



MCSL/SEC/19-20/132A

October 22, 2019

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 - Unaudited Financial Results with Limited Review Report for the quarter and half year ended September 30, 2019

Pursuant to Regulation 33 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, 2019 along with Limited Review Report.

It may please be noted that the meeting was commenced at 12.00 noon and concluded at 4.30 p.m.

Kindly take the same on your records.

Thanking You,

Yours Faithfully,

For Muthoot Capital Services Limited

Abhijith
Jayan  Digitally signed by
Abhijith Jayan
Date: 2019.10.22
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Abhijith Jayan

Company Secretary & Compliance Officer

Encl: As above

Statement of Standalone Unaudited Financial Results for the quarter and half year ended September 30, 2019

(₹ In lakhs except earnings per share)

Particulars	Quarter Ended			Half Year Ended	
	30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
I Revenue from operations					
(i) Interest Income	144 86	137 35	124 47	282 21	238 41
(ii) Dividend Income		1		1	
(iii) Net gain on fair value changes	10	9	18	19	24
(iv) Net gain on derecognition of financial instruments under amortised cost category		6 49	7 41	6 49	7 41
Total Revenue From Operations	144 96	143 94	132 06	288 90	246 06
II Other income	6	4	8	10	10
III Total Income (I + II)	145 02	143 98	132 14	289 00	246 16
IV Expenses					
(i) Finance costs	57 91	55 65	44 41	113 56	83 88
(ii) Impairment on financial instruments	15 65	16 97	16 06	32 62	29 44
(iii) Employee benefit expenses	22 31	21 51	19 03	43 82	36 73
(iv) Depreciation, amortization and impairment	40	34	23	74	47
(v) Other expenses	26 21	22 63	19 17	48 84	35 45
Total Expenses (IV)	122 48	117 10	98 90	239 58	185 97
V Profit before tax (III- IV)	22 54	26 88	33 24	49 42	60 19
VI Tax expense					
(1) Current tax	5 51	9 25	13 49	14 76	26 72
(2) Deferred tax	2 98	4 05	-1 69	7 03	-5 45
(3) Taxes relating to prior years			2		- 1
Total tax expenses	8 49	13 30	11 82	21 79	21 26
VII Profit for the period (V- VI)	14 05	13 58	21 42	27 63	38 93
A) Other Comprehensive Income					
(i) Items that will not be reclassified to profit or loss					
- Fair value changes on equity instruments through other comprehensive income	5	8	5	13	- 4
- Costs of Hedging	- 10			- 10	
(ii) Income tax relating to items that will not be reclassified to profit or loss	- 2	- 1	- 2	- 3	1
Subtotal (A)	- 7	7	3		- 3
B) Other Comprehensive Income (A + B) (VIII)	- 7	7	3		- 3
Total Comprehensive Income for the year (VII+VIII)	13 98	13 65	21 45	27 63	38 90
Earnings per equity share(Face value of Rs. 10/- each)					
Basic (Rs.)(not annualized)	8.54	8.26	13.02	16.80	23.67
Diluted (Rs.)(not annualized)	8.54	8.26	13.02	16.80	23.67

Standalone Unaudited Statement of Assets and Liabilities as at September 30,2019.

(₹ in Lakhs)

Particulars	As at 30.09.2019
	(Unaudited)
Assets	
Financial Assets	
Cash and cash equivalents	39 97
Bank Balance other than above	67 35
Loans	2624 59
Investments	16 54
Other Financial assets	25 64
Non Financial Assets	
Deferred tax Assets (Net)	25 39
Property, Plant and Equipment	3 68
Intangible assets under development	22
Other Intangible assets	24
Other non-financial assets	16 60
Total Assets	2820 22
Liabilities and Equity	
Liabilities	
Financial Liabilities	
Derivative financial instruments	76
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	26 02
(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	
Borrowings (Other than Debt Securities)	2046 31
Deposits	62 31
Subordinated Liabilities	65 73
Other financial liabilities	32 47
Non-Financial Liabilities	
Provisions	108 59
Other non-financial liabilities	3 20
Total Liabilities	2345 39
Equity	
Equity share capital	16 45
Other equity	458 38
Total equity	474 83
Total Liabilities and Equity	2820 22

See accompanying notes.



Standalone Unaudited Statement of Cash Flow for the half year ended September 30, 2019

Rs. In Lakhs

SI No	Particulars	Half Year ended 30.09.2019 (Unaudited)
A	Cash Flow From Operating Activities	
	Net Profit before tax	49 42
	Adjustments for:-	
	Depreciation/Amortization	74
	Impairment on Financial Instruments	32 62
	Net gain on fair value changes	- 19
	Loss / (Profit) on sale of Assets	- 1
	Costs of Hedging	14
	Income from Investment	- 46
	Dividend Income	- 1
	Operating Profit before Working Capital Changes	82 25
	Adjustments for Net (Increase) / Decrease in Operating Assets:-	
	Bank Balances other than cash and cash equivalents	-14 54
	Loans	-76 52
	Other Financial Assets	-5 98
	Other Non Financial Assets	12
	Adjustments for Net Increase/ (Decrease) in operating liabilities-	
	Other Financial Liabilities	-4 06
	Trade Payables	4 18
	Derivative Financial Instruments	
	Other non financial liabilities	- 64
	Net changes in working capital	-97 44
	Cash generated from Operations before Income Tax	-15 19
	Direct Taxes paid	-23 90
	Net cash from / (used) in Operating Activities	-39 09
B	Cash Flow From Investing Activities	
	(Increase) / Decrease in Fixed Assets	-2 93
	(Increase) / Decrease in Investment	3 02
	Income from Investment	61
	Dividend Income	1
	Net cash from / (used) in Investing Activities	71
C	Cash Flow From Financing Activities	
	Net Increase / (Decrease) in Borrowings other than debt securities	50 41
	Net Increase / (Decrease) in Deposits	-5 39
	Net Increase / (Decrease) in Subordinated liabilities	1 95
	Dividend paid (including Corporate Dividend Tax)	- 9
	Net cash generated from Financing Activities	46 88
	Net Increase/(Decrease) in cash and cash equivalents (A+B+C)	8 50
	Opening Balance of Cash and Cash Equivalents	31 47
	Closing Balance of Cash and Cash Equivalents	39 97



