

Independent Auditors' Report

**To the Members of Indian School Finance Company Private Limited
(Formerly known as Corporate Deposits And Investments Private Limited)**

Report on the Financial Statements

We have audited the accompanying financial statements of Indian School Finance Company Private Limited (Formerly known as Corporate Deposits And Investments Private Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:



Noshir Homi Italia

Percy Homi Italia

1-8-373/A, Chiran Fort Lane,
Begumpet, Hyderabad - 500 003
Tel : +91(40) 4003 1959

percy@italiaandassociates.com
www.italiaandassociates.com

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs).
 - e. On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For Italia & Associates
Chartered Accountants
Firm Registration No. 003793S

Percy Homi Italia
Percy Homi Italia
Partner

Membership No. 15196
Place: Hyderabad

Date: **25 JUN 2014**



Annexure to the Auditor's Report

The Annexure referred to in our report to the members of Corporate Deposits and Investments Private Limited ('the Company') for the year ended March 31, 2014. We report that:

- 1) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The Company has a regular programme of physical verification of its fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were identified on such verification.
- c) Fixed Assets disposed off during the year were not substantial, and therefore do not affect the going concern assumption.
- 2) The Company is a non-banking financial company, primarily disbursing loans to schools. Accordingly, it does not hold any physical inventories. Thus, paragraph 4(ii) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable.
- 3) The Company has not granted or taken any loans, secured or unsecured, to or from any companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 and hence the provisions of clause 4(iii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company
- 4) In our opinion and according to information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for purchase of fixed assets and for the sale of services. The activities of the Company do not involve purchase of inventory and the sale of goods. We have not observed any major weakness in the internal control system during the course of the audit.
- 5) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.
- 6) The Company has not accepted any deposits under the provisions of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956.
- 7) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- 8) The Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956, for the Company.
- 9) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income-tax, Sales-tax, Wealth tax, Service tax and other statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.



- b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Income-tax, Sales-tax, Wealth tax, Service tax and other statutory dues were in arrears as at March 31, 2014 for a period of more than six months from the date they became payable.
- c) According to the information and explanation given to us, there are no dues of Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise duty, Cess and other statutory dues which have not been deposited with the appropriate authorities on account of any dispute.
- 10) The Company's accumulated losses at the end of the financial year are less than fifty per cent of its net worth. The Company has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- 11) The Company does not have any outstanding dues to any financial institution or banks or debenture holders during the year.
- 12) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities; accordingly clause 4(xii) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.
- 13) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- 14) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- 15) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year; accordingly clause 4(xv) of the Companies Auditors Report Order, 2003 is not applicable to the Company.
- 16) According to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans are obtained.
- 17) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- 18) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, this clause is not applicable.
- 19) The Company has issued Compulsory Convertible Debentures during the year and hence creation of charge is not required.
- 20) During the year the Company has not raised any money by public issue and accordingly clause 4(xx) of the Companies (Auditor's Report) Order, 2003 (as amended) is not applicable to the Company.



- 21) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For Italia & Associates
Chartered Accountants
Firm Registration No. 003793S

Percy Homi Italia
Percy Homi Italia
Partner
Membership No.: 15196

Place : Hyderabad

Date : **23 JUN 2014**

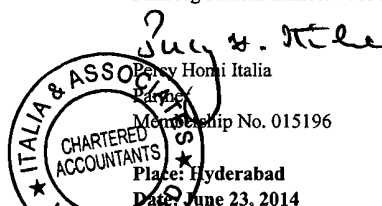


INDIAN SCHOOL FINANCE COMPANY PRIVATE LIMITED
(FORMERLY KNOWN AS CORPORATE DEPOSITS AND INVESTMENTS PRIVATE LIMITED)
BALANCE SHEET AS AT MARCH 31, 2014

(Amounts in Rupees)			
Particulars	Note	As at March 31, 2014	As at March 31, 2013
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2	1,53,28,790	1,53,28,690
Stock Option Outstanding Account		1,50,000	-
Reserves and Surplus	3	18,28,14,763	17,52,81,585
		19,82,93,553	19,06,10,275
SHARE APPLICATION MONEY PENDING ALLOTMENT			
	4	-	23,000
		-	23,000
NON CURRENT LIABILITIES			
Long Term Borrowings	5	15,78,96,737	8,41,37,276
Other Long Term Liabilities	6	26,01,801	1,47,749
Long Term Provisions	7	44,63,867	21,62,649
		16,49,62,405	8,64,47,674
CURRENT LIABILITIES			
Short Term Borrowings	8	62,40,793	73,30,697
Other Current Liabilities	9	11,50,67,388	6,94,68,883
Application Money for Compulsorily Convertible Debentures		-	4,94,50,000
Application Money for Non Convertible Debentures	10	7,00,00,000	-
Short Term Provisions	11	55,71,459	33,57,049
		19,68,79,640	12,96,06,629
Total		56,01,35,598	40,66,87,578
ASSETS			
NON CURRENT ASSETS			
Fixed Assets			
Tangible Assets	12	45,57,819	9,37,244
Intangible Assets	12	17,36,273	37,754
Deferred Tax Asset (Net)	13	31,98,145	26,29,406
Long Term Loans and Advances	14	36,01,91,215	24,20,85,141
Other Non Current Assets	15	2,11,96,017	49,54,515
		39,08,79,469	25,06,44,060
CURRENT ASSETS			
Cash and Bank Balances	16	5,28,505	10,36,517
Short Term Loans and Advances	17	15,70,84,721	14,53,00,873
Other Current Assets	18	1,16,42,903	97,06,128
		16,92,56,129	15,60,43,518
Total		56,01,35,598	40,66,87,578
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 35		
The Notes form an integral part of the Financial Statements			

As per our report of even date

For Italia & Associates
Chartered Accountants
Firm registration number : 003793S



For and on behalf of the Board of Directors

Meekaj Sharma
Managing Director

B V Narasimham
Director

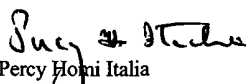
Place: Hyderabad
Date: June 23, 2014

INDIAN SCHOOL FINANCE COMPANY PRIVATE LIMITED
(FORMERLY KNOWN AS CORPORATE DEPOSITS AND INVESTMENTS PRIVATE LIMITED)
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2014

(Amounts in Rupees)			
Particulars	Note	Year ended March 31, 2014	Year ended March 31, 2013
REVENUES			
Revenue from Operations	19	10,43,33,324	8,16,92,211
Other Income	20	14,41,688	8,13,418
Total		10,57,75,012	8,25,05,629
EXPENSES			
Employee Benefit Expenses	21	3,65,90,248	2,99,41,360
Finance Costs	22	3,52,41,257	2,09,56,011
Depreciation & Amortisation	12	7,51,416	4,21,797
Other Expenses	23	2,18,77,016	2,02,53,570
Loans written off and Provision on Loans & Advances	24	43,51,786	48,86,535
Total		9,88,11,723	7,64,59,273
PROFIT BEFORE TAX		69,63,289	60,46,356
Tax Expense			
Current Tax		13,50,000	14,75,565
Less: MAT Credit		(13,50,000)	(14,75,565)
Deferred Tax		(5,68,739)	(6,77,598)
PROFIT AFTER TAX		75,32,028	67,23,954
Earnings per equity share of face value of Rs. 10 each			
Basic	25	6.01	5.37
Diluted		1.39	0.84
Significant Accounting Policies	1		
Notes on Financial Statements	2 to 35		
The Notes form an integral part of the Financial Statements			


As per our report of even date


For Italia & Associates
Chartered Accountants
Firm registration number : 003793S


Percy Horni Italia
Partner
Membership No. 015196

Place: Hyderabad
Date: June 23, 2014

For and on behalf of the Board of Directors


Neera Sharma
Managing Director


B V Narasimham
Director

Place: Hyderabad
Date: June 23, 2014



INDIAN SCHOOL FINANCE COMPANY PRIVATE LIMITED
(FORMERLY KNOWN AS CORPORATE DEPOSITS AND INVESTMENTS PRIVATE LIMITED)
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

