



**Manipal Finance Corporation Ltd.**

Regd. Office: "Manipal House"- Manipal – 576 104  
Udupi Dist., Karnataka  
Ph: 0820-2570741

Website: [www.mfgroupco.com](http://www.mfgroupco.com)  
Email: [tnmpai@mfgroupco.com](mailto:tnmpai@mfgroupco.com)  
CIN : L65910KA1984PLC005988

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Ref:MFCL/HO/SEC/495/2020  
25.08.2020

Mr. Harshad Naik  
Listing Compliance  
Bombay Stock Exchange Ltd.  
Regd. Office: Floor 25  
P J Towers, Dalal Street  
Mumbai – 400 001

**Security ID : MNPLFIN Security Code : 507938**

Dear Sir,

Sub: Discrepancies in Standalone Financial Results  
Ref: Your email dt. 24.8.2020

With reference to your email sited above, we once again attach herewith Audited Financial Results (Standalone) of the Company for the Quarter and Financial Year ended 31" March, 2020 along with qualified opinions issued by the Statutory Auditors.

Kindly take the same on record.

Thanking you,

Yours faithfully,

Yours faithfully,  
For **Manipal Finance Corporation Ltd.**

**(T Narayan M Pai)**  
**Managing Director**  
[DIN 00101633]

**Auditor's Report on Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To,  
**The Board of Directors of Manipal Finance Corporation Limited**

**Qualified Opinion**

We have audited the Statement of quarterly and year to date financial results of Manipal Finance Corporation Limited ("the Company") for the quarter and year ended 31<sup>st</sup> March 2020 attached herewith being submitted by the Company pursuant to requirements of Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 05, 2016.

In our opinion and to the best of our information and according to the explanations given to us these, except for the effect of the matter described in the Basis of Qualified Opinion paragraph, quarterly financial results as well as the year to date financial results:

- (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
- (ii) give a true and fair view of the net profit, other comprehensive income and other financial information for the quarter ended 31<sup>st</sup> March 2020 as well as the year to date results for the period 1st April 2019 to 31<sup>st</sup> March 2020.

**Basis for qualified opinion:**

We draw attention to Note No.9 of the financial results. The Company has incurred losses over the years and its majority of funds are blocked in Non-Performing Assets, raising a doubt about the Company to continue as a going concern. The account, however have been prepared on a "going concern basis" in view of Management perception as detailed in aforesaid note. However, we are unable to comment on the ultimate realisability of Company's assets including the Property, Plant and Equipment under lease. Accordingly we are also unable to comment on the Company's ability to settle its debts/liabilities (including Deposits, Subordinated debts and Secured Redeemable Debentures.)

It is not feasible to ascertain accurately the liability of the Company as on any date, for the reasons as stated by the Management, vide Note 7 of the notes to the financial results.





### **Management Responsibility**

The Statement have been prepared on the basis of annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of the Statement that give a true and fair view of the net profit, other comprehensive income and other financial information in accordance with applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 as amended, read with the relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

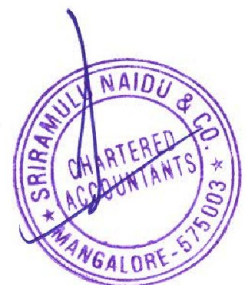
In preparing the Statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process

### **Auditor's Responsibility**

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:





- Identify and assess the risks of material misstatements of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding the independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where, applicable, related safeguards.






**Other Matters:**

- a. Interest write back on Deposits/Debentures/Debt on settlement with depositors/Debenture/Debt holders for the three/twelve months ending 31st March 2020 is considered in the above Statement as Exceptional Item and details are given against Item A of the Statement. The principal portion written back on such settlement is being directly taken to Balance Sheet as Capital Reserve as detailed in Item B of the results. Our opinion is not qualified in this matter.
- b. The results of the Company for the Quarter/Year ending 31st March 2020 shows profit on account of facts stated by the Management in Note No. 14 of the Statement. The Company would have incurred loss, for the year under review, if the income as aforesaid were not earned. Our opinion is not qualified in this matter.
- c. This report is furnished solely for the purpose of filing with Stock Exchanges (s) in India as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. It is not to be used for any other purpose or referred to any other document, or distributed to anyone.

