.57	1,911.40
Borrowings outside India	-	-
<b>Total</b>	<b>1,282.57</b>	<b>1,911.40</b>

Security : Hypothecation of receivables in respect of the specified standard loan assets of HEFA with an asset coverage ratio of 1.00 times  
The company has closed all the secured Term Loans from banks on 04.04.2022

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

As at 31 March, 2022		
Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Above 2 year	5.50% - 6%	894.61
Due within 1-2 years	5.50% - 6%	60.00
Due within 3month - 1 years	5.50% - 6%	127.96
Due within 3 Month*	5.50% - 6%	200.00
<b>Total</b>		<b>1282.57</b>
Effective interest rate adjustment**		-
<b>Net Amount</b>		<b>1282.57</b>

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



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

As at 31 March, 2021		
Tenure (from the date of Balance Sheet)	Rate of Interest	Amount
Above 2 year	6.65%	1,486.31
Due within 1-2 years	6.65%	200.00
Due within 1 years	6.65%	100.00
Due within 3 Month*	6%-6.65%	125.09
<b>Total</b>		<b>1,911.40</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 date of 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.

10 OTHER FINANCIAL LIABILITIES

Particulars	As at 31.03.2022	As at 31.03.2021
Interest accrued on Borrowings	1.13	0.13
<b>Total</b>	<b>1.13</b>	<b>0.13</b>

11 CONTINGENT PROVISIONS AGAINST STANDARD ASSETS

Particulars	As at 31.03.2022	As at 31.03.2021
Provisions on Standard Assets	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

12 OTHER NON-FINANCIAL LIABILITIES

Particulars	As at 31.03.2022	As at 31.03.2021
Statutory Dues Payable		
TDS On Management Fee	2.63	2.76
Other Payables	-	-
<b>Total</b>	<b>2.63</b>	<b>2.76</b>



NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED MARCH 31,2022

13(A) EQUITY SHARE CAPITAL

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Authorised</b> (1000000000(31.3.2021 - 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 (31.3.2021 : 5,293,750,000 ) equity shares of Rs.10 each issued & fully paid)	5,293.75	5,293.75
<b>Total Issued and Subscribed and fully Paid-up</b>	<b>5,293.75</b>	<b>5,293.75</b>

Reconciliation of number of Shares

Equity Shares:	As at 31.03.2022		As at 31.03.2021	
	Number of Shares	Amount	Number of Shares	Amount
Balance as at the beginning of the previous year	5,29,37,50,000	5,293.75	5,07,37,50,000	5,073.75
Add: Shares issued during the year	-	-	22,00,00,000	220.00
<b>Balance as at the end of the year</b>	<b>5,29,37,50,000</b>	<b>5,293.75</b>	<b>5,29,37,50,000</b>	<b>5,293.75</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 and Shareholding of Promoter.

Particulars	As at 31.03.2022		As at 31.03.2021	
	No. of shares	% holding in	No. of shares	% holding in
1. Ministry of Education (Government of India)	4,81,25,00,000	90.91	4,81,25,00,000	90.91
2. Canara Bank	48,12,50,000	9.09	48,12,50,000	9.09
	<b>5,29,37,50,000</b>	<b>100.00</b>	<b>5,29,37,50,000</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. There is no movement in Shareholding of Promoter.

