



MCSL/SEC/20-21/111

November 05, 2020

**BSE Limited**

Phiroze Jeejeebhoy Towers  
Dalal Street,  
Mumbai - 400 001  
**Scrip Code - 511766**

**National Stock Exchange of India Limited**

Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex,  
Bandra (E), Mumbai - 400 051  
**Trading Symbol - MUTHOOTCAP**

Dear Sir/Madam,

**Sub: Regulation 33 & 52 - Unaudited Financial Results with Limited Review Report for the quarter and half year ended September 30, 2020**

Pursuant to Regulation 33 & 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the unaudited financial results for the quarter and half year ended September 30, 2020 along with Limited Review Report.

It may please be noted that the meeting was commenced at 14:00 IST and concluded at 15:20 IST.

Kindly take the same on your records.

Thanking You,

Yours Faithfully,

**For Muthoot Capital Services Limited**

A handwritten signature in black ink, appearing to read 'Abhijith Jayan'.

**Abhijith Jayan**  
**Company Secretary & Compliance Officer**



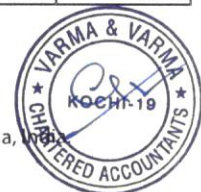
**Encl: As above**

Statement of Standalone Unaudited Financial Results for the quarter and half year ended September 30, 2020

(₹ In lakhs except earnings per share)

Particulars	Quarter Ended			Half Year Ended		Year Ended
	30.09.2020	30.06.2020	30.09.2019	30.09.2020	30.09.2019	31.03.2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>I Revenue from operations</b>						
(i) Interest Income	143 55	131 08	144 86	274 63	282 21	579 48
(ii) Dividend Income	-	-	-	-	1	4
(iii) Net gain on fair value changes	11	12	10	23	19	48
(iv) Net gain on derecognition of financial instruments under amortised cost category	-	-	-	-	6 49	6 49
<b>Total Revenue From Operations</b>	<b>143 66</b>	<b>131 20</b>	<b>144 96</b>	<b>274 86</b>	<b>288 90</b>	<b>586 49</b>
<b>II Other income</b>	<b>6</b>	<b>1</b>	<b>6</b>	<b>7</b>	<b>10</b>	<b>32</b>
<b>III Total income (I+II)</b>	<b>143 72</b>	<b>131 21</b>	<b>145 02</b>	<b>274 93</b>	<b>289 00</b>	<b>586 81</b>
<b>IV Expenses</b>						
(i) Finance costs	47 75	52 54	57 91	100 29	113 56	227 74
(ii) Impairment on financial instruments	38 50	33 38	15 65	71 88	32 62	70 69
(iii) Employee benefit expense	17 32	18 44	22 31	35 76	43 82	88 44
(iv) Depreciation, amortization and impairment	32	31	40	63	74	1 63
(v) Net loss on fair value changes	21	-	-	21	-	-
(vi) Other expenses	18 32	9 06	26 21	27 38	48 84	104 84
<b>Total expenses (IV)</b>	<b>122 42</b>	<b>113 73</b>	<b>122 48</b>	<b>236 15</b>	<b>239 58</b>	<b>493 34</b>
<b>V Profit before tax (III-IV)</b>	<b>21 30</b>	<b>17 48</b>	<b>22 54</b>	<b>38 78</b>	<b>49 42</b>	<b>93 47</b>
<b>VI Tax expense</b>						
(1) Current tax	7 39	3 82	5 51	11 21	14 76	27 53
(2) Deferred tax	-1 86	75	2 98	-1 11	7 03	5 46
<b>Total tax expenses</b>	<b>5 53</b>	<b>4 57</b>	<b>8 49</b>	<b>10 10</b>	<b>21 79</b>	<b>32 99</b>
<b>VII Profit for the period (V-VI)</b>	<b>15 77</b>	<b>12 91</b>	<b>14 05</b>	<b>28 68</b>	<b>27 63</b>	<b>60 48</b>
<b>VIII Other Comprehensive Income</b>						
(A) Items that will not be reclassified to profit or loss						
- Remeasurement of defined benefit plans	-	-	-	-	-	- 39
- Fair value changes on equity instruments through other comprehensive income	8	84	5	92	13	- 2
- Costs of Hedging	- 15	2	- 10	- 13	- 10	- 6
- Income tax relating to items that will not be reclassified to profit or loss	2	- 22	- 2	- 20	- 3	12
<b>Subtotal (A)</b>	<b>- 5</b>	<b>64</b>	<b>- 7</b>	<b>59</b>	<b>-</b>	<b>- 35</b>
(B) Items that will be reclassified to profit or loss						
- Cash flow hedging reserve	-	-	-	-	-	7
- Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	- 2
<b>Subtotal (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5</b>
<b>Other Comprehensive Income (A+B) (VIII)</b>	<b>- 5</b>	<b>64</b>	<b>- 7</b>	<b>59</b>	<b>-</b>	<b>- 30</b>
<b>IX Total Comprehensive Income for the period (VII+VIII)</b>	<b>15 72</b>	<b>13 55</b>	<b>13 98</b>	<b>29 27</b>	<b>27 63</b>	<b>60 18</b>
<b>X Earnings per equity share (Face value of Rs.10/- each)</b>						
Basic (Rs.) (Quarterly/half yearly figures are not annualized)	9.59	7.85	8.54	17.44	16.80	36.77
Diluted (Rs.) (Quarterly/half yearly figures are not annualized)	9.59	7.85	8.54	17.44	16.80	36.77