Particulars	(Amounts in Rupees)	
	Year ended March 31, 2014	Year ended March 31, 2013
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Tax as per the Statement of Profit & Loss	69,63,289	60,46,356
Adjustments:		
Depreciation and Amortisation	7,51,416	4,21,797
Interest on Bank Deposits	(14,06,658)	(5,92,950)
Loss/(profit) on sale of fixed assets	-	-
Profit on Sale of Investments	-	(1,27,346)
ESOP Cost	1,50,000	-
Fixed Assets Written Off	81,370	58,924
Provision on Loans to Schools	2,30,236	5,39,135
Loans Written Off (Net)	41,21,550	43,47,400
Operating cash flow before working capital and other changes	1,08,91,203	1,06,93,317
Movement in working capital:		
(Increase)/Decrease in Loans & Advances, Trade Receivables & Other Assets	(15,07,06,143)	(12,80,81,360)
Increase/(Decrease) in Current Liabilities & Provisions	1,26,25,349	21,75,477
Cash Generated from Operations	(12,71,89,591)	(11,52,12,566)
Net Taxes Paid	17,13,843	19,80,506
Net Cash from/(used in) Operating Activities	(12,89,03,433)	(11,71,93,073)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets/Intangibles	(61,76,880)	(5,58,263)
Sale of Fixed Assets	25,000	-
Proceeds from Sale of Investments	-	56,42,353
Interest Received	14,06,658	5,48,125
Net cash from/(used in) Investing Activities	(47,45,222)	56,32,214
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Share Application Money	-	23,000
Refund of Share Application Money	(21,750)	-
Proceeds from Non Convertible Debentures Application Money	7,00,00,000	-
Proceeds from Compulsorily Convertible Debentures Application Money	-	4,94,50,000
Net Proceeds from Borrowings from Bank and Others	6,31,62,393	5,33,99,334
Net Cash from/(used in) Financing Activities	13,31,40,643	10,28,72,334
NET CHANGE IN CASH AND CASH EQUIVALENTS (A+B+C)	(5,08,012)	(86,88,524)
Cash and cash equivalents at the beginning of the year	10,36,517	97,25,041
Cash and Cash Equivalents at the end of the year	5,28,505	10,36,517

Significant Accounting Policies
Notes on Financial Statements

1
2 to 35

Note:

1 Refer Note 16 for items included in Cash & Cash Equivalents.

As per our report of even date

For Italia & Associates
Chartered Accountants
Firm registration number: 003793S
Percy Horni Italia
Percy Horni Italia
Partner
Membership No. 15196



Place: Hyderabad
Date: June 23, 2014



For and on behalf of the Board of Directors

Neeraj Sharma
Neeraj Sharma
Managing Director

B V Narasimham
B V Narasimham
Director

Place: Hyderabad
Date: June 23, 2014

Indian School Finance Company Private Limited
(Formerly known as Corporate Deposits and Investments Private Limited)
Notes on Financial Statements for the year ended March 31, 2014

Background

Indian School Finance Company Private Limited (formerly known as Corporate Deposits and Investments Private Limited), hereinafter referred to as '**ISFC**' '**the Company**' is a Non-Banking Financial Company ('NBFC') with its registered office at Hyderabad. The Company name has been changed to Indian School Finance Company Private Limited from Corporate Deposits and Investments Private Limited w.e.f. January 1, 2014.

The company is engaged in the business of lending to educational institutions and entrepreneurs managing such institutions. The loans provided by the Company to schools enable them to expand their delivery capabilities by improving their infrastructure facilities – for instance, setting up of computer labs/facilities, science laboratories, construction of additional floors/wings within the existing school premises, adding toilets/basic amenities, providing finance for implementation of new teaching methodologies like digital classrooms, experiential learning and other similar facilities, leading to a qualitative and quantitative improvement in their delivery model.

Currently, ISFC operates through 21 locations across the states of Andhra Pradesh, Karnataka, Tamil Nadu, Madhya Pradesh, Maharashtra, Delhi & NCR, Rajasthan and Haryana and plans to spread its footprint Pan India.

1. Significant Accounting Policies

a) Basis of preparation of Financial Statements

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the Accounting Standard notified by Companies (Accounting Standards Rules, 2006 (as amended), the relevant provisions of the Companies Act, 1956 and the provisions of Reserve Bank of India as applicable to a Non-Banking Financial Company. The financial statements have been prepared on an accrual basis and under the historical cost convention except in the case of interest on Non Performing Assets (NPA's) bounce charges and penal charges, which are recognized on realization. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous years.

b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make judgments, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results could differ from these estimates.

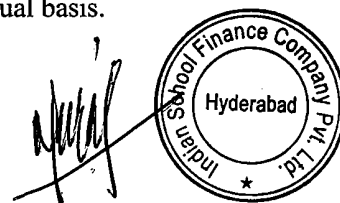
c) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

- (i) Interest income from loans to borrowers is recognized on accrual basis.



A handwritten signature in black ink, appearing to read "B. V. S. R.".



Indian School Finance Company Private Limited
(Formerly known as Corporate Deposits and Investments Private Limited)
Notes on Financial Statements for the year ended March 31, 2014

- (ii) Interest Income on Non-Performing assets (NPA) is recognized upon realization as per income recognition and Asset classification norms of RBI and also as per Policy of the Company. Any interest already recognized as interest during the year before the asset becomes an NPA is de-recognized.
- (iii) Interest income on deposits with banks is recognized on time proportion basis taking into account the amount outstanding and the applicable interest rate.
- (iv) Loan processing fees is recognized in the profit and loss account at the time of first disbursement of the sanctioned loan.
- (v) Dividend income is accounted on establishment of right to receive basis by the Balance sheet date.
- (vi) Profit on Securitization is recognized based on the guidelines issued by the Reserve Bank of India related to Securitization.

d) Fixed Assets and Depreciation / Amortization

Tangible Assets

Fixed Assets are stated at historical cost, net of accumulated depreciation and impairment loss, if any. The Company capitalizes all costs relating to the acquisition and installation of fixed assets. Cost includes purchase price and any cost directly attributable to bringing the asset to its working condition for the intended use. Costs of improvements on leasehold buildings are capitalized as leasehold improvements.

Gain or loss arising from de-recognition of a fixed asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss when the asset is derecognized.

Intangible Assets

Costs relating to acquisition and development of computer software are capitalized in accordance with the Accounting Standard 26 Intangible Assets.

Depreciation / Amortization

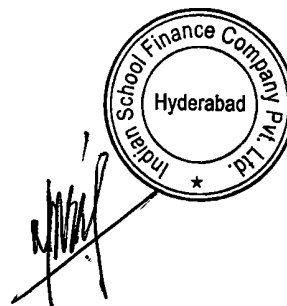
Depreciation / Amortization on the assets is provided using the Written-Down Value method at the rates prescribed under schedule XIV of the Companies Act, 1956. Leasehold improvements are amortised over the lock in period of the lease. Depreciation/Amortization on additions during the year is charged on a pro-rata basis.

Assets costing individually less than Rs. 5,000/- added during the year are fully depreciated.



[This space is left blank intentionally]

B. V. K. h.



Indian School Finance Company Private Limited
(Formerly known as Corporate Deposits and Investments Private Limited)
Notes on Financial Statements for the year ended March 31, 2014

e) Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the asset.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

f) Foreign Currency Transactions

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise, except those where they relate to the acquisition of fixed assets from a country outside India, in which case they are adjusted in the cost of the corresponding asset.