13(B) OTHER EQUITY

Particulars	As at 31.03.2022		As at 31.03.2021	
<b>1. Statutory Reserve pursuant to Section 45-IC of the RBI Act, 1934 (Refer Note 1 below)</b>				
Opening balance	167.60		79.28	
Add: Transfer from surplus balance in the Statement of Income and Expenditure	89.50		88.32	
<b>Balance as at the end of the year</b>		<b>257.10</b>		<b>167.60</b>
<b>2. Impairment Reserve (Refer Note 2 below)</b>				
Opening balance	32.03		25.82	
Add: Released to surplus balance in the Statement of Income and Expenditure	-12.64	19.39	6.21	32.03
<b>Balance as at the end of the year</b>				
<b>3. Retained Earnings</b>				
Opening balance	638.37		291.31	
Add: Surplus for the year	447.52		441.59	
Less: Appropriation				
Transfer to Statutory Reserve	89.50		88.32	
Released from Impairment Reserve	-12.64		6.21	
<b>Balance as at the end of the year</b>		<b>1,009.03</b>		<b>638.37</b>
<b>4. Other Comprehensive Income</b>				
Opening balance	-		-	
Movements during the year	-		-	
<b>Balance as at the end of the year</b>				
<b>Total</b>		<b>1,285.52</b>		<b>838.00</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.89.51 Crores (2021-88.32 Cr.) 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.



NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR YEAR ENDED MARCH 31,2022

14 INTEREST INCOME

Particulars	For Year Ended 31.03.2022	For Year Ended 31.03.2021
On financial assets measured at amortised cost:		
Interest on Loans	586.32	593.82
Interest On Deposit/Savings	3.02	3.53
<b>Total*</b>	<b>589.34</b>	<b>597.35</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 2022 and 31 March, 2021 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 31.03.2022	For Year Ended 31.03.2021
<b>Revenue by products / services</b>		
Interest on Loans	586.32	593.82
Others-Interest on Deposits with Bank	2.31	3.53
Interest on Savings with Bank	0.71	
<b>Total Revenue from operations</b>	<b>589.34</b>	<b>597.35</b>

15 OTHER INCOME

Particulars	For Year Ended 31.03.2022	For Year Ended 31.03.2021
Others		0.06
<b>Total</b>		<b>0.06</b>

16 FINANCE COSTS

Particulars	For Year Ended 31.03.2022	For Year Ended 31.03.2021
On financial assets measured at amortised cost:		
Interest on borrowings	103.54	109.46
<b>Total</b>	<b>103.54</b>	<b>109.46</b>

17 IMPAIRMENT / PROVISION ON FINANCIAL INSTRUMENTS

Particulars	For Year Ended 31.03.2022	For Year Ended 31.03.2021
On financial assets measured at amortised cost:		
Loans :		
- Standard assets	1.56	
<b>Total</b>	<b>1.56</b>	

18 OTHER EXPENSES

Particulars	For Year Ended 31.03.2022	For Year Ended 31.03.2021
Audit Fees		
Management Fees*	0.02	0.02
Rates and taxes	26.27	36.78
Legal and professional charge	4.83	6.83
Other expenditure		
CSR Expenditure	0.07	0.03
<b>Total</b>	<b>5.53</b>	<b>2.70</b>

\* Refer Note No. 28

Note (i) Payment to auditor:

Particulars	For Year Ended 31.03.2022	For Year Ended 31.03.2021
As auditors:		
Statutory audit fee		
Taxation matters	0.02	0.02
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 31.03.2022	For Year Ended 31.03.2021
Gross Amount required to be spent by the Company during the year	5.53	2.70

Financial Year	Gross Amount to be spent in the Financial Year	Amount spent in the reporting Financial Year		Amount remaining to be spent in succeeding Financial Years
		2020-21	2021-22	
2021-2022				
2020-2021	5.53	0.00	4.15	1.38
2020-2021	2.70	0.00	1.81	0.89
<b>Total</b>	<b>8.23</b>	<b>0.00</b>	<b>5.96</b>	<b>2.27</b>



**Note (iii) Disclosure of CSR expenditure**

	F.Y 2021-22	F.Y 2020-21
Amount Required to be spent by the company		
Amount of Expenditure incurred	5.53	2.70
Shortfall at the end of the year	5.53	2.70
Total of previous years shortfall	Nil	Nil
Reason for Shortfall	NA	NA
Nature of CSR Activities	PM Cares contribution - Rs. 4.15 Cr.  Promoting Research in Centrally funded higher education Institutes- Rs. 1.38 Cr.	Promoting Research in Centrally funded higher education Institutes Rs. 2.70 Cr.
Details of related party transaction e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	NA	NA
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately.	Provision is made for an amount of Rs. 1.38 Cr. and credited to CSR Unspent Account as the amount is sanctioned for ongoing research projects in centrally funded Institutes.	Provision is made for an amount of Rs. 2.70 Cr. and credited to CSR Unspent Account as the amount is sanctioned for ongoing research projects in centrally funded Institutes.