See accompanying notes



**Standalone Unaudited Statement of Assets and Liabilities as at September 30, 2020**

(₹ in Lakhs)

Particulars	As at 30.09.2020	As at 31.03.2020
	(Unaudited)	(Audited)
<b>ASSETS</b>		
<b>Financial Assets</b>		
Cash and cash equivalents	312 38	286 12
Bank Balance other than Cash and cash equivalents	85 34	112 75
Derivative financial instruments	-	3 19
Loans	2016 71	2427 69
Investments	17 17	16 43
Other Financial assets	17 01	16 82
<b>Non-Financial Assets</b>		
Current tax assets (Net)	14 08	18 99
Deferred tax Assets (Net)	28 02	27 11
Property, Plant and Equipment	2 91	3 19
Intangible assets under development	96	-
Other Intangible assets	22	32
Other non-financial assets	66	63
<b>Total Assets</b>	<b>2495 46</b>	<b>2913 24</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
<b>Financial Liabilities</b>		
Derivative financial instruments	10	-
Payables:		
(I) Trade Payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	28 15	16 07
(II) Other Payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
Debt Securities	176 38	5
Borrowings (Other than Debt Securities)	1600 93	2241 43
Deposits	55 10	47 28
Subordinated Liabilities	66 35	65 97
Other financial liabilities	24 59	19 74
<b>Non-Financial Liabilities</b>		
Provisions	5 41	12 69
Other non-financial liabilities	1 81	2 63
<b>Total Liabilities</b>	<b>1958 82</b>	<b>2405 86</b>
<b>EQUITY</b>		
Equity share capital	16 45	16 45
Other equity	520 19	490 93
<b>Total Equity</b>	<b>536 64</b>	<b>507 38</b>
<b>Total Liabilities and Equity</b>	<b>2495 46</b>	<b>2913 24</b>

See accompanying notes



**Standalone Unaudited Statement of Cash Flow for the Half Year ended September 30,2020**

(₹ in Lakhs)

