



Indian School Finance Company Private Limited

Corporate Office : 236 - 237, DLF Towers, Shivaji Marg, Moti Nagar, New Delhi - 110015

Registered Office : 8-2-269/2/52, Plot No. 52, Sagar Society, Road No. 2, Banjara Hills, Hyderabad-500034, Telangana

Phone: 040-66505000, Website: www.isfc.in

CIN : U65921AP1994PTC065392

Standalone financial result for the half year ended March 31, 2020

(Rupees in millions unless otherwise stated)

Particulars	Half Year Ended		Year Ended	
	March 31, 2020 Unaudited	March 31, 2019 Unaudited	March 31, 2020 Audited	March 31, 2019 Audited
1. Total Income from Operations	407.30	534.91	957.61	1,118.28
2. Net Profit / (Loss) for the period (before Tax, Exceptional and/or Extraordinary items)	2.49	100.79	62.31	167.32
3. Net Profit / (Loss) for the period before tax (after Exceptional and/or Extraordinary items)	2.49	100.79	62.31	167.32
4. Net Profit / (Loss) for the period after tax (after Exceptional and/or Extraordinary items)	1.51	81.62	43.57	120.51
5. Total Comprehensive Income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	3.26	82.51	45.32	121.40
6. Paid-Up Equity Share Capital (face value of Rs 10 each)	13.14	12.94	13.14	12.94
7. Reserves excluding Revaluation Reserves	937.10	891.59	937.10	891.59
8. Net Worth	933.14	875.87	933.14	875.87
9. Outstanding Debt	3,021.33	4,857.22	3,021.33	4,857.22
10. Outstanding Redeemable Preference Shares	37.68	37.68	37.68	37.68
11. Debt Equity Ratio	3.24	5.55	3.24	5.55
12. Earnings Per Share (EPS)				
Basic	1.16	63.33	33.68	94.25
Diluted	0.15	8.15	4.35	12.06
13. Capital Redemption Reserve (refer Note 7)	N.A.	N.A.	N.A.	N.A.
14. Debenture Redemption Reserve (refer Note 7)	N.A.	N.A.	N.A.	N.A.
15. Debt Service Coverage Ratio (refer Note 7)	N.A.	N.A.	N.A.	N.A.
16. Interest Service Coverage Ratio (refer Note 7)	N.A.	N.A.	N.A.	N.A.

1. The above results for year ended March 31, 2020 have been reviewed by the Audit Committee and upon their recommendation, approved by the Board of Directors at their meetings held on July 14, 2020, in accordance with the requirement of Regulation 52 of the SEBI (Listing Obligations and disclosure requirements) Regulations, 2015. The Statutory Auditors of the Company have audited the above financial results for the year ended March 31, 2020.

2. The company operates in two business segments i.e. lending to institutional and retail members for the purpose of Ind AS 108 on 'Operating Segments'. The company operates in single geographic segment i.e. domestic.

3. The company has adopted Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015 from April 1, 2019 and effective date of the transition is April 1, 2018. Such transition has been carried out from the erstwhile Accounting Standards under the Act, read with relevant rules issued there under and guidelines issued by Reserve Bank of India ('RBI') (collectively referred as "the previous GAAP"). Accordingly, the impact of transition has been recorded in the opening reserves as at April 1, 2018.

These financials results (including for previous comparative periods presented) have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India. Figures presented in these results have been prepared on the basis of the previously published results under previous GAAP for the relevant periods duly re-stated to Ind AS.

4. The "severe acute respiratory syndrome coronavirus 2" (SARS-CoV-2)", generally known as COVID-19, which was declared as a pandemic by the WHO on March 11, 2020 continues to spread across the globe including India, resulting into a significant decline and volatility in financial markets and a significant decrease in global and India's local economic activities. On March 24, 2020, the Indian Government announced a 21 days lockdown which was further extended from time to time across the nation as a strict measure to contain the spread of the virus. Due to the continuous lockdowns the Company's operations were suspended. To deal with this disruption and in accordance with RBI guidelines relating to COVID-19 Regulatory Package dated March 27, 2020, April 17, 2020 and May 22, 2020, the Company has given an option for availing moratorium to all the eligible borrower's as per the Moratorium policy of the Company. The Company has recorded an expected credit loss provision of Rs. 175.83 Million as at 31 March 2020 in respect of its loans and advance. In accordance with the guidance from ICAI, extension of the moratorium to borrowers by the Company pursuant to the RBI guidelines relating to COVID 19 Regulatory Package dated March 27, 2020, April 17, 2020 and May 22, 2020 by itself is not considered to result in a significant increase in credit risk of a borrower, however the entity needs to evaluate whether the borrowers to which moratorium is granted will remain regular, once the moratorium period gets over. The Company has recorded a macroeconomic (management) overlay of Rs.38.19 Million as part of its ECL (being 1% of stage 1 and stage 2 portfolio), to reflect among other things an increased risk of deterioration in macro-economic factors caused by Novel Coronavirus (COVID-19) pandemic.