**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	For the	For the year
	year ended	ended
	31.03.2022	31.03.2021
Net surplus for calculation of basic earnings per share	447.52	441.59
Weighted average number of equity shares in calculating basic earnings per share (Nos.)	529.38	524.98
Nominal Value per share (Rs.)	10.00	10.00
Basic Earnings Per Share (Rs.)	0.85	0.84
Diluted Earnings Per Share (Rs.)	0.85	0.84

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

Particulars	For the	For the year
	year ended	ended
	31.03.2022	31.03.2021
Claims not acknowledged as debts	-	-
Guarantees given on behalf of constituents - in India	-	-
Undisbursed Commitment	7,461.75	7,899.17
L.C. Commitment to vendor on behalf of Institute [Refer Note Below]	178.13	271.00
<b>Total</b>	<b>7,639.88</b>	<b>8,170.17</b>

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

The Undisbursed commitment amount pertains to loan accounts wherein loan documents have been executed. As disbursements under Window IV & V have been discontinued w.e.f 01.10.2020, the amount sanctioned to the Institutions under Window IV & V is not included in the undisbursed commitment amount.

**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. The Company has applied for renewal of the Registration under Section 12AA of the Income Tax Act on 10.03.2022.

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 from 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, 2022 there is no Employee on the Roll of the Company and all the operations are managed by the employees deputed from Canara Bank.

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

Particulars	As at 31.03.2022			As at 31.03.2021		
	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	2,652.07	-	2,652.07	0.15	-	0.15
Bank Balance other than (a) above	-	-	-	77.32	-	77.32
Loans	1,984.33	3,154.22	5,138.55	1,885.96	5,969.48	7,855.44
Other Financial Assets	97.12	-	97.12	152.26	-	152.26
<b>Non-financial Assets</b>						
Current Tax Assets (Net)	-	8.52	8.52	-	4.23	4.23
Property, Plant and Equipment	-	-	-	-	-	-
Other Non-Financial Assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>4,733.52</b>	<b>3,162.74</b>	<b>7,896.26</b>	<b>2,115.69</b>	<b>5,973.71</b>	<b>8,089.40</b>
<b>LIABILITIES</b>						
Financial Liabilities						
Payables	30.66	-	30.66	43.36	-	43.36
Borrowings (Other than Debt Securities)	327.96	954.61	1,282.57	225.09	1,686.31	1,911.40
Other Financial Liabilities	1.13	-	1.13	0.13	-	0.13
<b>Non-Financial Liabilities</b>						
Provisions	-	-	-	-	-	-
Other Non-Financial Liabilities	2.63	-	2.63	2.76	-	2.76
<b>Total Liabilities</b>	<b>362.38</b>	<b>954.61</b>	<b>1,316.99</b>	<b>271.34</b>	<b>1,686.31</b>	<b>1,957.65</b>
<b>Net</b>	<b>4,371.14</b>	<b>2,208.13</b>	<b>6,579.27</b>	<b>1,844.35</b>	<b>4,287.40</b>	<b>6,131.75</b>



**NOTE 24: CHANGE IN LIABILITIES ARISING FROM FINANCING ACTIVITIES**

**Changes in liabilities arising from financing activities**

Particulars	As at 31.3.2022	Cash Inflow	Cash Outflow	As at 31.3.2021
Borrowings (Other than Debt Securities)	1,282.57	517.00	1,145.83	1,911.40
<b>Total</b>	<b>1,282.57</b>	<b>517.00</b>	<b>1,145.83</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.foot on sub lease basis from Canara Bank for functioning of its office and the lease deed was executed on 27th of October 2020 with them for three years w.e.f 2nd November 2020 for 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 2020-2021 and 2021-2022.