Issued to the Board of Directors of Manipal Finance Corporation Ltd on this 24<sup>th</sup> July 2020 at Manipal

For **SRIRAMULU NAIDU & CO.**  
Chartered Accountants  
FRN 008975S

  
CA. Sriramulu Naidu  
Partner  
Membership No.18244  
UDIN: 20018244AAAAFZ3036



**MANIPAL FINANCE CORPORATION LIMITED**  
**MANIPAL HOUSE, MANIPAL - 576 104**  
**CIN: L65910KA1984PLC005988**  
**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020**

(Rs. in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
<b>I CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	667.60	84.28
<i>Ind AS adjustments</i>		
Rental income (Ind AS adjustment)	(0.51)	(1.34)
Interest expense (Ind AS adjustment)	0.79	1.07
Exceptional items	667.88	84.01
Interest income	(702.37)	(101.31)
Dividend income	(0.67)	(0.79)
Interest on income tax refund	(5.27)	(2.37)
Depreciation, amortisation and impairment	(0.19)	(0.10)
<b>Operating profit before working capital changes</b>	<b>6.21</b>	<b>6.50</b>
<b>Movements in working capital:</b>	<b>(34.41)</b>	<b>(14.06)</b>
Decrease/(Increase) in loans	-	-
Decrease/(Increase) in receivables, other financial assets and other-non financial assets	39.43	96.24
Increase/(Decrease) in payables	(0.03)	0.71
Increase/(Decrease) in other financial liabilities	263.00	81.86
Increase/(Decrease) in other non-financial liabilities	(0.08)	(0.67)
<b>Cash generated from operations</b>	<b>267.91</b>	<b>164.08</b>
Interest paid	(8.56)	(20.75)
Direct taxes paid (net of refund)	(4.79)	0.18
<b>Net cash flows from/(used in) operating activities (A)</b>	<b>254.56</b>	<b>143.51</b>
<b>II CASH FLOW FROM INVESTING ACTIVITIES</b>		
Receipt / (Payment) of lease security deposit	(90.00)	2.56
Proceeds from Sale of Investment Property	610.00	-
Interest income	0.86	0.89
Decrease/(Increase) in bank deposits	(0.67)	(0.57)
Dividend income	5.27	2.37
Decrease/(Increase) in investments	-	-
<b>Net cash flows from/(used in) investing activities (B)</b>	<b>525.46</b>	<b>5.25</b>
<b>III CASH FLOW FROM FINANCING ACTIVITIES</b>		
Increase/(Decrease) in deposits/subordinated debts/debentures and interest accrued thereon	(765.80)	(149.92)
<b>Net cash flows from/(used in) financing activities (C)</b>	<b>(765.80)</b>	<b>(149.92)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>14.22</b>	<b>(1.16)</b>
Cash and cash equivalents at the beginning	19.33	20.49
<b>Cash and cash equivalents at the end of the year</b>	<b>33.55</b>	<b>19.33</b>

Note: Cash flow statements are prepared under Indirect Method as prescribed under Ind AS - 7

Place: Manipal  
Date: July 24, 2020

Signed for Identification  
purpose

By order of the Board  
For Manipal Finance Corporation Limited

T Narayan M Pai  
Managing Director  
DIN: 00161633



MANIPAL FINANCE CORPORATION LIMITED  
MANIPAL HOUSE, MANIPAL - 576 104  
CIN: L65910KA1584PLC008988

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED MARCH 31, 2020

(Rs. in lakhs)