Particulars	Half Year Ended 30.09.2020 (Unaudited)	Half Year Ended 30.09.2019 (Unaudited)
<b>A. Cash Flow from Operating Activities</b>		
Profit Before Tax	38 78	49 42
<b>Adjustments to Reconcile Profit Before Tax to Net Cash Flows:</b>		
Depreciation, Amortisation & Impairment	63	74
Loss/ (Profit) on Sale of Fixed Assets	-	- 1
Asset Written off	2	-
Dividend Income	-	- 1
Income from Investments	- 41	- 46
Net gain on fair value changes	- 2	- 19
Impairment on financial instruments	71 88	32 62
Finance Cost	100 29	113 56
Cost of Hedging	-	14
<b>Operating Profit before Working Capital Changes</b>	<b>211 17</b>	<b>195 81</b>
<b>Adjustments for Net (Increase) / Decrease in Operating Assets:-</b>		
Bank Balances other than cash and cash equivalents	27 41	-14 54
Loans	339 10	-75 87
Other Financial Assets	- 19	-5 98
Derivative Financial Instruments	3 16	-
Other Non Financial Assets	- 3	12
<b>Adjustments for Net Increase/ (Decrease) in Operating Liabilities-</b>		
Other Financial Liabilities	4 85	-4 06
Trade Payables	12 08	4 18
Other non financial liabilities	- 81	- 64
Provisions	-7 29	- 65
<b>Net changes in Working Capital</b>	<b>378 28</b>	<b>-97 44</b>
<b>Cash generated from Operations</b>	<b>589 45</b>	<b>98 37</b>
Finance cost paid	-99 92	-114 84
Direct Taxes paid	-6 30	-23 90
<b>Net cash from / (used) in Operating Activities</b>	<b>483 23</b>	<b>-40 37</b>
<b>B.Cash Flow From Investing Activities</b>		
(Increase) / Decrease of Fixed Assets	- 27	-2 93
(Increase) / Decrease in Intangible Asset Under Development	- 96	-
(Increase) / Decrease in Investment	20	3 02
Income from Investments	41	61
Dividend Income	-	1
<b>Net cash from / (used) in Investing Activities</b>	<b>- 62</b>	<b>71</b>
<b>C.Cash Flow From Financing Activities</b>		
Net Increase / ( Decrease) in Borrowings other than debt securities	-640 88	51 69
Net Increase/ ( Decrease) in Deposits	7 82	-5 39
Net Increase / (Decrease) in Debt Securities	176 34	-
Net Increase / (Decrease) in Subordinated liabilities	37	1 95
Dividend paid (including Corporate Dividend Tax)	-	- 9
<b>Net cash generated from Financing Activities</b>	<b>-456 35</b>	<b>48 16</b>
<b>D.Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>	<b>26 26</b>	<b>8 50</b>
Opening Balance of Cash and Cash Equivalents	286 12	31 47
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>312 38</b>	<b>39 97</b>

See accompanying notes



Notes:

1. The above financial results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on November 05<sup>th</sup>, 2020.
2. The company has adopted Indian Accounting Standards ('Ind AS') 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 impairment losses determined under the expected credit loss method as prescribed therein have been recognized.

The COVID-19 pandemic has continued to affect the operations of the company during the current quarter as well. In accordance with the regulatory concessions announced by RBI, the company had offered an optional moratorium on loan installments falling due between March and August 2020. In a public interest litigation (Gajendra Sharma vs Union of India & Anr), the Honourable Supreme Court, vide interim order dated September 3, 2020 has directed that the accounts which were not declared as non-performing assets (NPA) till August 31, 2020 shall not be so declared till further orders. However, such accounts have been considered in the estimate of additional provision towards any probable increase in impairment loss on loan receivables. Further, subsequent to the period end, on October 23, 2020, the Government of India has approved a scheme for grant of ex-gratia payment of difference between compound interest and simple interest for the period from March 1, 2020 to August 31, 2020 to borrowers in specified loan accounts as per which such eligible amounts will be reimbursed by the Government and consequently is not expected to have any impact on the financial results.

Although the company is expecting future operations to improve, having regard to the situation at this stage, the company has created an estimate provision towards any probable increase in impairment loss on loan receivables amounting to Rs 8400 lakhs (which includes Rs 3400 lakhs created during the quarter ended 30<sup>th</sup> September 2020 and Rs 6600 lakhs created during the half year ended on such date). Given the continuing uncertainties associated with the pandemic, the company will continue to monitor the position and appropriately adjust any significant changes in such estimates based on future conditions. Based on an assessment of the situation, the company considers that the impairment loss/provision as stated above, is adequate to cover any future uncertainties and is also more than the provisions computed as per extant RBI norms. These financial results may require further adjustments, if any, necessitated by further guidelines/ clarifications/ directions issued in the future by RBI, Ministry of Corporate Affairs or other regulators, which will be implemented as and when the same are issued/ made applicable.