**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 balances with:

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

Name of related party	Nature of transaction	For the year ended 31.03.2022	For the year ended 31.03.2021
<b>Transactions with related parties</b>			
Canara Bank	Management Service Fee	26.27	36.78
	Capital Contribution	-	20.00
	Borrowings during the year	268.00	-
	Interest Paid on Borrowings	2.80	-
<b>Amount payable to related parties:</b>			
Canara Bank	Borrowings (Outstanding)	267.96	-
Canara Bank	Trade Payable	26.27	40.64
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.

**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. 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**

Sl.No	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: LIQUIDITY COVERAGE RATIO (LCR) DISCLOSURE**

Disclosure pursuant to Reserve Bank of India Circular DOR.NBFC (PD) CC. No.102/03.10.001 /2019-20 dated November 4, 2019 pertaining to Liquidity Risk Management Framework for Non-Banking Financial Companies.

The RBI has issued guidelines on Liquidity Risk Management Framework for Non-Banking Financial Companies on November 04, 2019. As per the said guidelines, LCR requirement shall be binding on all non-deposit taking systemically important NBFCs with asset size of ₹ 5,000 crore and above from December 1, 2020, with the minimum LCR to be 30%, progressively increasing, till it reaches the required level of 100%, by December 1, 2024.

As per RBI guidelines, the company has been monitoring the LCR at daily intervals for the period from April 2021 to March 2022.

The Company follows the criteria laid down by RBI for calculation of High Quality Liquid Assets (HQLA), gross outflows and inflows within the next 30-day period. HQLA predominantly comprises cash and balance with other banks in current and savings account. All significant outflows and inflows determined in accordance with RBI guidelines are included in the prescribed LCR computation template.

The disclosure on Liquidity Coverage Ratio of the Company for the F.Y ended March 31, 2022 is as under:

SL.No.	Particulars	Mar. 22		Dec. 21		Sep. 21		Jun-21	
		Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)	Total Unweighted Value (Average)	Total Weighted Value (Average)
<b>High Quality Liquid Assets</b>									
1	**Total High Quality Liquid Assets (HQLA)	172.15	172.15	74.69	74.69	144.77	144.77	158.42	158.42
<b>Cash Outflows</b>									
2	Deposits (for deposit taking companies)	-	-	-	-	-	-	-	-
3	Unsecured wholesale funding	-	-	-	-	-	-	-	-
4	Secured wholesale funding	-	-	-	-	-	-	-	-
5	Additional requirements, of which	-	-	-	-	-	-	-	-
i)	Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
ii)	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
iii)	Credit and liquidity facilities	-	-	-	-	-	-	-	-
6	Other contractual funding obligations	326.67	375.67	224.67	258.37	276.67	318.17	296.66	341.16
7	Other contingent funding obligations	-	-	-	-	-	-	-	-
8	<b>TOTAL CASH OUTFLOWS</b>	<b>326.67</b>	<b>375.67</b>	<b>224.67</b>	<b>258.37</b>	<b>276.67</b>	<b>318.17</b>	<b>296.66</b>	<b>341.16</b>
<b>Cash Inflows</b>									
9	Secured lending	1506.01	1129.51	644.86	483.65	211.3	158.48	250	187.5
10	Inflows from fully performing exposures	187.54	140.66	236.54	177.41	207.78	155.84	214.92	161.19
11	Other cash inflows	-	-	-	-	-	-	-	-
12	<b>TOTAL CASH INFLOWS</b>	<b>1693.55</b>	<b>1270.16</b>	<b>881.4</b>	<b>661.05</b>	<b>419.08</b>	<b>314.31</b>	<b>464.92</b>	<b>348.69</b>
13	<b>TOTAL HQLA</b>		<b>172.15</b>		<b>74.69</b>		<b>144.77</b>		<b>158.42</b>
14	<b>TOTAL NET CASH OUTFLOWS</b>		<b>93.92</b>		<b>64.59</b>		<b>79.54</b>		<b>85.29</b>
15	<b>LIQUIDITY COVERAGE RATIO (%)</b>		<b>183.30%</b>		<b>115.63%</b>		<b>182.00%</b>		<b>185.74%</b>