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 22/10/2019.
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. The financial results together with the results for the comparative reporting period of the company have been prepared in accordance with the recognition and measurement principles as laid down in Ind AS-34 – Interim Financial Reporting. The effective date of transition to Ind AS is April 1, 2018 and the same has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules of Companies (Accounts) Rules 2014, guidelines issued by the Reserve Bank of India ('the RBI') and other generally accepted accounting principles in India (collectively referred to as 'the Previous GAAP').

The impact of above transition has been recorded in the opening reserves as at April 1, 2018 and the corresponding figures pertaining to comparative previous period as presented in these financial results have been restated / reclassified in order to confirm to current period presentation.

These financial results may require further adjustments, if any, necessitated by 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.

The financial statements have been presented in accordance with format prescribed for Non Banking Finance Companies under the Companies (Indian Accounting Standards) Rules, 2015 in Division III of Schedule III as per Notification No G.S.R. 1022(E) dated 11.10.2018, issued by Ministry of Corporate Affairs, Government of India.

3. The company has opted to avail the relaxations provided by the Securities and Exchange Board of India (SEBI) vide Circular No: CIR/CFD/FAC/62/2016 dated July 5, 2016 as available to listed entities for submission of Ind AS compliant financial results and Balance Sheet for the previous year ended March 31, 2019 and hence has provided Ind AS compliant financial results only for the previous quarter and half year ended September 30, 2018 along with the financial results for the quarter ended September 30, 2019 and June 30, 2019 and for the half year ended September 30, 2019. Further, the Ind AS compliant financial results for the quarter and half year ended September 30, 2018 have not been subjected to Limited Review by the Statutory Auditors. However, the management has exercised necessary due diligence to ensure that such financial results provide a true and fair view of its affairs.



4. Reconciliation of Net Profit reported under Previous GAAP and Ind AS for the previous quarter and half year ended September 30, 2018 (as per requirements of Para 32 of Ind AS 101) is as under:

Particulars	Quarter ended September 30, 2018 (Rs in Lakhs)	Half year ended September 30, 2018 (Rs in Lakhs)
Net profit after tax reported under previous GAAP	2013	4077
Adjustments increasing/(decreasing) net profit after tax as reported in the previous GAAP:		
Impact on application of Expected Credit Loss method for loan loss provisions and related adjustments as per Ind AS 109	(227)	(384)
Amortisation of net income under Effective Interest Rate method for financial assets	(124)	(282)
Amortisation of expenses under Effective Interest Rate method for financial liabilities	27	102
Net gain/(loss) on change in Fair Value of Investments	6	2
Accrual of Excess Interest spread on Securitized assets	341	510
Reversal of net service income on assignment transactions	175	(231)
Tax adjustments on above items	(69)	99
Net Profit after tax reported under Ind AS	2142	3893
Other Comprehensive Income / Loss (Net of Tax)	3	(3)
Total Comprehensive Income (after tax) as reported under Ind AS	2145	3890


5. The company is engaged primarily in the business of financing and accordingly there are no separate reportable segments as per IND AS 108 dealing with Operating Segments.



6. In accordance with the Taxation Laws (Amendment) Ordinance 2019 promulgated on 20, September 2019, the Company has opted to pay tax at the lower rate prescribed therein with effect from the current financial year. Consequently, tax expenses for the quarter / half year ended 30th September 2019 comprising current and deferred tax as per Indian Accounting Standards (IND AS -12) (Income Taxes) have been recognized using the reduced tax rates applicable.

For Muthoot Capital Services Limited

Kochi
October 22, 2019


Thomas George Muthoot
Managing Director
DIN: 00011552


Thomas Muthoot
Director
DIN: 00082099



Limited Review Report

The Board of Directors
Muthoot Capital Services Limited

1. We have reviewed the accompanying statement of unaudited financial results of Muthoot Capital Services Limited (“the Company”) for the period ended 30 September 2019 (“the Statement”). This statement has been prepared by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 (the ‘Listing Regulation’), modified by circular no. CIR/CFD/FAC/62/2016 dated July 05, 2016 read with SEBI Circular No CIR/CFD/CMD1/44/2019 dated March 29 2019 (‘the Circulars’). Attention is drawn to the fact that the figures for the corresponding quarter and half year ended 30 September 2018 including the reconciliation of profit under Ind AS of the corresponding quarter and half year with profit reported under previous GAAP, as reported in these financial results have been approved by company’s Board of Directors but have not been subjected to review.
2. This statement is the responsibility of the Company’s Management and has been approved by the Board of Directors/ Committee of Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
3. We conducted our review 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 financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.



Varma & Varma

Chartered Accountants

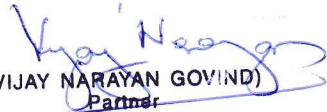
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards, i.e. Ind AS prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder or by the Institute of Chartered Accountants of India and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of the Listing Regulation, read with the Circulars including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place : Kochi

Date : 22.10.2019

UDIN: 19203094AAAAAZ7971

For VARMA & VARMA
(FRN:004532S)


(VIJAY NARAYAN GOVIND)
Partner
CHARTERED ACCOUNTANTS
Membership No. 203094