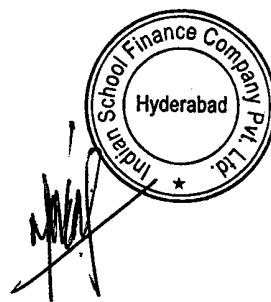
g) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are stated at cost. However, provision for diminution in value is made to recognize a decline, other than temporary, in the value of long term investments.



[This space is left blank intentionally]

A handwritten signature in black ink, appearing to read "R.V. N. S. R.".



Indian School Finance Company Private Limited
(Formerly known as Corporate Deposits and Investments Private Limited)
Notes on Financial Statements for the year ended March 31, 2014

h) Retirement and Other Employee Benefits

(i) Provident fund

The Company contributes to the Employees' Provident Fund maintained under the Employees Provident Fund Scheme run by the Central Government. All such contributions made by the Company every year are charged to revenue.

(ii) Gratuity

Gratuity liability payable to eligible employees are accrued and provided for on the basis of an actuarial valuation made at the end of each financial year and are not externally funded.

i) Prepaid Finance Charges

Prepaid Finance Charges represent ancillary costs incurred in connection with the arrangement of borrowings, including borrowings sanctioned but not availed, and is amortized over the tenure of the respective borrowing in proportion of the interest paid. Unamortized costs remaining, if any, is fully expensed off as and when the related borrowing is prepaid / cancelled.

j) Business Segments

The Company is operating in a single reportable segment i.e. lending to budget schools, which have similar risks and returns for the purpose of AS 17 - 'Segment Reporting'. The Company does not have any reportable geographical segment.

k) Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments are recognized as an expense in the profit and loss account on straight line basis over the lease term

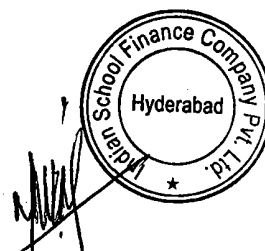
l) Earnings per share

The basic earnings per share ('EPS') is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as fractions of an equity share to the extent they were entitled to participate in dividends related to a fully paid equity share during the reporting period.

For the purpose of calculating diluted earnings per share, the net profit after tax 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. The dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date.



[This space is left blank intentionally]



Indian School Finance Company Private Limited
(Formerly known as Corporate Deposits and Investments Private Limited)
Notes on Financial Statements for the year ended March 31, 2014

m) Taxes on Income

Income Tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, considering the tax benefits and concessions available to the Company

Minimum Alternate Tax

Minimum Alternate Tax (MAT) paid in accordance with the Tax Laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly MAT is recognized as an asset in the Balance sheet when it is probable that the future economic benefit associated will flow to the Company.

Deferred Tax

Deferred income taxes is recognized on the timing differences, being the difference between the taxable income and accounting income originating during the current year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each balance sheet date, the Company reassesses unrecognized deferred tax assets. It recognizes to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

n) Provisions, Contingent Liabilities and Contingent Assets

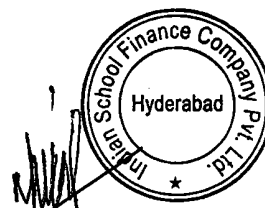
A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent Liability and Contingent Assets

A disclosure for a contingent liability is made when there is a present obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or for which no reliable estimate can be made. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.



[Handwritten signature]



Indian School Finance Company Private Limited
(Formerly known as Corporate Deposits and Investments Private Limited)
Notes on Financial Statements for the year ended March 31, 2014

Classification of Loan Portfolio and Provisioning

The Company follows the following policy for creating provision against the recoverability of the loan which is past due and is more conservative than as required by the Non-Banking Financial (Non – Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.

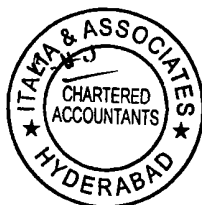
Days Past Due	Secured Loans	Unsecured Loans
Upto 90 days	0.40%	0.40%
91-120	10%	40%
121-150	20%	70%
151-180	30%	100% & Write Off
181-210	40%	
211-240	50%	
241-270	60%	
271-300	70%	
301-330	80%	
331-360	90%	
360+	100% & Write Off	

o) Cash and cash equivalents

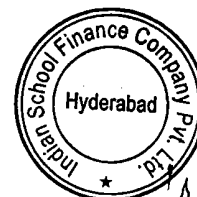
Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and cash in hand.

p) Share based payments

Measurement and disclosure of the employee share-based payment plan is done in accordance with the Guidance Note on Accounting for Employee Share - based payments, issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the fair value method. Compensation expense is amortized over the vesting period of the option on a straight line basis.



B.V. Venkatesh



[Signature]

INDIAN SCHOOL FINANCE COMPANY PRIVATE LIMITED
(FORMERLY KNOWN AS CORPORATE DEPOSITS AND INVESTMENTS PRIVATE LIMITED)
Notes on Financial Statements for the year ended March 31, 2014

2 SHARE CAPITAL

Particulars	(Amounts in Rupees)	
	As at March 31, 2014	As at March 31, 2013
Authorised		
5,450,000 (Previous year 5,450,000) Equity Shares of Rs. 10/- each	5,45,00,000	5,45,00,000
550,000 (Previous year 550,000) 0.5% Compulsory Convertible Preference Shares of Rs. 10/- each	55,00,000	55,00,000
	6,00,00,000	6,00,00,000
Issued, Subscribed and Fully Paid		
1,249,596 (Previous year 1,249,596) Equity Shares of Rs. 10/- each fully paid up	1,24,95,960	1,24,95,860
283,283 (Previous year 283,283) 0.5% Compulsory Convertible Preference Shares of Rs. 10/- each	28,32,830	28,32,830
	1,53,28,790	1,53,28,690

2.1 The Compulsory Convertible Preference Shares are entitled to dividend of 0.5% cumulative and can be converted to Equity Shares at any time before the expiry of Twenty years from the date of issue into such number of Equity Shares as per the Investment Agreement dated April 20, 2009

2.2 Reconciliation of number of Equity Shares outstanding is set out below:

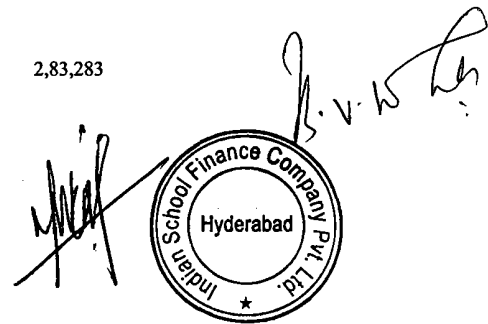
Particulars	(Amounts in Rupees)	
	As at March 31, 2014	As at March 31, 2013
Shares outstanding at the beginning of the year	12,49,586	12,49,586
Shares issued during the year	10	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	12,49,596	12,49,586

2.3 Reconciliation of number of Preference Shares outstanding is set out below:

Particulars	(Amounts in Rupees)	
	As at March 31, 2014	As at March 31, 2013
Shares outstanding at the beginning of the year	2,83,283	2,83,283
Shares issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	2,83,283	2,83,283

2.4 Number of Shares held by Holding Company:

Particulars	(Amounts in Rupees)	
	As at March 31, 2014	As at March 31, 2013
Equity Shares	8,51,040	8,51,040
GGV School Financing Co. Limited		
Compulsory Convertible Preference Shares		
GGV School Financing Co. Limited	2,83,283	2,83,283



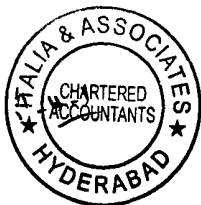
INDIAN SCHOOL FINANCE COMPANY PRIVATE LIMITED
(FORMERLY KNOWN AS CORPORATE DEPOSITS AND INVESTMENTS PRIVATE LIMITED)
Notes on Financial Statements for the year ended March 31, 2014