		Mar. 21	
		Total Unweighted Value (Average)	Total Weighted Value (Average)
<b>High Quality Liquid Assets</b>			
1	**Total High Quality Liquid Assets (HQLA)	108.58	108.58
<b>Cash Outflows</b>			
2	Deposits (for deposit taking companies)	-	-
3	Unsecured wholesale funding	-	-
4	Secured wholesale funding	-	-
5	Additional requirements, of which	-	-
i)	Outflows related to derivative exposures and other collateral requirements	-	-
ii)	Outflows related to loss of funding on debt products	-	-
iii)	Credit and liquidity facilities	-	-
6	Other contractual funding obligations	193	221.95
7	Other contingent funding obligations	-	-
8	<b>TOTAL CASH OUTFLOWS</b>	<b>193</b>	<b>221.95</b>
<b>Cash Inflows</b>			
9	Secured lending	288.6	216.45
10	Inflows from fully performing exposures	357.01	267.76
11	Other cash inflows	-	-
12	<b>TOTAL CASH INFLOWS</b>	<b>645.61</b>	<b>484.21</b>
13	<b>TOTAL HQLA</b>		<b>108.58</b>
14	<b>TOTAL NET CASH OUTFLOWS</b>		<b>55.49</b>
15	<b>LIQUIDITY COVERAGE RATIO (%)</b>		<b>195.68%</b>

Unweighted values calculated as outstanding balances maturing or callable within one month (for inflows and outflows). Averages are calculated on basis of simple average of day-end observations  
Weighted values calculated after the application of respective haircuts (for HQLA) and stress factors on inflow (75%) and outflow (115%).

# HQLA consists of cash balances maintained in Savings and Current account without any haircut. All the HQLA are in rupee terms and there is no currency mismatch.

# Company for purpose of computing outflows, have considered: (1) all the contractual debt repayments, (2) committed credit facilities contracted with the customers

# Inflows comprises of: (1) expected receipt from all performing loans, and (2) lines of credit available from sanctioned lenders.

To compute stressed cash outflow, all expected and contracted cash outflows are considered by applying a stress of 115%. Similarly, inflows for the Company is arrived at by considering all expected and contracted inflows by applying a haircut of 25%.



**NOTE 30: 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 issue capital securities. No changes have been made to the objectives, Capital management related policies and processes from the previous years. However, they are under constant review by the Board.

Particulars	For the	For the
	year ended	year ended
	31.03.2022	31.03.2021
Capital Fund		
Tier -1		
Tier -2	6,559.88	6,131.75
Total Capital Fund		
	6,559.88	6,131.75
Risk weighted assets (along with the adjusted value of Balance sheet items including Accrued Interest)*	9,145.83	12,227.62
CRAR		
CRAR - Tier I Capital	71.73%	50.15%
CRAR - Tier II Capital	71.73%	50.15%
	0.00%	0.00%

\*Risk Weighted Assets includes Loan outstanding, Accrued interest on loan, Undisbursed Commitment and amount towards LC commitment.

