

**Indian School Finance Company Private Limited**  
(CIN: U65921TG1994PTC065392)  
Corp off: DSM 236 - 237, 2nd Floor, DLF Towers, Shivaji Marg, Moti Nagar, New Delhi - 110015  
Registered Office Address: Unit No. 8-2-269/2/52, Plot No. 52, Sagar Society, Road No. 2, Banjara Hills, Hyderabad-500034  
Phone No.: +91-40-66505000 Website: www.isfc.in

**Financial results for the half year ended September 30, 2022**

Particulars	<i>(Rupees in millions unless otherwise stated)</i>					
	Quarter ended			Half year ended		Year ended
	September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	March 31, 2022
	(Unaudited) (Refer Note 3)	(Unaudited)	(Unaudited) (Refer Note 3)	(Unaudited)	(Unaudited)	(Audited)
<b>1 Revenue from operations</b>						
Interest Income	71.61	72.53	139.53	144.14	255.75	437.21
Net gain on derecognition of financial instruments under amortised cost category	1.97	-	-	1.97	-	-
Other operating Income	1.16	2.54	1.83	3.70	2.97	10.23
<b>Total revenue from operations</b>	<b>74.74</b>	<b>75.07</b>	<b>141.36</b>	<b>149.81</b>	<b>258.72</b>	<b>447.44</b>
<b>2 Other income</b>	<b>0.56</b>	<b>-</b>	<b>0.20</b>	<b>0.56</b>	<b>0.20</b>	<b>2.18</b>
<b>Total other income</b>	<b>0.56</b>	<b>-</b>	<b>0.20</b>	<b>0.56</b>	<b>0.20</b>	<b>2.18</b>
<b>3 Total income (1+2)</b>	<b>75.30</b>	<b>75.07</b>	<b>141.56</b>	<b>150.37</b>	<b>258.92</b>	<b>449.62</b>
<b>4 Expenses</b>						
a) Finance cost	29.57	32.61	53.37	62.18	108.48	198.79
b) Impairment on financial instruments	(56.61)	28.56	51.90	(28.05)	164.55	39.43
c) Employee benefits expenses	31.25	28.75	33.71	60.00	67.85	143.79
d) Depreciation and amortization expense	3.36	2.02	2.36	5.38	4.83	9.68
e) Other expenses	14.55	13.38	10.29	27.93	18.94	51.01
<b>Total expenses</b>	<b>22.12</b>	<b>105.32</b>	<b>151.63</b>	<b>127.44</b>	<b>364.65</b>	<b>442.70</b>
<b>5 Profit/(Loss) before exceptional items and tax (3-4)</b>	<b>53.18</b>	<b>(30.25)</b>	<b>(10.08)</b>	<b>22.93</b>	<b>(105.73)</b>	<b>6.92</b>
<b>6 Tax expense:</b>						
Current tax	-	-	-	-	-	-
Deferred tax charge / (credit)	21.34	(8.25)	(1.79)	13.09	(1.79)	51.88
	<b>21.34</b>	<b>(8.25)</b>	<b>(1.79)</b>	<b>13.09</b>	<b>(1.79)</b>	<b>51.88</b>
<b>7 Profit/(Loss) for the period / year (5-6)</b>	<b>31.84</b>	<b>(22.00)</b>	<b>(8.29)</b>	<b>9.84</b>	<b>(103.94)</b>	<b>(44.96)</b>
<b>8 Other comprehensive income</b>						
Items that will not be reclassified subsequently to profit or loss						
(a) Remeasurement gain / loss on defined benefit plans	0.53	(0.04)	-	0.50	-	1.45
(b) Income tax related to above item	(0.13)	0.01	-	(0.12)	-	(0.37)
<b>Total other comprehensive income for the period / year (a+b)</b>	<b>0.40</b>	<b>(0.03)</b>	<b>-</b>	<b>0.37</b>	<b>-</b>	<b>1.08</b>
<b>9 Total comprehensive income/loss for the period / year (7+8)</b>	<b>32.24</b>	<b>(22.03)</b>	<b>(8.29)</b>	<b>10.21</b>	<b>(103.94)</b>	<b>(43.88)</b>
<b>10 Earnings per share (equity share, par value Rs10)(not annualised)</b>						
Computed on the basis of total profit for the period / year						
Basic earning per share (BEPS)	24.25	(16.75)	(6.31)	7.51	(79.16)	(39.48)
Diluted earning per share (DEPS)	2.42	(16.75)	(6.31)	0.75	(79.16)	(39.48)

