



MCSL/SEC/20-21/54

July 28, 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 - Unaudited Financial Results with Limited Review Report for the quarter ended June 30, 2020

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

It may please be noted that the meeting was commenced at 2.00 p.m. and concluded at 5.00 p.m.

Kindly take the same on your records.

Thanking You,

Yours Faithfully,

For Muthoot Capital Services Limited

Abhijith Jayan
Company Secretary & Compliance Officer

Encl: As above

Statement of Standalone Unaudited Financial Results for the quarter and three months ended June 30, 2020

(₹ In lakhs except earnings per share)

Particulars	Quarter Ended			Year Ended
	30.06.2020	31.03.2020	30.06.2019	31.03.2020
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
I Revenue from operations				
(i) Interest Income	131 08	146 72	137 35	579 48
(ii) Dividend Income	-	3	1	4
(iii) Net gain on fair value changes	12	15	9	48
(iv) Net gain on derecognition of financial instruments under amortised cost category	-	-	6 49	6 49
Total Revenue From Operations	131 20	146 90	143 94	586 49
II Other income	1	4	4	32
III Total income (I+II)	131 21	146 94	143 98	586 81
IV Expenses				
(i) Finance costs	52 54	56 23	55 65	227 74
(ii) Impairment on financial instruments	33 38	22 48	16 97	70 69
(iii) Employee benefits expenses	18 44	21 42	21 51	88 44
(iv) Depreciation, amortization and impairment	31	47	34	1 63
(v) Other expenses	9 06	27 82	22 63	104 84
Total Expenses (IV)	113 73	128 42	117 10	493 34
V Profit Before Tax (III-IV)	17 48	18 52	26 88	93 47
VI Tax expense				
(i) Current tax	3 82	7 04	9 25	27 53
(ii) Deferred tax	75	-2 42	4 05	5 46
(iii) Taxes relating to prior years	-	-	-	-
Total Tax Expenses	4 57	4 62	13 30	32 99
VII Profit for the period (V-VI)	12 91	13 90	13 58	60 48
VIII Other Comprehensive Income				
(A) Items that will not be reclassified to profit or loss				
- Remeasurement of defined benefit plans	-	- 39	-	- 39
- Fair value changes on equity instruments through other comprehensive Income	84	- 15	8	- 2
- Costs of Hedging	2	-	-	- 6
- Income tax relating to items that will not be reclassified to profit or loss	- 22	15	- 1	12
Subtotal (A)	64	- 39	7	- 35
(B) Items that will be reclassified to profit or loss				
-Cashflow hedging reserve	-	7	-	7
-Income tax relating to items that will be reclassified to profit or loss	-	- 2	-	- 2
Subtotal (B)	-	5	-	5
Other Comprehensive Income (A + B) (VIII)	64	- 34	7	- 30
IX Total Comprehensive Income for the period (VII+VIII)	13 55	13 56	13 65	60 18
X Earnings per equity share(Face value of Rs. 10/- each)				
Basic (Rs.) (quarterly figures are not annualized)	7.85	8.45	8.26	36.77
Diluted (Rs.) (quarterly figures are not annualized)	7.85	8.45	8.26	36.77

See accompanying notes to the Financial Results.



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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 July 28, 2020. The figures for the last quarter of the previous year are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to third quarter.
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 has offered an optional moratorium on loan installments falling due between March and August 2020. 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 5000 lakhs (including Rs 3200 lakhs created during the quarter). 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. The aggregate impairment loss recognized in the accounts is 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 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.
4. The Company has maintained requisite full asset cover by way of first ranking pari passu charge on receivables of the company on its Secured Listed Non-Convertible Debentures aggregating to Rs.5,000 lakhs (at principal value) as on June 30, 2020.
5. 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
July 28, 2020


Thomas George Muthoot
Managing Director
DIN - 00011552


Thomas Muthoot
Director
DIN - 00082099



Independent Auditor's Review Report on the Quarterly Unaudited Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To 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 quarter ended 30 June 2020 ("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) Regulations, 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 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 prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognised 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.
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 is not modified in respect of this matter.

Place : Kochi

Date : 28.07.2020

UDIN: 20214435AAAADT7599

For VARMA & VARMA
(FRN : 0045325)



(GOPI. K)

Partner

CHARTERED ACCOUNTANTS
Membership No. 214435