**NOTE 31: 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 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021
<b>Financial Assets</b>				
Cash and Cash Equivalents				
Bank Balance other than (a) above	2,652.07	0.15	2,652.07	0.15
Loans				
Other Financial Assets	5,138.55	7,855.44	5,138.55	7,855.44
<b>Total Financial Assets</b>	<b>7,887.74</b>	<b>8,085.17</b>	<b>7,887.74</b>	<b>8,085.17</b>
<b>Financial Liabilities</b>				
Payables				
Borrowings (Other than Debt Securities)	30.66	43.36	30.66	43.36
Other Financial Liabilities	1,282.57	1,911.40	1,282.57	1,911.40
<b>Total Financial Liabilities</b>	<b>1.13</b>	<b>0.13</b>	<b>1.13</b>	<b>0.13</b>
<b>Note :</b>	<b>1,314.36</b>	<b>1,954.89</b>	<b>1,314.36</b>	<b>1,954.89</b>

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

**NOTE 32: 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.

The company gives loan only to higher educational institutions under Ministry of Education. The company has a robust accounts receivable collection mechanism which has ensured zero level of credit risk since inception. The company maintains 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	For the	For the
	year ended	year ended
	31.03.2022	31.03.2021
Revenue from top customer		
	35.31	36.99
Revenue from top 5 customers	152.99	171.91



**Credit risk exposure**

Existing expected credit loss (ECL) model of the company was primarily based on historical data and related factors. The increased delay in payment of interest by institutes has necessitated a consideration of additional scenarios while measuring ECL. The Management estimates impairment provision using Expected Credit loss (ECL) model for the loan exposure. The Company's impairment allowance is derived from estimates including delay on interest payments. Collective impairment allowances are calculated using ECL model which approximate credit conditions on portfolios of loans.

**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, 2022**

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)	-	200.00	-	127.96	60.00	894.61	-	1,282.57
Loans	216.30	232.79	549.02	987.78	1,028.04	1,028.04	1,098.14	5,140.11

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

**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

**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 33: PROVISIONS AND CONTINGENCIES**

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
Provision for Standard Assets	1.56	-
Provision made towards Current Tax	-	-

**NOTE 34: DRAW DOWN FROM RESERVES**

For the year ended March 31, 2022 the Company has withdrawn Rs. 12.64 Crore from Impairment Reserves. The company has received approval from the Reserve Bank of India vide their email dated 06.05.2022 for withdrawal from Impairment Reserves. The details of draw down from Impairment Reserves are provided in Statement of Changes in Equity to these financial statements.

**NOTE 35: CONCENTRATION OF ADVANCES, EXPOSURES AND NPAS****i) Concentration of Advances**

Particulars	As at 31.03.2022	As at 31.03.2021
Total advances to twenty largest borrowers	5,662.21	7,064.66
Percentage of advances to twenty largest borrowers to total advances of the Company	40.63%	62.47%

**ii) Concentration of Exposures**

Particulars	As at 31.03.2022	As at 31.03.2021
Total exposure to twenty largest borrowers/customers	3,821.61	5,587.34
Percentage of exposures to twenty largest borrowers/customers to total exposure of the Company on borrowers/customers	72.98%	69.78%

**iii) Concentration of NPA's**

Particulars	As at 31.03.2022	As at 31.03.2021
Total exposure to top four NPA accounts	-	-

**iv) Sector-wise NPAs**

Particulars	Percentage of NPAs to Total Advances	
	As at 31.03.2022	As at 31.03.2021
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 31.03.2022	As at 31.03.2021
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 36: CUSTOMER COMPLAINTS

Particulars	As at 31.03.2022	As at 31.03.2021
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 37: DERIVATIVES DISCLOSURES AS PER RBI

The Company has no transactions / exposure in derivatives in the current and previous year.  
The Company has no unhedged foreign currency exposure as on March 31, 2022 (March 31, 2021: Nil).