Sr. No.	Particulars	For the quarter ended				For the year ended	
		March 31, 2020 (Audited)	December 31, 2019 (Unaudited)	September 30, 2019 (Unaudited)	June 30, 2019 (Unaudited)	March 31, 2020 (Audited)	March 31, 2019 (Audited)
I	Revenue from Operations:						
(i)	Interest Income	0.17	0.17	0.17	0.16	0.28	0.79
(ii)	Dividend Income	2.62	-	2.65	-	-	2.37
(iii)	Rental Income	5.41	5.33	4.55	4.05	4.20	13.38
(iv)	Fees and Commission Income	-	-	-	-	-	-
(v)	Net Gain on Fair Value Changes	-	-	-	-	-	-
(vi)	Net Gain on Derivatives of Financial Instruments under Amortised Cost Category	-	-	-	-	-	-
(vii)	Sale of Products (including Excise Duty)	-	-	-	-	-	-
(viii)	Sale of Services	-	-	-	-	-	-
(ix)	Others	-	-	-	-	-	-
	Total Revenue from Operations (I)	8.20	5.50	7.37	4.21	4.48	18.54
II	Other Income	1.15	0.51	0.43	0.53	0.37	2.60
III	Total Income (I+II)	9.35	6.01	7.80	4.74	4.85	23.78
IV	Expenses:						
(i)	Finance Costs	(0.01)	10.56	-	1.84	1.89	12.79
(ii)	Fees and Commission Expense	-	-	-	-	-	-
(iii)	Net Loss on Fair Value Changes	-	-	-	-	-	-
(iv)	Net Loss on Derivatives of Financial Instruments under Amortised Cost Category	-	-	-	-	-	-
(v)	Impairment of Financial Instruments	-	-	-	-	-	-
(vi)	Cost of Materials Consumed	-	-	-	-	-	-
(vii)	Purchases of Stocks-in-Trade	-	-	-	-	-	-
(viii)	Changes in Inventories of Finished Goods, Stocks-in-Trade and Work-in-Progress	-	-	-	-	-	-
(ix)	Employee Benefits Expenses	2.59	4.64	2.95	2.98	3.07	13.14
(x)	Depreciation, Amortisation and Impairment	1.33	1.63	1.62	1.63	1.62	6.29
(xi)	Other Expenses	8.73	5.67	5.25	5.86	3.17	18.77
	Total Expenses (IV)	12.64	72.90	9.82	17.29	9.75	40.82
V	Profit before Exceptional Items and Tax (III-IV)	(3.29)	(66.89)	(2.02)	(12.55)	(4.90)	(17.03)
VI	Exceptional Items	(66.89)	(18.10)	(18.10)	(18.10)	(18.10)	(18.10)
VII	Profit before Tax (V-VI)	66.37	(8.79)	18.11	(9.09)	7.08	66.70
VIII	Tax Expense:						
(1)	Current Tax	-	-	-	-	-	-
(2)	Deferred Tax	-	-	-	-	-	-
	Net Tax Expense	-	-	-	-	-	-
IX	Profit for the period from continuing operations (VII-VIII)	66.37	(8.79)	18.11	(9.09)	7.08	66.70
X	Profit from discontinued operations before tax	-	-	-	-	-	-
XI	Tax Expense of discontinued operations	-	-	-	-	-	-
XII	Profit from discontinued operations (after tax) (X-XI)	-	-	-	-	-	-
XIII	Profit for the period (IX+XII)	66.37	(8.79)	18.11	(9.09)	7.08	66.70
XIV	Other Comprehensive Income:						
A	(i) Items that will not be reclassified subsequently to Statement of Profit and Loss						
	- Remeasurement of Defined Employee Benefit Plans	0.87	-	-	-	0.10	0.87
	(ii) Income Tax relating to items that will not be reclassified to Profit or Loss	-	-	-	-	-	-
	Subtotal (A)	0.87	-	-	-	0.10	0.87
B	(i) Items that will be reclassified subsequently to Statement of Profit and Loss	-	-	-	-	-	-
	(ii) Income Tax relating to items that will be reclassified to Profit or Loss	-	-	-	-	-	-
	Subtotal (B)	-	-	-	-	-	-
	Total Other Comprehensive Income (Lesses) (A+B) (XIV)	0.87	-	-	-	0.10	0.87
XV	Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit and Other Comprehensive Income for the period)	66.37	(8.79)	18.11	(9.09)	7.18	66.47
XVI	Paid-up equity share capital (face value Rs. 10/- per share)	838.10	838.10	838.10	838.10	838.10	838.10
XVII	Other equity	-	-	-	-	-	-
XVIII	Earnings per equity share (for continuing operations):						
(1)	Basic	7.91	(0.05)	0.22	(0.11)	0.09	7.97
(2)	Diluted	7.91	(0.05)	0.22	(0.11)	0.09	7.97
XIX	Earnings per equity share (for all continuing operations):						
(1)	Basic	7.91	(0.05)	0.22	(0.11)	0.09	7.97
(2)	Diluted	7.91	(0.05)	0.22	(0.11)	0.09	7.97
XX	Earnings per equity share (for continuing & discontinued operations):						
(1)	Basic	7.91	(0.05)	0.22	(0.11)	0.09	7.97
(2)	Diluted	7.91	(0.05)	0.22	(0.11)	0.09	7.97
Item A- Exceptional Items							
(a)	Bad debts written off	670.77	-	-	-	74.22	670.77
(b)	Bad debts recovered	-	(2.55)	-	-	(26.71)	(26.71)
(c)	Provision for NPA written back	(682.55)	(8.80)	(15.10)	-	(52.70)	(704.77)
(d)	Settlement credit (Interest portion)	(82.78)	(3.35)	(5.03)	(3.45)	(6.79)	(14.05)
(e)	Profit on sale of Immovable Property	(591.12)	-	-	-	-	(591.12)
Total		(665.68)	(13.10)	(20.13)	(3.45)	(11.98)	(702.37)
Item B- Transfer to Capital Reserve							
Amount transferred to Capital Reserve viz. principal portion written back		9.38	17.75	25.08	10.34	8.02	75.45
Total		9.38	17.75	25.08	10.34	8.02	75.45