2.5 Details of shareholders holding more than 5% Equity Shares set out below:

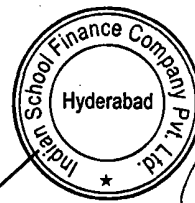
Particulars	As at March 31, 2014		(Amounts in Rupees)	
	No. of Shares	% of Holding	As at March 31, 2013	% of Holding
GGV School Financing Co. Limited	8,51,040	68.11%	8,51,040	68.11%
Caspian Advisors Private Limited	3,98,546	31.89%	3,98,546	31.89%

2.6 Details of shareholders holding more than 5% Preference Shares set out below:

Particulars	As at March 31, 2014		(Amounts in Rupees)	
	No. of Shares	% of Holding	As at March 31, 2013	% of Holding
GGV School Financing Co. Limited	2,83,283	100.00%	2,83,283	100.00%



This space has been left blank intentionally



[Handwritten signatures]

INDIAN SCHOOL FINANCE COMPANY PRIVATE LIMITED
(FORMERLY KNOWN AS CORPORATE DEPOSITS AND INVESTMENTS PRIVATE LIMITED)
Notes on Financial Statements for the year ended March 31, 2014

3 RESERVES AND SURPLUS

(Amounts in Rupees)		
Particulars	As at March 31, 2014	As at March 31, 2013
Securities Premium		
Opening Balance	22,59,46,231	22,59,46,231
Add: Premium on Shares issued during the year	1,150	-
Less: Premium utilised during the year	-	-
	22,59,47,381	22,59,46,231
Reserve Fund (As per Section 45-IC of RBI Act, 1934)		
Opening Balance	27,33,933	13,89,142
Add: Transfer from Surplus in the Statement of Profit and Loss	15,06,406	13,44,791
	42,40,339	27,33,933
Surplus in the statement of Profit and Loss		
Opening Balance	(5,33,98,579)	(5,87,77,742)
Add: Profit/(Loss) after Tax	75,32,028	67,23,954
Less: Transfer to Reserve Fund as per Section 45-IC of RBI Act, 1934	(15,06,406)	(13,44,791)
	(4,73,72,957)	(5,33,98,579)
	18,28,14,763	17,52,81,585

4 Application money received during the year Nil (Previous year - Rs. 23,000)

5 LONG TERM BORROWINGS

(Amounts in Rupees)		
Particulars	As at March 31, 2014	As at March 31, 2013
<u>Secured</u>		
Term Loans from Others	10,25,15,661	4,70,51,521
<u>Unsecured</u>		
Compulsarily Convertible Debentures	4,94,50,000	-
Term Loans from Banks	59,31,076	3,70,85,755
	15,78,96,737	8,41,37,276

5.1 The Company has issued 1,978 Compulsorily Convertible Debentures "CCD", face value of Rs. 25,000 each during the year. These CCD can be converted into Equity Shares on or before the expiry of 13 years from the date of allotment.



[Handwritten signature]

[Handwritten signature]



Nature of Security and Terms of Repayment for Secured and Un Secured Borrowings including Current Maturities

(Amounts in Rupees)

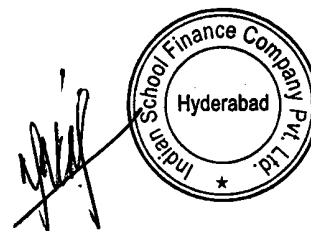
As at March 31, 2014				
Particulars	Non Current (Note 5) Amount in Rupees	Current (Note 9) Amount in Rupees	Security	Terms of Repayment
Secured - Borrowings from Others				
Term Loans from Others amounting to Rs.4,89,00,299	3,44,91,528	1,44,08,771	Secured by loan receivables	Repayable in 36 Monthly installments commencing from March 2014. Last Installment due in February, 2017. Rate of Interest in the range of 11.50% to 15.50%p.a.
Term Loans from Others amounting to Rs.1,20,00,000	-	1,20,00,000	Secured by loan receivables	Repayable in 10 Quarterly installments commencing from July, 2010. Last Installment due in October, 2014. Rate of Interest in the range of 11.50% to 15.50%p.a.
Term Loans from Others amounting to Rs.7,93,48,031	4,74,04,967	3,19,43,064	Secured by loan receivables	Repayable in 36 monthly equivalent installments commencing from March, 2013. Last Installment due in October, 2016. Rate of Interest in the range of 11.50% to 15.50%p.a.
Term Loans from Others amounting to Rs.2,09,45,032	56,19,166	1,53,25,866	Secured by loan receivables	Repayable in 24 Monthly installments commencing from August, 2013. Last Installment due in July, 2015. Rate of Interest in the range of 11.50% to 15.50%p.a.
Term Loans from Others amounting to Rs.2,50,00,000	1,50,00,000	1,00,00,000	Secured by loan receivables	Repayable in 12 Quarterly installments commencing from December 2013. Last Installment due in September 2016. Rate of Interest in the range of 11.50% to 15.50%p.a.
Total	10,25,15,661	8,36,77,701		
Unsecured - Borrowings from Banks				
Term Loans from Financial Institutions amounting to Rs. 2,26,36,454	59,31,076	1,67,05,378	Term Loan Amounting to Rs. 5 Crores from ICICI Bank is backed up by Letter of Credit given by JP Morgan Chase Bank (U.S.A) based on arrangement with Ultimate Parent Company, WWV Holding LLC.	Repayable in 38 monthly instalments commencing from June, 2012. Last Installment due in December, 2015. Rate of Interest in the range of 11.50% to 15.50%p.a.
Total	59,31,076	1,67,05,378		

(Amounts in Rupees)

As at March 31, 2013				
Particulars	Non Current (Note 5) Amount in Rupees	Current (Note 10) Amount in Rupees	Security	Terms of Repayment
Secured - Borrowings from Others				
Term Loans from Others amounting to Rs.833,321	-	8,33,321	Secured by loan receivables	Repayable in 24 monthly equivalent installments commencing from June, 2011. Last Installment due in May, 2013. Rate of Interest in the range of 11.50% to 15.50%p.a.
Term Loans from Others amounting to Rs. 1,111,108	-	11,11,108	Secured by loan receivables	Repayable in 24 monthly equivalent installments commencing from February, 2012. Last Installment due in July, 2013. Rate of Interest in the range of 11.50% to 15.50%p.a.
Term Loans from Others amounting to Rs.1,95,28,345	1,36,49,189	58,79,156	Secured by loan receivables	Repayable in 36 monthly equivalent installments commencing from March, 2013. Last Installment due in March, 2016. Rate of Interest in the range of 11.50% to 15.50%p.a.
Term Loans from Others amounting to Rs.3,00,00,000	2,14,02,332	85,97,668	Secured by loan receivables	Repayable in 36 monthly equivalent installments commencing from April, 2013. Last Installment due in March, 2016. Rate of Interest in the range of 11.50% to 15.50%p.a.
Term Loans from Others amounting to Rs.2,80,00,000	1,20,00,000	1,60,00,000	Secured by loan receivables	Repayable in 10 Quarterly installments commencing from July, 2010. Last Installment due in October, 2014. Rate of Interest in the range of 11.50% to 15.50%p.a.
Total	4,70,51,521	3,24,21,253		
Unsecured - Borrowings from Banks				
Term Loans from Financial Institutions amounting to Rs.6,51,04,745	3,70,85,755	2,80,18,990	Term Loan Amounting to Rs. 10 Crores from ICICI Bank is backed up by Letter of Credit given by JP Morgan Chase Bank (U.S.A) based on arrangement with Ultimate Parent Company, WWV Holding LLC.	Repayable in 45 monthly instalments commencing from September, 2011. Last Installment due in December 2015. Rate of Interest in the range of 11.50% to 15.50% p.a.
Total	3,70,85,755	2,80,18,990		



B. V. K. L.



6 OTHER LONG TERM LIABILITIES

Particulars	(Amounts in Rupees)	
	As at March 31, 2014	As at March 31, 2013
Cash Profit on Loan Transfer Transactions Pending Recognition	26,01,801	1,47,749
	26,01,801	1,47,749