NOTE 38: MISCELLANEOUS

i) No penalties have been imposed by RBI and other Regulators during the year ended 31 March, 2022, 31 March, 2021  
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) - 984500DB0605E5D5B063

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

Credit rating Agency	Type of Facility	As at 31.03.2022	As at 31.03.2021
ICRA	Term Loan	AA (Stable)	AA (Stable)
ICRA	Issuer Rating	AA (Stable)	AA (Stable)

NOTE 39: EXPENDITURE IN FOREIGN CURRENCY

There is no expenditure incurred in foreign currency during the financial year 2021-22 and 2020-21

NOTE 40: FRAUD

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

NOTE 41: BALANCE OF INSTITUTE ESCROW ACCOUNT WITH BANK

Particulars	As at 31.03.2022	As at 31.03.2021
Balance in principal Repayment Account		
(For availing the proposed loan, every institute (borrowers) has to open an escrow account with the Canara bank by crediting the one advance instalment to the "Principal Repayment account". The Escrow amount received in the principal repayment account 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.)	1,316.28	1,785.00



**NOTE 42: SUBSEQUENT EVENT - IMPACT OF COVID-19**

The Company was able to maintain growth despite facing several challenges on account of COVID-19 impacted macro-economic environment. The Company was able to raise the necessary resources all through the year to match the business and operational requirements, leveraging its relationships with banks as well as forming new lender relationships. There was not much impact on loan collection, however loan disbursements were delayed as construction and other civil work was stopped due to lockdown. The Company continued to maintain best-in-class operating efficiency, healthy liquidity and capital position.

**NOTE 43: 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 & hence not capitalized by the Company.

**NOTE 44: ANALYTICAL RATIOS**

SL.No.	Ratio		Current Period	Previous Period	% Variance	Reason for variance
1	Current Ratio	Current Assets / Current Liabilities	13.06	7.80	67.53%	The company had received lumpsum amount towards closure of Window IV & V accounts on 31.03.2022. Thus there was an exponential increase in Cash Balance on 31.03.2022 which has led to a sharp increase in Current Ratio.
2	Debt-Equity Ratio	Total Debt / Total Equity	0.19	0.31	-37.46%	The DER ratio has reduced as the company received advance installment from few borrowers which was utilized towards advance repayments of long term debts.
3	Debt Service Coverage Ratio	Net operating Income / Debt Service	1.52	2.63	-42.38%	Due to decrease in long term debt, the DSCR has reduced y-o-y basis.
4	Return on Equity Ratio	Net Income / Total Average Shareholders Equity	6.80%	7.20%	-5.55%	
5	Inventory turnover ratio	NA	NA	NA	NA	
6	Trade receivables turnover ratio	Sales / Loan Receivable	0.11	0.08	50.76%	The loan book of the company has reduced due to closure of term loan accounts on account of withdrawal of Window IV & V accounts by MoE.
7	Trade payables turnover ratio	Credit Operating Expenses / Accounts Payable	1.20	1.07	12.02%	
8	Net capital turnover ratio	Sales/Working Capital	0.13	0.32	-58.38%	On account of lumpsum amount received towards closure of Window IV & V accounts, the Working capital showed an approx. 58% growth yoy basis which reduced the NCTR by 58%
9	Net profit ratio	Net Profit/Net Sales	0.76	0.74	2.73%	
10	Return on Capital employed	Earning before Tax /Average Capital Employed	5.94%	5.65%	5.17%	
11	Return on Total Asset	EBIT / Total Assets	5.67%	5.46%	3.82%	

NOTE 45: Previous year's figures have been regrouped, reclassified & rearranged to conform to current period presentation wherever necessary.

**For VIJAY PANCHAPPA & CO.**  
Chartered Accountants  
Firm Reg. No. 004693S

*Y. G. S.*  
**CAP. M. MUDIGODAR**  
Partner M. No: 204096



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

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

*[Signature]*  
Shailesh Jadhav  
Chief Financial Officer  
AIPPH1091H

*[Signature]*  
K. Sanjay Murthy  
Chairman  
DIN-3532374

*[Signature]*  
Santosh Kumar Barik  
Company Secretary  
ANSPB4757E

Place : Bengaluru  
Date : 2nd June 2022