Notes forming part of financial results are annexed herewith.

Place: Manipal  
Date: July 24, 2020

Signed for Identification purpose

By order of the Board  
For Manipal Finance Corporation Limited

T. Narayan M. Pai  
Managing Director  
DIN: 00101633



MANIPAL FINANCE CORPORATION LIMITED  
MANIPAL HOUSE, MANIPAL - 576 104  
CIN: L65910KA1984PLC005988

AUDITED STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2020

(Rs. in lakhs)

Particulars	As at	
	March 31, 2020 (Audited)	March 31, 2019 (Audited)
<b>ASSETS</b>		
<b>(1) Financial Assets</b>		
(a) Cash and Cash Equivalents	33.55	19.33
(b) Bank Balances other than (a) above	11.91	11.24
(c) Derivative Financial Instruments	-	-
(d) Receivables	-	-
(i) Trade Receivables	-	-
(ii) Other Receivables	-	-
(e) Loans	-	-
(f) Investments	68.69	68.69
(g) Other Financial Assets	5.06	7.62
<b>Total Financial Assets</b>	<b>119.21</b>	<b>106.88</b>
<b>(2) Non-Financial Assets</b>		
(a) Inventories	-	-
(b) Current Tax Assets (Net)	8.01	3.22
(c) Deferred Tax Assets (Net)	-	-
(d) Investment Property	22.03	25.01
(e) Biological Assets other than Bearer Plants	-	-
(f) Property, Plant and Equipment	67.77	89.88
(g) Capital Work-in-Progress	-	-
(h) Intangible Assets under Development	-	-
(i) Goodwill	-	-
(j) Other Intangible Assets	-	-
(k) Other Non-Financial Assets	6.46	5.90
<b>Total Non-Financial Assets</b>	<b>104.27</b>	<b>124.01</b>
<b>Total Assets</b>	<b>223.48</b>	<b>230.89</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
<b>(1) Financial Liabilities</b>		
(a) Derivative Financial Instruments	-	-
(b) Payables	-	-
(i) Trade Payables	-	-
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	3.38	3.41
(ii) Other Payables	-	-
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
(c) Debt Securities	-	-
(d) Borrowings (Other than Debt Securities)	-	-
(e) Deposits	-	-
(f) Subordinated Liabilities	295.00	295.00
(g) Other Financial Liabilities	1,345.02	2,088.06
<b>Total Financial Liabilities</b>	<b>1,643.40</b>	<b>2,386.47</b>
<b>(2) Non-Financial Liabilities</b>		
(a) Current Tax Liabilities (Net)	-	-
(b) Provisions	0.88	0.94
(c) Deferred Tax Liabilities (Net)	-	-
(d) Other Non-Financial Liabilities	401.05	407.25
<b>Total Non-Financial Liabilities</b>	<b>401.93</b>	<b>408.19</b>
<b>EQUITY</b>		
(a) Equity Share Capital	838.10	838.10
(b) Other Equity	(2,659.95)	(3,401.87)
<b>Total Equity</b>	<b>(1,821.85)</b>	<b>(2,563.77)</b>
<b>Total Liabilities and Equity</b>	<b>223.48</b>	<b>230.89</b>