In view of unique nature and scale of the economic impact of this pandemic, the impact on the Company's operations and financial metrics (including impairment provisions on loans) will depend on further developments which are uncertain and incapable of estimation at this time.

5. The total borrowing of the Company as at 31 March 2020 are Rs.3308.26 Million. The Company has received moratorium in respect of its borrowing amounting to Rs. 1692.98 Mn in accordance with RBI guidelines relating to COVID-19 Regulatory Package dated March 27, 2020, April 17, 2020 and May 22, 2020. The Company has breached certain financial covenants primarily arising on account of COVID 19 as on 31st March 2020 in respect of which the Company is in the process of seeking waiver from the lenders.

The management has performed a detailed assessment of its cash inflows and outflows for next 12 months and concluded that it will be able to meet its obligations as and when these fall due and is in the process of taking various actions including but limited to negotiating new securitization transactions, assessing the need of incremental borrowings, seeking further extension from its lenders in respect of repayment of loans, waiver of financial covenant breaches etc. The Company also expects collections from various customers to improve once the moratorium period of loans is complete and normal economic activity resumes. While the company expects to be able to sustain its ability to repay liabilities in the normal course of its activities, the principal shareholder has also provided financial support in the aggregating Rs. 370 million in the form of convertible preference shares subsequent to the year end and is further committed to provide financial support as and when necessary to the company to support it in being able to discharge its repayment of liabilities as and when these falls due. Accordingly, these financials results have been prepared on going concern basis.

6. As required by the paragraph 32 of Ind AS 101, reconciliation of the financial results to those reported under Previous GAAP is summarized as follows:

(a) Reconciliation of Financial results to those reported under IGAAP is Summarized below: (Rs in Million)

Particulars	Year ended March 31, 2019	Half Year ended March 31, 2019
Profit after tax as per previous GAAP	111.70	44.44
Reversal of Expected credit loss on financial assets	2.15	16.45
Effective Interest rate impact of Financial Assets	(8.29)	8.87
EIS receivable net of unamortized processing fees on securitized portfolio	16.33	15.51
Effective Interest rate impact of Financial Liabilities	3.52	1.22
Others	(1.31)	(1.28)
Tax impact of the above adjustments	(3.59)	(3.59)
Profit after tax as per Ind AS	120.51	81.62
Other comprehensive income (net of taxes)	0.89	0.89
Total comprehensive income as per Ind AS	121.40	82.51

(b) Reconciliation of equity as per previous IGAAP:

(Rs in Million)

Particulars	Year ended March 31, 2019
Equity as reported under previous GAAP	896.95
Reclassification of Compulsorily convertible debentures in Equity	41.87
Reversal of Expected credit loss on Financial Assets	6.97
Effective Interest rate impact of Financial Assets	(136.45)
Reversal of interest on mandatorily convertible debentures	3.52
EIS Receivable net of unamortized processing fees on securitized portfolio	16.33
Others	(0.34)
Tax impact of the above adjustments	31.70
Total Equity as per INDAS	860.55

- In terms of applicability of Ind AS 116, Operating Lease Liability (OLL) and Rights of Use (ROU) asset has been recorded on the balance sheet. The balance as of March 31, 2020 for ROU and OLL is INR 35.24 million and INR 37.74 million respectively.
- The figures for the last half year are the balancing figures between audited figures in respect of full financial year and the unaudited published year to date figures upto first half of the financial year.
- The figures for the previous periods have been regrouped/rearranged wherever necessary to conform to current period presentation.
- The above financial results are available on the stock exchange website (www.bseindia.com) and the website of the Company (www.isfc.com).

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

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Raunak Singhvi
(Whole Time Director)

Place: New Delhi
Date: July 14, 2020