3. The impact of changes if any arising on enactment of the Code on Social Security 2020 will be assessed by the company after the effective date of the same and the rules thereunder are notified.
4. The company is engaged primarily in the business of financing and accordingly there are no separate reportable operating segments as per IND AS 108 - Operating Segments.
5. The Company has maintained requisite full asset cover by way of first ranking paripassu and continuing charge on standard receivables of the Company on the Secured Listed Non - Convertible Debentures issued aggregating to Rs. 17,500 lakhs at principal value as of September 30, 2020, including Non-Convertible Debentures aggregating to Rs 12,500 lakhs issued during the months of August and September 2020, in respect of which the company is in the process of creation of charge on the aforesaid security
6. The information pursuant to regulation 52(4) and 52(6) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are given in Annexure A.
7. The disclosures as required under RBI Notification No. RBI/ 2019-20/220/DOR No. BP.BC. 63/21.04.048/2019-20 dated 17 April 2020 on COVID-19 Regulatory Package - Asset Classification and Provisioning are given in Annexure B.
8. Figures for the previous periods have been regrouped /reclassified, wherever found necessary, to conform to current period presentation.

For and on behalf of the Board of Directors

Kochi.

November 5, 2020

  
Thomas George Muthoot

Managing Director

DIN - 00011552

  
Thomas Muthoot

Director

DIN - 00082099



**Additional disclosures required by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

- a) Credit rating and change in credit rating (if any)

Sl No.	Particulars	As at 30 <sup>th</sup> September, 2020	As at 30 <sup>th</sup> September, 2019
1	Cash Credit & Working Capital Demand Loans	CRISIL A/ Stable	CRISIL A/ Stable
2	Working Capital Term loans	CRISIL A/ Stable	CRISIL A/ Stable
3	Public Deposits	FA +/Stable	FA +/Stable
4	Commercial Paper	CRISIL A1	CRISIL A1
5	Non-Convertible Debentures	CRISIL A/ Stable	CRISIL A/ Stable

- b) Debt-Equity Ratio (Standalone)

Particulars	As at 30 <sup>th</sup> September, 2020	As at 30 <sup>th</sup> September, 2019
Debt-Equity Ratio	3.54	4.58

- c) Previous due date for the payment of interest/dividend for non- convertible redeemable preference shares/ repayment of principal of non - convertible preference shares/non - convertible debt securities for the period and whether the same has been paid or not:

The Company has not issued any preference shares.

The payment towards interest and repayment of principal of non - convertible debt securities commenced from October 2020 onwards and hence no such payments were effected for the half year ended 30<sup>th</sup> September, 2020.

- d) Previous due date for the repayment of Commercial Paper for the period and whether the same has been paid or not:

The Company has not issued any Commercial Paper.

- e) Next due date for the payment of interest/dividend of non- convertible preference shares/non - convertible debt securities / principal along with the amount of interest/ dividend of non - convertible preference shares/non - convertible debt securities payable and the redemption amount :

The Company has not issued any preference shares.



The next due dates for payment of interest and principal of non-convertible debt securities for the period October 01, 2020 to March 31, 2021 are as under:

Sl No	Series	Type (Interest/Principal)	Amount (₹ in Lakhs)	Next due date for payment
1	INE296G07010	Interest	162.78	October 21, 2020
		Interest	126.91	January 21, 2021

*The principal and/or interest amounts on the above non-convertible debt securities will be paid on due dates(s) as per terms of issue of respective prospectus.*

- f) Next due date for the repayment of Commercial paper along with the repayment amount:

The Company has not issued any Commercial Paper.