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

*Sandeep*  
Sandeep Wirkhare  
Managing Director and CEO

Place: Mumbai  
Date: November 10, 2022

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Statement of Assets and Liabilities as at September 30, 2022

*(Rupees in millions unless otherwise stated)*

Particulars	As at	As at
	September 30, 2022	March 31, 2022
	(Unaudited)	(Audited)
<b>Assets</b>		
<b>1 Financial assets</b>		
Cash and cash equivalents	7.77	10.50
Bank balance other than cash and cash equivalents	56.28	80.44
Loans portfolio	1,325.15	1,865.39
Investments	354.93	165.96
Other financial assets	43.86	44.01
<b>Total financial assets</b>	<b>1,787.99</b>	<b>2,166.30</b>
<b>2 Non-financial assets</b>		
Current tax assets (net)	12.67	8.22
Deferred tax assets (net)	3.86	17.07
Property, plant and equipment	1.39	1.50
Intangible assets under development	-	7.20
Other intangible assets	7.99	1.48
Right of use assets	17.29	17.69
Other non-financial assets	18.75	17.37
<b>Total non-financial assets</b>	<b>61.95</b>	<b>70.53</b>
<b>Total Assets (1+2)</b>	<b>1,849.94</b>	<b>2,236.83</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Liabilities</b>		
<b>3 Financial liabilities</b>		
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	0.06	0.04
- Total outstanding dues of creditors other than micro enterprises and small enterprises	5.30	10.42
Debt securities	274.95	503.25
Borrowings (other than debt securities)	369.46	477.24
Lease liabilities	20.86	21.10
Other financial liabilities	48.47	105.37
<b>Total financial liabilities</b>	<b>719.10</b>	<b>1,117.42</b>
<b>4 Non-financial liabilities</b>		
Provisions	5.10	4.78
Other non-financial liabilities	3.59	2.71
<b>Total non-financial liabilities</b>	<b>8.69</b>	<b>7.49</b>
<b>5 Equity</b>		
Equity share capital	13.13	13.13
Other equity	1,109.03	1,098.79
<b>Total equity</b>	<b>1,122.16</b>	<b>1,111.92</b>
<b>Total Liabilities and Equity (3+4+5)</b>	<b>1,849.94</b>	<b>2,236.83</b>