7 LONG TERM PROVISIONS

Particulars	(Amounts in Rupees)	
	As at March 31, 2014	As at March 31, 2013
Provision for Employee Benefits		
Gratuity	15,86,811	15,66,867
Others		
Contingent Provision against Standard Assets	8,90,817	5,95,782
Contingent Provision against Securitized Assets	19,86,239	-
	44,63,867	21,62,649

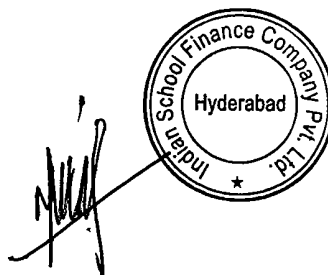
8 SHORT TERM BORROWINGS

Particulars	(Amounts in Rupees)	
	As at March 31, 2014	As at March 31, 2013
Unsecured		
Overdraft facility from Banks	62,40,793	73,30,697
	62,40,793	73,30,697

8.1 Over Draft facility amounting to Rs. 10 Crores from HDFC Bank is backed up by SBLC given by JP Morgan Chase Bank (U.S.A) based on arrangement with Ultimate Parent Company, WWV Holding LLC. The tenure of the over draft facility is valid upto June, 2014. Rate of Interest in the range of 11.50% to 15.50%p.a.



B.V. Venkatesh



9 OTHER CURRENT LIABILITIES

Particulars	(Amounts in Rupees)	
	As at March 31, 2014	As at March 31, 2013
Other Payables		
Current Maturities for Long Term Debts		
from Others	8,36,77,701	3,24,21,253
from Banks	1,67,05,378	2,80,18,990
Interest Accrued but not Due	19,22,912	5,40,061
Others		
Statutory Liabilities	16,83,805	11,26,059
Credit Balance in Current Bank Account	-	80,012
Cash Profit on Loan Transfer Transactions		
Pending Recognition	12,65,973	12,74,892
Employee Payables	1,44,751	54,053
Creditors for Expenses	31,22,304	31,00,970
Other payables	65,44,565	28,52,594
	11,50,67,388	6,94,68,883

10 APPLICATION MONEY FOR NON CONVERTIBLE DEBENTURES

Terms for allotment of non convertible debentures

The Company received application money of Rs. 7,00,00,000 for subscription to debentures bearing face value of Rs. 5,00,000 each issued at par and bearing rate of interest of 13.90 % XIRR.

Terms for repayment of non convertible debentures

Interest and Principle on the Debentures are payable on monthly basis in 24 equal monthly installments post allotment.

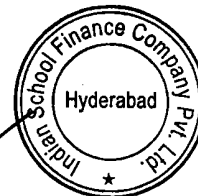
11 SHORT TERM PROVISIONS

Particulars	(Amounts in Rupees)	
	As at March 31, 2014	As at March 31, 2013
Provision for Employee Benefits		
Bonus	42,05,226	29,88,500
Gratuity	32,339	2,063
Others		
Contingent Provision against Standard Assets	3,84,676	3,66,486
Contingent Provision against Securitized Assets	9,49,218	-
	55,71,459	33,57,049



[Handwritten signature]

[Handwritten signature]



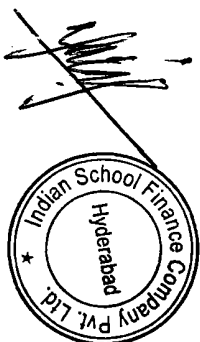
INDIAN SCHOOL FINANCE COMPANY PRIVATE LIMITED
(FORMERLY KNOWN AS CORPORATE DEPOSITS AND INVESTMENTS PRIVATE LIMITED)
Notes on Financial Statements for the year ended March 31, 2014

12 FIXED ASSETS

(Amounts in Rupees)										
Particulars	Gross block			Depreciation / Amortization				Net Block		
	Balance as on April 01, 2013	Additions	Deductions	Balance as on March 31, 2014	Balance as on April 01, 2013	for the year	Deductions	Balance as on March 31, 2014	Balance as on March 31, 2014	Balance as on March 31, 2013
Tangible Assets										
Computers	20,41,498	1,28,026	32,000	21,37,524	14,41,970	3,02,233	57,680	16,86,523	4,51,001	5,99,528
Furniture and Fixture	2,17,728	35,34,605	1,49,206	36,03,127	1,36,931	1,72,732	90,393	2,19,270	33,83,857	80,797
Office Equipments	3,96,331	5,55,560	45,566	9,06,325	1,39,412	73,325	29,373	1,83,364	7,22,961	2,56,919
Total	26,55,557	42,18,191	2,26,772	66,46,976	17,18,313	5,48,290	1,77,446	20,89,157	45,57,819	
Previous year	21,35,794	5,19,763	-	26,55,557	13,55,950	3,62,363	-	17,18,313		9,37,244
Intangible Assets										
Computer Software	1,01,373	19,04,350	26,090	19,79,633	63,619	2,03,126	23,385	2,43,360	17,36,273	37,754
Total	1,01,373	19,04,350	26,090	19,79,633	63,619	2,03,126	23,385	2,43,360	17,36,273	
Previous year	4,95,938	38,500	4,33,065	1,01,373	3,78,326	59,434	3,74,141	63,619		37,754



[Handwritten signature]



INDIAN SCHOOL FINANCE COMPANY PRIVATE LIMITED
(FORMERLY KNOWN AS CORPORATE DEPOSITS AND INVESTMENTS PRIVATE LIMITED)
Notes on Financial Statements for the year ended March 31, 2014

13 DEFERRED TAX ASSETS (NET)

Particulars	(Amounts in Rupees)	
	As at March 31, 2014	As at March 31, 2013
Depreciation	(2,67,810)	(86,069)
Disallowances	34,65,955	27,15,475
	31,98,145	26,29,406

13.1 Deferred Tax Assets and Deferred Tax Liabilities have been offset wherever the Company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

14 LONG TERM LOANS AND ADVANCES

Particulars	(Amounts in Rupees)	
	As at March 31, 2014	As at March 31, 2013
Security Deposits		
Secured, considered good		
Rental Deposits	20,24,077	25,65,355
	20,24,077	25,65,355
Others		
Loans to Schools		
Secured, Considered good	30,28,94,259	20,64,17,098
Less: Provision for Loans to Schools	(17,70,833)	(10,99,638)
	30,11,23,426	20,53,17,460
Unsecured, Considered good	5,34,32,557	3,18,95,745
Less: Provision for Loans to Schools	(1,43,665)	(98,239)
	5,32,88,893	3,17,97,507
MAT Credit - Unsecured, considered good	37,54,819	24,04,819
	36,01,91,215	24,20,85,141

14.1 Assets derecognised on account of securitisation of receivables is Rs. 5,65,80,218 (Previous year Rs.NIL)

14.2 Excess provision of Rs. 4,46,866/- (previous year Rs. 3,96,149/-) was provided by the Company on the Non Current portion of Other Loans & Advances , when compared with the general provisioning policy adopted by the Company during the year.

15 OTHER NON CURRENT ASSETS

Particulars	(Amounts in Rupees)	
	As at March 31, 2014	As at March 31, 2013
Deposits - Balance held as Security against Borrowings and assignments (more than 12 months maturity)	2,11,96,017	49,54,515
	2,11,96,017	49,54,515



B.V. K. S.