- g) (i) Capital Redemption Reserve as at September 30, 2020: NIL

- (ii) Debenture Redemption Reserve (Standalone):

Pursuant to Rule 18(7)(b)(iii) of the Companies (Share Capital and Debentures) Rules, 2014, as amended vide the Companies (Share Capital and Debentures) Amendment Rules, 2019, the Company, being an NBFC registered with the Reserve Bank of India under Section 45 IA of the RBI Act, 1934, is not required to create a Debenture redemption reserve, in respect of public issue of debentures and debentures issued by it on a private placement basis.

- h) Net worth (Standalone) :

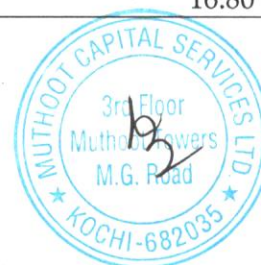
Particulars (₹ in Lakhs)	As on 30 <sup>th</sup> September, 2020	As on 30 <sup>th</sup> September, 2019
Net worth	536.64	474.83

- i) Net Profit after Tax (Standalone) :

Particulars (₹ in Lakhs)	For the half year ended on 30 <sup>th</sup> September, 2020	For the half year ended on 30 <sup>th</sup> September, 2019
Net Profit after Tax	28.68	27.63

- j) Earnings Per Share (Standalone):

Particulars (in ₹)	For the half year ended on 30 <sup>th</sup> September, 2020	For the half year ended on 30 <sup>th</sup> September, 2019
Basic	17.44	16.80
Diluted	17.44	16.80





**Annexure - B**

**Disclosure pursuant to Reserve Bank of India Circular  
DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020  
pertaining to Asset Classification and Provisioning in terms of  
COVID -19 Regulatory Package.**

<b>Sl. No.</b>	<b>Particulars</b>	<b>Amount (Rs in Lakhs)</b>
i)	Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended (as of March 31, 2020)	27681.02
ii)	Respective amount where asset classification benefit is extended (as of September 30, 2020 including interest)	6566.74
iii)	Provisions made during the quarter ended March 31, 2020 and June 30, 2020 in terms of Para 5 of above circular*	1169.52
iv)	Provisions adjusted during the half year ended September 30, 2020 against slippages	Not Applicable

\* The Company, being NBFC, has complied with Ind-AS provisions and guidelines duly approved by the Board for recognition of the impairment loss allowance as per ECL model. The company holds a provision of Rs.1169.52 lakhs in respect of the accounts where asset classification benefit is extended which is more than the minimum total additional provision of 10% required as per RBI guidelines.



**Independent Auditor's Review Report on standalone unaudited quarterly and year to date standalone unaudited financial results of the Company pursuant to Regulation 33, 52 and 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

The Board of Directors,  
Muthoot Capital Services Limited.

1. We have reviewed the accompanying statement of standalone unaudited financial results of Muthoot Capital Services Limited ("the Company") for the period ended 30 September 2020 ("the Statement"). This statement has been prepared by the company pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63 (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, as amended (the 'Listing Regulations'), read with relevant circulars issued by SEBI.
2. The preparation of this Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, ('Ind AS 34') "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with the Listing Regulations read with the relevant circulars issued by SEBI, is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity.*" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of standalone unaudited financial results, prepared in accordance with applicable Indian Accounting Standards and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of the Listing Regulations read with relevant circulars issued by SEBI, including the manner in which it is to be disclosed, or that it contains any material misstatement.



*Varma & Varma*  
Chartered Accountants

5. We draw attention to Note No 2 to the Statement which describes the impact of the COVID-19 pandemic on the operations and financial position of the company, including the Company's estimates of the probable increase in impairment losses and the continuing uncertainties which may require changes in such estimates in the future.

Our conclusion on the Statement is not modified in respect of this matter.

Place: Kochi  
Date: 05.11.2020

For VARMA & VARMA  
(FRN:004532S)



(GOPI. K)  
Partner  
CHARTERED ACCOUNTANTS  
Membership No. 214435

UDIN: 20214435AAAAYD6636