**For and on behalf of the Board of Directors**  
Indian School Finance Company Private Limited

*Sandeep Wirkhare*

**Sandeep Wirkhare**  
Managing Director and CEO

Place: Mumbai  
Date: November 10, 2022

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**CASH FLOW STATEMENT FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	Period ended September 30, 2022	Period ended September 30, 2021
<b>Cash flow from operating activities</b>		
Profit/(Loss) before tax	22.95	(105.73)
Adjustments for:		
Depreciation and amortization	5.38	4.83
Impairment on financial instruments	(28.05)	164.55
Impairment on other financial assets	-	-
Net gain on change in fair value of mutual funds	-	-
Impact of remeasurement gains on defined benefit plans	0.50	-
Impact of Security deposit	(5.34)	(4.95)
Covid 19 Rent concession	-	-
Gain on lease termination	-	-
Interest on borrowing	(2.60)	(1.98)
Amortisation of processing fee	0.94	-
Interest on security deposit	-	(0.77)
<b>Operating profit before working capital changes</b>	<b>(6.22)</b>	<b>55.95</b>
Movements in working capital :		
Increase / (decrease) in other financial liabilities	(56.90)	(49.44)
Increase / (decrease) in provisions	0.32	(0.89)
Increase / (decrease) in other non financial liabilities	0.89	(1.29)
Increase / (decrease) in trade payable	(5.11)	(3.17)
(Increase) / decrease in bank balances other than cash and cash equivalents	24.16	333.86
(Increase) / decrease in loan portfolio	568.30	138.02
(Increase) / decrease in other financial assets	0.16	11.98
(Increase) / decrease in other non financial assets	(1.37)	(5.11)
<b>Cash used in operations</b>	<b>524.23</b>	<b>479.91</b>
Income taxes paid (Net of refunds)	(4.46)	(1.50)
<b>Net cash generated/(used) from operating activities (A)</b>	<b>519.77</b>	<b>478.41</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(0.05)	-
Purchase of security receipts	(201.34)	0.20
Purchase of intangible assets	(0.49)	-
Redemption of security receipts	12.37	-
<b>Net cash flow from investing activities (B)</b>	<b>(189.51)</b>	<b>0.20</b>
<b>Cash flow from financing activities</b>		
Repayment of debt securities	(224.27)	-
Repayment of borrowings (other than debt securities)	(108.72)	(503.35)
Proceed of borrowings (other than debt securities)	-	50.00
<b>Net cash used in financing activities (C)</b>	<b>(332.99)</b>	<b>(453.35)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A + B + C)</b>	<b>(2.73)</b>	<b>25.26</b>
Cash and cash equivalents at the beginning of the period	10.50	35.66
<b>Cash and cash equivalents at the end of the period</b>	<b>7.77</b>	<b>60.92</b>
<b>Components of cash and cash equivalents as at the end of the period</b>		
Cash on hand	7.77	51.42
Deposits with original maturity of less than or equal to 3 months	-	9.50
<b>Total cash and cash equivalents</b>	<b>7.77</b>	<b>60.92</b>

For and on behalf of the Board of Directors of  
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**Sandeep Wirkhare**  
Managing Director and CEO

Place: Mumbai  
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**Notes to the audited financial results for the half year ended September 30, 2022**

- 1 Indian School Finance Company Private Limited (the 'Company') has prepared financial results for the half year ended September 30, 2022 (the 'Statement'), in accordance with Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations, 2015') as amended and the Accounting Standards specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and the relevant provisions of the Companies Act 2013 and directions / guidelines issued by Reserve Bank of India, as applicable and other accounting principle generally accepted in India. Any application guidance/clarification/directions issued by the Reserve Bank of India or other regulators are implemented as and when they are issued/applicable. The disclosures as per Regulation 52(4) of the SEBI (Listing Obligations & Disclosure Requirement) regulations, 2015 as amended on September 7, 2021 for the half year ended September 30, 2022 are enclosed as Annexure.
- 2 The above financial result of the Company are reviewed and recommended by Audit Committee and have been approved by the Board of Directors of the Company at the respective meeting held on November 10, 2022.
- 3 The figures for the quarter ended September 30, 2022 and September 30, 2021 are the balancing figures between year to date figures and quarter ended June 30, 2022 and unaudited management reviewed amounts in respect of quarter ended June 30, 2021 respectively.
- 4 The Company operates in leading to institutions and retail members who have similar risks and returns, which is considered to be the only reportable segment for the purpose of Ind AS 108 on 'Operating Segments'. Further, the Company operates in single geographic segment i.e. domestic.
- 5 RBI, vide clause 9 of circular number RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22 dated November 12, 2021 had instructed that in respect of any borrower account which becomes overdue on or after March 31, 2022, its classification as NPA shall be based on the account being overdue for more than 90 days. Further, clause 10 of the said circular stated that loan accounts classified as NPAs may be upgraded as 'standard' asset only if entire arrears of interest and principal are paid by the borrower. Subsequently, the RBI released circular RBI/2021-2022/158 DOR.STR.REC.85/21.04.048/2021-22 dated February 15, 2022, extending the time limit till September 30, 2022 to put in place the necessary systems to implement this provision. The Company has put in place the necessary systems on September 30, 2022.
- 6 In terms of the requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No. 109/22.10.106/2019-20 dated March 13, 2020 on Implementation of Indian Accounting Standards, Non-Banking Financial Companies (NBFCs) are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and income recognition, Asset classification and Provisioning (IRACP) norms (including provision on standard asset). The impairment allowances under Ind AS 109 made by the Company exceeds the total provision required under IRACP (including standard asset provisioning), as at September 30, 2022 and accordingly, no amount is required to be transferred to impairment reserve.
- 7 Disclosure pursuant to RBI circular RBI/2020-21/16 DOR.No BP.BC/3/21.04.048/2020-21 dated August 06, 2020