Notes forming part of financial results are annexed herewith

Place: Manipal  
Date: July 24, 2020

*Signed for  
Identification  
purpose*



By order of the Board  
For Manipal Finance Corporation Limited

T Narayan M Pai  
Managing Director  
DIN: 00101633





**MANIPAL FINANCE CORPORATION LIMITED**  
**MANIPAL HOUSE, MANIPAL - 576 104**  
**CIN: L65910KA1984PLC005988**

**STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED MARCH 31, 2020**

**Notes:**

- 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 (amended from time to time) from April 01, 2019 and the effective date of such transition is April 01, 2018. Such transition has been carried out from the erstwhile Accounting Standards notified under the Act, read with relevant rules issued thereunder and guidelines issued by the Reserve Bank of India ('RBI') (collectively referred to as 'the Previous GAAP'). The figures have been presented in accordance with the format prescribed for financial statements for a Non-Banking Finance Company (NBFC) whose financial statements are drawn up in compliance of the Companies (Indian Accounting Standards) Rules, 2015, in Division III of Notification No. GSR 1022(E) dated October 11, 2018, issued by the Ministry of Corporate Affairs, Government of India.

Accordingly, the impact of transition has been recorded in the opening reserves as at April 01, 2018 and the corresponding figures presented in these results have been restated/reclassified.

- The above results have been reviewed by the Audit Committee and thereafter approved by the Board of Directors at the meeting held on July 24, 2020. The Statutory Auditors of the Company have carried out the Limited Review of the aforesaid results.

The figures for the last quarter of the current financial year and for the previous financial year are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the end of the third quarter of the current and previous financial year which were subject to limited review by the statutory auditors. These figures are to be read together with the notes to financial statements and accounting policies as per the audited financial statements as at March 31, 2020 and audit report thereon.

- The Company does not have business in more than one reportable segment as per the Ind AS 108 Segment Reporting and therefore segment-wise reporting is not applicable.

- As required by paragraph 32 of Ind AS 101, net profit reconciliation between the figures reported under Previous GAAP and under Ind AS is as follows:

Particulars	(Rs. in lakhs)	
	For the quarter ended March 31, 2019	For the year ended March 31, 2019
Net profit after tax as reported under the Previous GAAP	7.12	84.11
Adjustments increasing/(decreasing) net profit after tax as reported under the Previous GAAP:		
Adoption of EIR* for amortisation of income and expenses- financial liabilities at amortised cost	0.06	0.27
Actuarial gain on employee defined benefit plan recognised in 'Other comprehensive income' <sup>#</sup>	-0.10	-0.10
Net profit after tax as per Ind AS	7.08	84.28
Other comprehensive income, net of tax	0.10	0.10
<b>Total comprehensive income</b>	<b>7.18</b>	<b>84.38</b>

As required by paragraph 32 of Ind AS 101, reconciliation of equity as reported in accordance with the Previous GAAP and Ind AS is as under:

Particulars	(Rs. in lakhs)	
	For the year ended March 31, 2019	
Total equity as per Previous GAAP	-3,402.22	
Adjustments increasing/(decreasing) net profit after tax as reported under the Previous GAAP:		
Adoption of EIR* for amortisation of income and expenses- financial liabilities at amortised cost	0.35	
Actuarial gain on employee defined benefit plan recognised in 'Other comprehensive income' <sup>#</sup>	-0.10	
Other comprehensive income, net of tax	-3,401.97	
Total equity as per Ind AS	0.10	
	-3,401.87	

\*EIR=Effective Interest Rate

#As per Ind AS 19 Employee Benefits

- The Company's secured non-convertible debentures are secured by mortgage on Land and Buildings (Free hold and Lease hold) situated at Udupi District of State of Karnataka, State of Goa, Nasik District and Mumbai in State of Maharashtra and floating charge on receivables and book debts. In the opinion of the Company's management, the market value of the security offered to the holders of the aforesaid debentures is sufficient to cover the liability.

- The Company has not recognised Deferred Tax Assets in excess of Deferred Tax Liabilities, as a matter of prudence.

*Signed for Identification  
purpose*



7. The Company has stopped (i) repayment of matured debentures and subordinated debts and (ii) payment of interest on debentures and subordinated debts from July 1, 2002 and had proposed a scheme of arrangement before the Honorable High Court of Karnataka for restructure of its liabilities (which has since been withdrawn and the Company is exploring the possibility of presenting a new scheme of arrangement). Further, the Company has also stopped repayment of deposits matured for repayment and interest thereon from the aforesaid date. All debts of the Company i.e. debentures, subordinated debts and deposits are matured for repayment.

There are also many instances of settlement of debentures, debts and public deposits at discounted rates with partial/full waiver of interest, which has been done with mutual consent. The remaining depositors/debenture holders/debt holders have approached the Company for settlement of the dues and the Company is in the process of the same. Due to such settlements, the total liability of the Company has reduced from Rs. 10,774.26 lakhs (as on March 31, 2002) to Rs. 765.15 lakhs as on March 31, 2020.

Considering the above facts, the Company has provided for interest on deposits/debentures/debts upto June 30, 2002 and not thereafter.

Various consumer courts (including Appellate Authorities/Courts acting under the Consumer Protection Act) have passed orders for repayment of certain deposits/debentures/debts with interest and other costs. The Company has settled the dues of such customers in many cases, which also includes settlement at discounted rates with partial/full waiver of interest and many of the remaining persons have approached the Company for repayment. Accordingly, it is not feasible for the Company to ascertain accurately its liability on any given date.

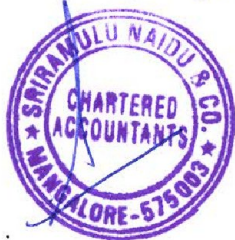
8. Interest write back on deposits/debentures/debt on settlement with depositors/debenture holders/debt holders for the period of twelve months ending March 31, 2020 is considered in the above statement as "VI. Exceptional Item" as detailed in item no. A of the statement (given below the statement). The principal portion written back on such settlement is being directly taken to Balance Sheet as "Capital Reserve" as detailed in item no.B of the statement (given below the statement).
9. The Company has been incurring losses for the last many years mainly on account of provision against non-performing assets. The accounts have been prepared on a going concern basis as the Company's management is hopeful of recovery of dues from non-performing accounts as well as other debtors and also in view of the fact that the Company is exploring the possibility of presenting a new scheme of restructure of debts before the Honourable High Court of Karnataka.
10. The Company does not foresee any diminution in the value of investments.
11. The present activity of the Company is restricted to recovery of dues and repayment of debts. Accordingly, the income of the Company depends upon the recoveries made during the period, which varies substantially on year to year basis. Therefore, the Company has disclosed the amount of bad debts recovered, if any, under the head "VI. Exceptional Item" as detailed in item no. A of the statement (given below the statement).
12. The classification/disclosure of items in the statement is in accordance with the Schedule III of the Companies Act, 2013.
13. The audited Statement of Assets and Liabilities as of March 31, 2020 is given as annexure.
14. During the quarter and year ending March 31, 2020, the Company has earned profit on account of 'Interest write back' and 'Provision write back' and 'Profit on sale of Immovable Property' as detailed in item no. A of the statement (given below the statement). Thus, the result of the Company for the quarter and year ending March 31, 2020 is positive. Therefore, this should not be taken as indicator of Company's performance during forthcoming periods. The Company would have incurred loss for the aforesaid periods under review if the incomes as aforesaid were not earned.
15. The figures for the previous quarters/year have been regrouped/rearranged wherever necessary to conform to the current period presentation.