[Signature]



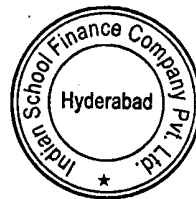
INDIAN SCHOOL FINANCE COMPANY PRIVATE LIMITED
(FORMERLY KNOWN AS CORPORATE DEPOSITS AND INVESTMENTS PRIVATE LIMITED)
Notes on Financial Statements for the year ended March 31, 2014

16 CASH AND BANK BALANCES

Particulars	(Amounts in Rupees)	
	As at March 31, 2014	As at March 31, 2013
Cash & Cash Equivalents		
Balance with Banks		
In Current Account	2,94,015	8,25,765
Cash on Hand	2,34,489	2,10,752
	<u>5,28,505</u>	<u>10,36,517</u>



Handwritten signature



Handwritten signature

INDIAN SCHOOL FINANCE COMPANY PRIVATE LIMITED
(FORMERLY KNOWN AS CORPORATE DEPOSITS AND INVESTMENTS PRIVATE LIMITED)
Notes on Financial Statements for the year ended March 31, 2014

17 SHORT TERM LOANS AND ADVANCES

Particulars	(Amounts in Rupees)	
	As at March 31, 2014	As at March 31, 2013
Others		
Loans to Schools		
Secured, Considered good	10,27,70,292	10,14,63,896
Less: Provision for Loans on Schools	(23,67,144)	(34,20,472)
	10,04,03,149	9,80,43,424
Unsecured, Considered good	5,11,00,182	4,51,30,785
Less: Provision for Loans on Schools	(4,69,456)	(2,15,758)
	5,06,30,726	4,49,15,027
Balance with Central Excise Authorities	13,69,018	9,35,930
Prepaid expenses	34,56,570	5,45,076
Advance Tax (Net) - Unsecured, Considered good	12,25,258	8,61,415
	60,50,846	23,42,421
	15,70,84,721	14,53,00,873

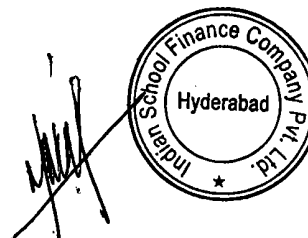
17.1 Excess provision of Rs. 1,92,968/- was provided by the Company on the Current portion of Other Loans & Advances, when compared with the general provisioning policy adopted by the Company during the year.

18 OTHER CURRENT ASSETS

Particulars	(Amounts in Rupees)	
	As at March 31, 2014	As at March 31, 2013
Interest accrued but not due	53,47,625	23,93,455
Interest due but not received	3,07,231	7,52,676
Creditors showing debit balance	3,01,256	37,991
Other Debts - Receivables towards Office Usage charges	96,500	2,91,496
	60,52,613	34,75,618
Earmarked Deposits - Balance held as Security against Borrowings and securitization (less than 12 months maturity)	55,90,290	62,30,510
	55,90,290	62,30,510
	1,16,42,903	97,06,128



[Handwritten signature]



INDIAN SCHOOL FINANCE COMPANY PRIVATE LIMITED
(FORMERLY KNOWN AS CORPORATE DEPOSITS AND INVESTMENTS PRIVATE LIMITED)
Notes on Financial Statements for the year ended March 31, 2014

19 REVENUE FROM OPERATIONS

Particulars	(Amounts in Rupees)	
	Year ended March 31, 2014	Year ended March 31, 2013
Interest	9,54,43,902	7,55,08,960
Other Financial Services		
Processing Fee	64,84,411	45,20,201
Penal / Bounce / Foreclosure Charges	10,49,468	8,36,435
Income from Securitisation	13,55,543	8,26,615
	10,43,33,324	8,16,92,211

20 OTHER INCOME

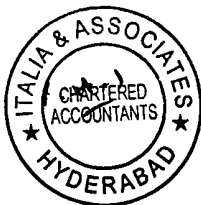
Particulars	(Amounts in Rupees)	
	Year ended March 31, 2014	Year ended March 31, 2013
Interest Income from Fixed/Term Deposits	14,06,658	5,92,950
Profit on Sale of Investments	-	1,27,346
Other Non-Operating Income	35,030	93,123
	14,41,688	8,13,418

21 EMPLOYEE BENEFIT EXPENSES

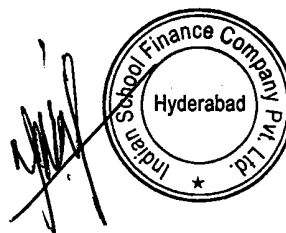
Particulars	(Amounts in Rupees)	
	Year ended March 31, 2014	Year ended March 31, 2013
Salaries and Wages	3,40,26,650	2,76,58,587
Contribution to Provident Fund and others	17,49,078	14,53,754
Gratuity	1,63,868	5,50,264
Leave Encashment	-	(4,41,122)
Staff welfare expenses	6,50,652	7,19,877
	3,65,90,248	2,99,41,360

22 FINANCE COSTS

Particulars	(Amounts in Rupees)	
	Year ended March 31, 2014	Year ended March 31, 2013
Interest Expense	3,30,18,738	1,99,28,610
Bank Charges	1,01,052	69,764
Ancillary Borrowing Costs (amortized)	21,21,467	9,57,637
	3,52,41,257	2,09,56,011



[Handwritten signature]



INDIAN SCHOOL FINANCE COMPANY PRIVATE LIMITED
(FORMERLY KNOWN AS CORPORATE DEPOSITS AND INVESTMENTS PRIVATE LIMITED)
Notes on Financial Statements for the year ended March 31, 2014

23 OTHER EXPENSES

Particulars	(Amounts in Rupees)	
	Year ended March 31, 2014	Year ended March 31, 2013
Rates and Taxes	14,10,554	20,66,811
Rent, net	42,48,785	23,88,068
Professional and Consultancy Charges	57,46,102	60,46,904
Audit Fee	7,50,000	7,50,000
Travel and Conveyance	31,03,850	25,57,542
Internet Expenditure	4,87,394	5,05,136
Printing & Stationery	4,13,061	3,51,718
Techonolgy Expenses	13,30,574	15,90,971
Electricity Charges	10,57,053	8,07,408
Insurance	4,56,618	4,34,369
Telephone Expenditure	3,53,748	2,14,143
Office & General Expense	6,07,906	6,32,789
Computer Maintenance	2,49,237	1,61,269
Security Charges	4,07,990	4,54,643
Business/Sales Promotion Expenses	1,86,777	4,40,929
Website Maintenance	43,500	-
Miscellaneous Expenses	10,23,868	8,50,870
	2,18,77,016	2,02,53,570

Note 1

Auditors' remuneration (exclusive of service tax)

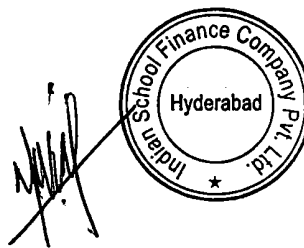
Audit	6,00,000	6,00,000
Audit under the Income-tax Act, 1961	1,50,000	1,50,000
	7,50,000	7,50,000

24 LOANS WRITTEN OFF AND PROVISION ON LOANS & ADVANCES

Particulars	(Amounts in Rupees)	
	Year ended March 31, 2014	Year ended March 31, 2013
Loans Written Off	41,21,550	43,47,400
Provision for Loans	2,30,236	5,39,135
	43,51,786	48,86,535



S. V. N. S.



Indian School Finance Company Private Limited
(Formerly known as Corporate Deposits and Investments Private Limited)
Notes on Financial Statements for the year ended March 31, 2014

25. Particulars of Earnings per Share

(Amount in Rupees)

Particulars	March 31, 2014	March 31, 2013
Net Profit Attributable to Equity Shareholders	7,515,566	6,707,492
Weighted Average Number of Equity Shares for Basic EPS	1,249,594	1,249,586
Basic Earnings Per Share	6.10	5.37
Profit Before Preference Dividend and Interest on Compulsory Convertible Debentures (CCD)	11,098,811	67,23,954
Weighted Average Number of Equity Shares for Diluted EPS	7,972,908	7,970,920
Diluted Earnings Per Share	1.39	0.84
Nominal value of the share	10.00	10.00

26. Contingent Liabilities

Contingent liabilities not provided for in respect of

(Amount in Rupees)

Particulars	March 31, 2014	March 31, 2013
Dividend on Compulsory Convertible Preference Shares	70,820	56,656
Tax on Preference Dividend	11,707	9,409
Corporate Guarantee for Securitization Transaction- SCZN- 001*	2,500,000	2,500,000
Lien on Fixed Deposits for Securitization Transaction- SCZN- 001*	2,921,118	2,683,939
Lien on Fixed Deposits for Securitization Transaction – SCZN- 002	7,921,231	—

* The outstanding amount of Securitization Transaction – SCZN-001 as on March 31, 2014, is Rs. 4,559,658 which is less than the corporate guarantee and Lien on Fixed Deposit as mentioned above.