**Format B - as at September 30, 2022**

	(A)	(B)	(C)	(D)	(E)
Type of Borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the Previous half-year	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A), amount written off during the half-year	Of (A) amount paid by the borrowers during the half-year	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of the half-year
Personal Loans	-	-	-	-	-
Corporate Persons*	-	-	-	-	-
Of which, MSMEs	693.23	60.01	3.56	60.33	489.48
Others	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

*SCM*

- 8 Reserve Bank of India on February 24, 2022 issued an inspection report for the year ended March 31, 2021, under Section 45N of the RBI Act 1934. The Board of the Company has taken cognizance of the report and responded on April 07, 2022. Further, RBI on March 28, 2022 issued a supervisory letter stating Supervisory Concerns and Risk Mitigation Plan (RMP) as of March 31, 2021 and the Company has responded to same on May 09, 2022 and June 30, 2022. Based on the response submitted to RBI, management does not foresee any material impact in these financial results and operations of the Company.
- 9 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- 10 There is a breach of financial covenant with one lender. The Company has intimated the breach of covenant to the lender from time to time and the lender has not expressed any concern on this aspect till date. The Company has sanctioned and utilised credit lines to meet both its short term and long term commitments to the extent of Rs. 124.83 Mn. Further the Company is in discussion with a few lenders for PTC transactions and Term Loans. The Company has adequate Capital Adequacy ratio and has demonstrated its ability to raise the borrowings. Basis the sanctioned and utilised credit lines and management plan to raise the borrowing, the financial results of the Company has been prepared on going concern basis.
- 11 During the quarter and half year ended September 30, 2022, the Company has sold certain financial assets amounting to Rs. 327.45 mn to asset reconstruction Company trust ('ARC Trusts') and acquired security receipts (SR) amounting to Rs. 201.34 mn from ARC Trust. Ind AS 109 - 'Financial Instruments', prescribed under section 133 of the Companies Act, 2013, requires substantially all the risk and rewards to be transferred for the purpose of de-recognition of such financial assets from the Company's financial result. ARC Trusts had undertaken substantially all the risk and rewards in respect of such financial assets. As a result, these financial assets were de-recognised in the Company financial results.
- 12 During the quarter and half year ended 30 September 2022, the Company has entered into assignment transaction amounting to Rs. 40.69 Mn. On the assignment transaction, the Company has recognised upfront gain on derecognition of financial instruments amounting to Rs. 1.97 Mn. The unwinding on account of the actual excess interest spread realised and reversal of excess interest spread on foreclosed loans during the year is adjusted in interest income aggregating to Rs 0.01 Mn.
- 13 Disclosures pursuant to RBI Notification - RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated September 24 2021.

(a) Details of transfer through assignment in respect of loans not in default during the half year ended September 30 2022.