Place: Manipal  
Date: July 24, 2020

Signed for Identification  
purpose


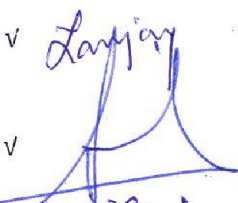


By order of the Board  
For Manipal Finance Corporation Limited

T Narayan M Pai  
Managing Director  
DIN: 00101633

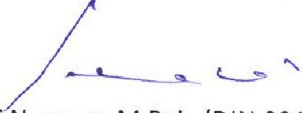


FORM B

(For Audit Report with modified opinion on Annual Financial Statements)

1.	Name of the Company	Manipal Finance Corporation Ltd CIN : L65910KA1984PLC005988
2.	Annual financial statements for the year ended	31 <sup>st</sup> March 2020
3.	Type of Audit qualification	Qualified Opinion
4.	Frequency of qualification	Same as qualified last year. (Sl.No.1 of the annexure is repetitive since 1999-2000 and Sl.No.2 of the annexure is repetitive since 2003-04 with some modifications on year to year basis).
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the Directors Report.	Reference to Notes to Accounts: Note 27.01 & 13 of Notes to Accounts of the Audited Financial Statement for the year ended 31 <sup>st</sup> March, 2020.
6.	Additional comments from the board/audit committee chair	-do-
7.	To be signed by <ul style="list-style-type: none"> <li>• CEO/ Managing Director</li> <li>• CFO</li> <li>• Auditor of the company</li> <li>• Audit Committee Chairman</li> </ul>	<input checked="" type="checkbox"/>  <input checked="" type="checkbox"/>  <input checked="" type="checkbox"/>  <input checked="" type="checkbox"/> 

For Manipal Finance Corporation Limited

  
T Narayan M Pai (DIN 00101633)  
Managing Director

  
Chairman of Audit Committee / CFO

For Sriramulu Naidu & Co.  
Chartered Accountants  
Firm Registration No.008975S

  
CA Sriramulu Naidu  
Partner  
Membership No. 318244

Place : Manipal  
Date : 24/07/2020

Place: Manipal  
Date: 24/07/2020

Annexure

Extract from Auditors Report to the Members of Manipal Finance Corporation Ltd.

**Basis for the qualified opinion:**

1. We draw attention to Note No.27.01 of the financial statements. The Company has incurred losses and its majority of funds are blocked in Non Performing Assets, raising a doubt about the Company to continue as a going concern. The Company has presented a scheme of arrangement for restructure of liabilities as detailed in Note No. 13 of the financial statements and subsequently withdrawn the same, for reasons given therein. The Company is exploring the possibility of presenting the new scheme of arrangement, as detailed in the aforesaid Notes. The account, however have been prepared on a "going concern basis" in view of management perception as detailed in Note No.27.01 as aforesaid. However we are unable to comment on the ultimate reliability of Company's assets including the Fixed Assets under lease. Accordingly we are also unable to comment on the Company's ability to settle its debts/liabilities (including Deposits, Subordinated debts and Secured Redeemable Debentures.)