27. Expenditure in Foreign Currency (on payment basis)

(Amount in Rupees)

Particulars	March 31, 2014	March 31, 2013
CRM Subscription	-	370,170

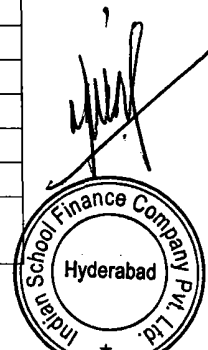
28. Related Party Disclosure

- (i) List of related parties where control exists and related parties with whom transactions have taken place and relationships –

Name of the Related Party	Country	Nature of Relationship
Mr. Neeraj Sharma	India	Key Managerial Personnel
WWV Holdings LLC	USA	Ultimate Parent Company
GGV Managerial Services Private Limited	India	Group Company
Gray Matters India Private Limited	India	Group Company
Blayfort Limited	Cyprus	Group Company
Gray Ghost Ventures Education Holdings LLC	USA	Group Company



Handwritten signature/initials



Indian School Finance Company Private Limited
(Formerly known as Corporate Deposits and Investments Private Limited)
Notes on Financial Statements for the year ended March 31, 2014

(ii) Transactions during the year with related parties

(Amount in Rupees)

Particulars	Receivable / (Payable) as at	
	March 31, 2014	March 31, 2013
Key Management Personnel		
Mr. Neeraj Sharma – Remuneration*	5,300,000	2,559,998
WWV Holdings LLC		
(a) Letter of Credit against Loan received from ICICI Bank Ltd. **	51,250,000	102,500,000
(b) Letter of Credit against Over Draft facility received from HDFC Bank. ***	100,000,000	100,000,000
GGV Managerial Services Private Limited		
Reimbursement of Office Usage		
(a) Reimbursement of Office Usage	2,104,386	2,763,395
(b) Professional Charges (Income)	(90,000)	-
(c) Closing Balance	67,706	252,289
Loan Taken		
(a) Loan taken during the year	-	8,000,000
(b) Interest paid during the year	-	75,255
(c) Closing Balance	-	-
Gray Matters India Private Limited		
Reimbursement of Office Usage		
(a) Reimbursement of Office Usage	196,208	-
(b) Closing Balance	23,176	-
Blayfort Limited		
(a) Application Money received for Compulsory Convertible Debentures	-	49,450,000
(b) Compulsory Convertible Debentures issued for	49,450,000	-
(c) Interest on Compulsorily Convertible Debentures	5,161,770	-
(d) Share Application Money	-	23,000
(e) Equity Share Capital issued for	100	-
(f) Premium on Equity Shares issued for	1,150	-
(g) Refund of Share Application Money	21,750	-
Gray Ghost Ventures Education Holdings LLC		
Management Consultancy	2,000,000	-

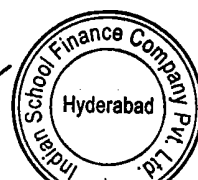
* Includes Provident Fund Contribution of Rs.288,000 (Previous Year Rs. 153,600)

**Letter of credit is given by JP Morgan Chase Bank (U.S.A) towards the Loan amount of Rs. 100 Million taken by the Company from ICICI Bank. This Letter of Credit is backed by the ultimate Parent Company i.e. WWV Holding LLC. Out of which Rs. 513 Million was released during the year.



L. V. S. Kumar

[Signature]



Indian School Finance Company Private Limited
(Formerly known as Corporate Deposits and Investments Private Limited)
Notes on Financial Statements for the year ended March 31, 2014

***Over Draft facility amounting to 100 Million from HDFC bank is backed up by SBLC given by JP Morgan Chase Bank (U.S.A) based on arrangement with Ultimate Parent Company, WWV Holding LLC.

29. Ancillary Borrowing Costs

(Amounts in Rs.)

Particulars	March 31, 2014	March 31, 2013
Opening at the beginning of the year	-	-
Add: Incurred during the year	53,87,769	-
Less: Amortized during the year	21,21,467	-
Closing at the end of the year#	32,66,302	-

The amount is disclosed in Prepaid Expenses under Note 17 to the Financial Statement

30. Gratuity

In accordance with applicable India laws, the Company provides gratuity, a defined benefit retirement plan ("Gratuity Plan") covering certain categories of employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement or termination of employment. The amount of payment is based on the respective employee's last drawn salary and the years of employment with the Company.

The following table summarizes the components of net benefit expense recognized in the Statement of Profit and Loss account and the funded status of the amounts recognized in the balance sheet for the gratuity plans of the Company.

Expense recognized in the Statement of Profit and Loss

(Amount in Rupees)

Particulars	March 31, 2014	March 31, 2013
Current service cost	608,806	575,383
Interest on defined benefit obligation	120,968	86,587
Expected return on plan assets	-	-
Net actuarial (gain) / loss recognized in the year	(565,906)	(111,706)
Past service cost	-	-
Expenses Recognized in the Statement of Profit & Loss at the end of the year	163,868	550,264

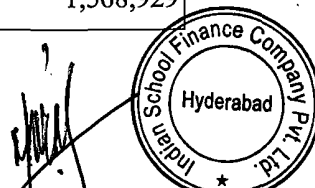
Amount recognized in Balance Sheet

(Amount in Rupees)

Particulars	March 31, 2014	March 31, 2013
Present value of funded obligations	1,619,149	1,568,929
Fair value on plan assets	-	-
Net liability (shown under provision for gratuity)	1,619,149	1,568,929



B. V. K. R.



Indian School Finance Company Private Limited
(Formerly known as Corporate Deposits and Investments Private Limited)
Notes on Financial Statements for the year ended March 31, 2014

Changes in the present value of the defined benefit obligation are as follows

(Amount in Rupees)

Particulars	March 31, 2014	March 31, 2013
Opening defined benefit obligation	1,568,929	1,018,665
Service cost	608,806	575,383
Interest cost	120,968	86,587
Past service cost	-	-
Benefits paid	(113,648)	-
Actuarial (gain) / loss	(565,906)	(111,706)
Benefit obligation at the end of the year	1,619,149	1,568,929

Actuarial Assumptions

Particulars	March 31, 2014	March 31, 2013
Discount rate (per annum)	9.20%	8.0%
Salary escalation rate (per annum)	10%	10%
Expected Average remaining Working lives of employees (Years)	9.08	9.12

Discount Rate: The Discount rate that has been used as at March 31, 2014 for the purpose of the AS 15 – Employee Benefits (revised 2005) calculations has been chosen by reference to Market Yields on Government Bonds as at the same date.

Salary Escalation: Salary Increase rate of 10.00% per annum has been assumed keeping in view the inflation rate on long term basis.

31. Minimum Lease Payments

Lease agreements where the risks and rewards incidental to ownership of an asset substantially vests with the lessor, are recognized as operating lease. The Company has entered into certain cancellable and non cancellable lease agreements in respect of office and other premises and the amount paid under such agreements is Rs.6,350,948 (Previous Year - Rs.4,932,734) has been recognized in the Statement of Profit and Loss.