Particulars	September 30, 2022
Count of loan account assigned	31
Amount of loan account assigned	40.69
Retention of beneficial economic interest (MRR)	20%
Weighted average maturity (residual maturity) (in years)	2.10
Weighted average holding period (in years)	4.40
Coverage of tangible security coverage	100%
Rating-wise distribution or rated loan	Not rated

(b) (i) Details of stressed loans transferred during the half year ended September 30, 2022.

Particulars	To ARC
	September 30, 2022
No. of accounts	205
Aggregate principal outstanding of loans transferred	327.45
Weighted average residual tenor of the loans transferred (in years)	3.40
Net book value of loans transferred (at the time of transfer)	236.64
Aggregate Consideration	236.87
Additional consideration realized in respect of accounts transferred in earlier years	-

- 14 Figures for the previous period / year have been regrouped / reclassified wherever necessary to conform with the current period / year presentation.
- 15 The above financial results are available on the stock exchange website ([www.bseindia.com](http://www.bseindia.com)) and the website of the Company ([www.isfc.com](http://www.isfc.com)).

Place: Mumbai  
Date: November 10, 2022

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**Annexure :**

- Pursuant to Regulation 52(7) of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, we hereby confirm that issue proceeds of Non-Convertible Debentures (NCDs) issued by the Company and outstanding as on September 30, 2022 are being utilized as per the objects stated in the offer document. Further we also confirm that there have been no deviations, in the use of proceeds of issue of NCDs from the objects stated in the offer document.
- The Secured Non-convertible Debentures of the Company as at September 30, 2022 are secured by way of First Pari Passu charge over Standard Loan Receivables and Investment Receivables (including un-encumbered cash and bank balance, investments) to the extent of 1.20 times. The Company has maintained asset cover as stated in the information memorandum which is sufficient to discharge the principal amount and other dues at all times for the non-convertible debt securities issued by the Company.
- Disclosure in compliance with regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, for the quarter ended June 30, 2022.


(Rupees in millions unless otherwise stated)

Sr. No	Particulars	for quarter ended	
		September 30, 2022	
1	Debt - Equity Ratio as on September 30, 2022 (Refer Note 1 below)		0.58
2	Debt service coverage ratio		NA
3	Interest service coverage ratio		NA
4	Outstanding redeemable preference shares (Quantity)		6952756
	Outstanding redeemable preference shares (Value)		69.53
5	Capital redemption reserve		NA
	Debenture redemption reserve		NA
6	Net Worth		1,110.38
7	Net Profit After Tax (Quarter ended September 30, 2022)		31.84
8	Earnings per equity share (not annualised):		
	(a) Basic (Rs)		24.25
	(b) Diluted (Rs)		2.42
9	Current ratio		NA
10	Long term debt to working capital		NA
11	Bad debts to Account receivable ratio		NA
12	Current liability ratio		NA
13	Total debts to total assets as on September 30, 2022 (Refer Note 2 below)		0.35
14	Debtor's turnover		NA
15	Inventory turnover		NA
16	Operating margin		NA
17	Net profit/loss margin <sup>1)</sup> (Refer Note 3 below)		0.42
18	Sector specific equivalent ratios:		
	(a) Gross NPA - Stage 3		11.27%
	(b) Net NPA - Stage 3		8.08%
	Tier - I CRAR (%)		70.77%
	Tier - II CRAR (%)		3.35%
	Capital to risk weighted assets ratio** (Refer Note 4 below)		74.12%

**Note:**

- Debt-equity Ratio = Total Debt (Debt Securities + Borrowings other than debt securities) / Net worth
- Total debt to total assets = (Debt Securities + Borrowings (other than debt securities) + Subordinate liabilities)/total assets.
- Net Profit/loss margin = Net Profit after tax/total income.
- Capital to risk weighted assets ratio and Liquidity coverage ratio, are calculated as per the RBI guidelines.

For and on behalf of the Board of Directors of  
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Sandeep Wirkhare  
Managing Director & CEO

Place: Mumbai  
Date: November 10, 2022