2. We draw the attention to Note 13 of the Financial Statements. The Company has stopped (i) repayment of matured debentures & matured subordinated debts and (ii) payment of interest on debentures and subordinated debts from 1<sup>st</sup> day of July 2002 and proposed a scheme of arrangement before the Hon'ble High Court of Karnataka, as referred to in the aforesaid Note (which is since withdrawn and we are informed that the Company is exploring the possibility of presenting a new scheme of arrangement). Further the Company has also stopped repayment of deposits matured for repayment from the aforesaid date. All the debts of the Company i.e. debentures, subordinated debts and deposits are matured for repayment. The Company has provided for interest on deposits/debentures/debts upto 30<sup>th</sup> June 2002 and not thereafter.

There are also many instances of settlement of debentures, debts and public deposits at the discounted rates with partial/full waiver of interest, which has been done with mutual consent. We are also informed that the remaining depositors/ debenture holders / debt holders have approached the Company for settlement of the dues and the Company is in the process for the same.

As per the information given to us various consumer courts (including the Appellate Authorities/Courts acting under the Consumer Protection Act) have passed the orders, for the repayment of certain deposits/debentures/debts with interest and other costs. The detailed information on these orders have not been made available to us. However we are informed that the Company has settled the dues of such customers in many cases, which also includes settlement at discounted rates with partial/full waiver of interest and many of the remaining such persons have approached the Company for settlement,

We draw the attention to the Statement made by the Management of the Company in note no. 13 of the Financial Statement which is as follows: "Considering the facts that the Company has settled the dues of depositors/debenture holders/debt holders at the discounted rates as stated above, that the remaining customers have approached the Company for settlement of their dues, that the orders issued by the various consumer courts including the appellate authorities/courts therein, that the Company has settled the many of such consumer court cases, that the total debts of the Company have reduced considerably because of settlement as aforesaid and that the Company is exploring the possibility of framing the new scheme of arrangement, it is not feasible for the Company to ascertain accurately its liability on any given date".

Considering all the facts as given above, we qualify our opinion that it is not feasible for us to ascertain accurately the liability of the Company as on the date of the Balance Sheet.

Signed for Identification  
purpose



**ANNEXURE 1**

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results – (Standalone and Consolidated separately)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020.  
[See Regulations 33/52 of the SEBI (LODR) Regulations (Amendment), 2016]




**Name of the Company: MANIPAL FINANCE CORPORATION LTD**  
**(CIN: L65910KA1984PLC005988)**

I.	Sl.No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover/ Total income	Not Applicable	Not Applicable
	2.	Total Expenditure	Not Applicable	Not Applicable
	3.	Net Profit/(Loss)	Not Applicable	Not Applicable
	4.	Earnings Per Share	Not Applicable	Not Applicable
	5.	Total Assets	Not Applicable	Not Applicable
	6.	Total liabilities	Not Applicable	Not Applicable
	7.	Net worth	Not Applicable	Not Applicable
	8.	Any other financial item(s) (as felt appropriate by the management)	Not Applicable	Not Applicable

II. **Audit Qualification (each audit qualification separately):**

- Details of Audit Qualification: Enclosed
- Type of Audit Qualification: Qualified Opinion
- Frequency of qualification: Same as qualified last year. (Sl.No.1 of the annexure is repetitive since 1999-2000 and Sl.No.2 of the annexure is repetitive since 2003-04 with some modifications on year to year basis).
- For Audit Qualification(s) where the impact is quantified by the auditor, Management Views: Not Applicable.
- For Audit Qualification(s) where the impact is not quantified by the auditor:
  - Management's estimation on the impact of audit qualification: Not Applicable.
  - If Management is unable to estimate the impact, reasons for the same: Not Applicable.  
(refer Note 27.01 and 13 of Notes to Accounts of the Audited Financial Statement for the year ended 31<sup>st</sup> March, 2020)
  - Auditors' Comments on (i) or (ii) above: Notes to audited financial statement as stated by the Management in (ii) above is self-explanatory.

III. **Signatories:**

- CEO/Managing Director      X 
- CFO      X 
- Audit Committee Chairman      X 
- Statutory Auditor      X 