The total of future minimum lease payments (MLP) under non-cancellable operating leases is as follows:

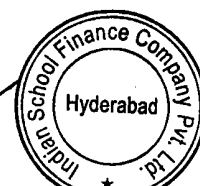
(Amount in Rupees)

Particulars	March 31, 2014	March 31, 2013
Not later than one year	2,981,553	733,750
Later than one year, not later than five years	2,042,610	420,000
More than five years	-	-



[Handwritten signature]

[Handwritten signature]



Indian School Finance Company Private Limited
(Formerly known as Corporate Deposits and Investments Private Limited)
Notes on Financial Statements for the year ended March 31, 2014

32. Securitization of receivables from Financial Activities

During the year the Company has sold its loans through securitization transaction. The information related to securitization made by the Company during the year, as an originator is given as follows:

(Amount in Rupees)

Particulars	For the year ended March 31, 2014	For the year ended March 31, 2013
Total number of Loan Assets securitized during the year	48	-
Book Value of Loan Asset Securitized during the year	56,580,218	-
Sale Consideration for the Loan Asset Securitized during the year	64,239,845	-
Total Profit / Gain on account of Securitization to be amortized over the life of Receivables	7,659,627	-
Outstanding credit enhancement (funded) at the year end	7,921,231	2,683,939
Income recognized in the Statement of Profit & Loss ##	1,355,543	826,615

Includes income derived from securitizations entered in previous years also.

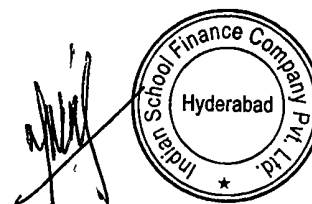
33. Employee Stock Option Plan (ESOP)

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

Plan	Shareholder's special resolution date	No. of options	Vesting period	Vesting pattern
2013 ESOP Plan	December 06, 2012	1,673,893	4 Years	25% at the end of first year from the date of the grant and thereafter monthly prorated basis vesting till the end of fourth year



[Handwritten signature]



This space has been left blank intentionally

Indian School Finance Company Private Limited
(Formerly known as Corporate Deposits and Investments Private Limited)
Notes on Financial Statements for the year ended March 31, 2014

A summary of activity under the plan for the year ended March 31, 2014 is given below:

Particulars	Year ended March 2014 (Number of options)
	2013 ESOP Plan
Outstanding at the beginning of the year	732,000
Granted during the year	20,000
Forfeited during the year	-
Cancelled during the year	27,000
Exercised during the year	-
Expired during the year	-
Outstanding at the end of the year #	745,000
Exercisable at the end of the year	-

#75,000 options have been allotted in lieu of bonus.

All the options outstanding at the end of the year have been granted at the fair value of Rs. 18 per option, as determined by the company (except stated as under).

- Options in lieu of bonus are granted at the exercise price of Rs. 10 per option.
- Options of Nos. 20,000 are granted at the exercise price of Rs. 19 per option.

34. Based on the information available with the Company, there are no suppliers who are registered as micro, small or medium enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 as at March 31, 2014 and March 31, 2013.

35. The previous year figures have been regrouped / classified where ever required.

As per our report of even date

For Italia & Associates
Chartered Accountants
Firm registration number 003793S

Percy Homi Italia
Percy Homi Italia
Partner
Membership No.15196



Place: Hyderabad
Date: June 23, 2014

For and on behalf of the Board

Neeraj Sharma
Neeraj Sharma
Managing Director

B.V. Narasimham
B.V. Narasimham
Director

Place: Hyderabad
Date: June 23, 2014



SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

Schedule to the Balance Sheet of a Non-Banking Financial Company
[as required in terms of paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007]

Particulars	As at March 31, 2014 Rupees		As at March 31, 2013 Rupees	
	Amount out- standing	Amount overdue	Amount out- standing	Amount overdue
LIABILITIES SIDE:				
1) Loans and advances availed by the non-banking financial company inclusive of interest accrued thereon but not paid:	-	-	-	-
a) Debentures : Secured	-	-	-	-
: Unsecured	49,450,000	-	-	-
(other than falling within the meaning of public deposits*)				
b) Deferred Credits	-	-	-	-
c) Term Loans	215,070,609	-	151,908,216	-
d) Inter-corporate loans and borrowing	-	-	-	-
e) Commercial Paper	-	-	-	-
f) i) Bank Overdraft Facility	6,240,793	-	7,330,697	-
ii) Application money towards Compulsory Convertible Debentures	-	-	49,450,000	-
iii) Application money towards Non- Convertible Debentures	70,000,000	-	-	-
*Please see Note 1 below				
ASSETS SIDE:				
	Amount outstanding		Amount outstanding	
2) Break-up of loans and Advances including bills receivables [other than those included in (4) below] :				
a) Secured		405,664,552		307,880,994
b) Unsecured		104,532,740		77,026,529
3) Break up of Leased Assets and stock on hire and other assets counting towards AFC activities				
(i) Lease assets including lease rentals under sundry debtors:				
a) Financial lease		-		-
b) Operating lease		-		-
(ii) Stock on hire including hire charges under sundry debtors:				
a) Loans where assets have been repossessed		-		-
b) Loans other than (a) above		-		-
4) Break-up of Investments:				
Current Investments:				
1. Quoted:				
(i) Shares: (a) Equity		-		-
(b) Preference		-		-
(ii) Debentures and Bonds		-		-
(iii) Units of mutual funds		-		-
(iv) Government Securities		-		-
(v) Others (please specify)		-		-
2. Unquoted:				
(i) Shares: (a) Equity		-		-
(b) Preference		-		-
(ii) Debentures and Bonds		-		-
(iii) Units of mutual funds		-		-
(iv) Government Securities		-		-
(v) Others (please specify)		-		-
Long term investments:				
1. Quoted:				
(i) Shares: (a) Equity		-		-
(b) Preference		-		-
(ii) Debentures and Bonds		-		-
(iii) Units of mutual funds		-		-
(iv) Government Securities		-		-
(v) Others (please specify)		-		-
2. Unquoted:				
(i) Shares: (a) Equity		-		-
(b) Preference		-		-
(ii) Debentures and Bonds		-		-
(iii) Units of mutual funds		-		-
(iv) Government Securities		-		-
(v) Others (please specify)		-		-



5) Borrower group-wise classification of assets financed as in (2) and (3) above: (Please see Note 2 below)

Category	As at March 31, 2014 Rupees			As at March 31, 2013 Rupees		
	Amount net of provisions			Amount net of provisions		
	Secured	Unsecured	Total	Secured	Unsecured	Total
1. Related Parties **						
(a) Subsidiaries	-	-	-	-	-	-
(b) Companies in the same group	-	-	-	-	-	-
© Other related parties	-	-	-	-	-	-
2. Other than related parties	400,512,414	103,658,287	504,170,701	302,591,182	76,519,968	379,111,149
Total	400,512,414	103,658,287	504,170,701	302,591,182	76,519,968	379,111,149

6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) :
Please see Note 3 below

Category	As at March 31, 2014 Rupees		As at March 31, 2013 Rupees	
	Market Value/Break up or fair value or NAV	Book Value (Net of Provisions)	Market Value/Break up or fair value or NAV	Book Value (Net of Provisions)
1. Related Parties**				
(a) Subsidiaries	-	-	-	-
(b) Companies in the same group	-	-	-	-
© Other related parties	-	-	-	-
2. Other than related parties	-	-	-	-

7 Other information

Particulars	As at March 31, 2014 Rupees	As at March 31, 2013 Rupees
(i) Gross Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	-	-
(ii) Net Non-Performing Assets		
(a) Related parties	-	-
(b) Other than related parties	-	-
(iii) Assets acquired in satisfaction of debt	-	-

NOTE : The Company follows loan provisioning norms that are different and more conservative than RBI norms

Notes:

- As defined in paragraph 2(1) (xii) of the Non- Banking Financial companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in Non-banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in (4) above

