



MCSL/SEC/20-21/142

January 30, 2021

**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 nine months ended December 31, 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 nine months ended December 31, 2020 along with Limited Review Report.

It may please be noted that the meeting was commenced at 14.30 IST and concluded at 17:00 IST.

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 nine months ended December 31, 2020

(₹ In lakhs except earnings per share)

Particulars	Quarter Ended			Nine Months Ended		Year Ended
	31.12.2020	30.09.2020	31.12.2019	31.12.2020	31.12.2019	31.03.2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>I Revenue from operations</b>						
(i) Interest Income	120 08	143 55	150 55	394 71	432 76	579 48
(ii) Dividend Income	-	-	-	-	1	4
(iii) Net gain on fair value changes	22	11	14	45	33	48
(iv) Net gain on derecognition of financial instruments under amortised cost category	-	-	-	-	6 49	6 49
<b>Total Revenue From Operations</b>	<b>120 30</b>	<b>143 66</b>	<b>150 69</b>	<b>395 16</b>	<b>439 59</b>	<b>586 49</b>
<b>II Other income</b>	<b>43</b>	<b>6</b>	<b>18</b>	<b>50</b>	<b>28</b>	<b>32</b>
<b>III Total income (I+II)</b>	<b>120 73</b>	<b>143 72</b>	<b>150 87</b>	<b>395 66</b>	<b>439 87</b>	<b>586 81</b>
<b>IV Expenses</b>						
(i) Finance costs	44 86	47 75	57 95	145 15	171 51	227 74
(ii) Impairment on financial instruments	11 67	38 50	15 59	83 55	48 21	70 69
(iii) Employee benefit expense	17 48	17 32	23 20	53 24	67 02	88 44
(iv) Depreciation, amortization and impairment	33	32	42	96	1 16	1 63
(v) Net loss on fair value changes	-	21	-	21	-	-
(vi) Other expenses	27 81	18 32	28 18	55 19	77 02	104 84
<b>Total expenses (IV)</b>	<b>102 15</b>	<b>122 42</b>	<b>125 34</b>	<b>338 30</b>	<b>364 92</b>	<b>493 34</b>
<b>V Profit before tax (III-IV)</b>	<b>18 58</b>	<b>21 30</b>	<b>25 53</b>	<b>57 36</b>	<b>74 95</b>	<b>93 47</b>
<b>VI Tax expense</b>						
(1) Current tax	1	7 39	5 73	11 22	20 49	27 53
(2) Deferred tax	4 84	-1 86	85	3 73	7 88	5 46
<b>Total tax expenses</b>	<b>4 85</b>	<b>5 53</b>	<b>6 58</b>	<b>14 95</b>	<b>28 37</b>	<b>32 99</b>
<b>VII Profit for the period (V-VI)</b>	<b>13 73</b>	<b>15 77</b>	<b>18 95</b>	<b>42 41</b>	<b>46 58</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	14	8	-	1 06	13	- 2
- Costs of Hedging	23	- 15	4	10	- 6	- 6
- Income tax relating to items that will not be reclassified to profit or loss	- 9	2	-	- 29	- 3	12
<b>Subtotal (A)</b>	<b>28</b>	<b>- 5</b>	<b>4</b>	<b>87</b>	<b>4</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>28</b>	<b>- 5</b>	<b>4</b>	<b>87</b>	<b>4</b>	<b>- 30</b>
<b>IX Total Comprehensive Income for the period (VII+VIII)</b>	<b>14 01</b>	<b>15 72</b>	<b>18 99</b>	<b>43 28</b>	<b>46 62</b>	<b>60 18</b>
<b>X Earnings per equity share (Face value of Rs.10/- each)</b>						
Basic (Rs.) (Quarterly/Nine Months figures are not annualized)	8.35	9.59	11.52	25.79	28.32	36.77
Diluted (Rs.) (Quarterly/Nine months figures are not annualized)	8.35	9.59	11.52	25.79	28.32	36.77

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 January 30, 2021.
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 and 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 had 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.  
Although the company expects future operations to improve, having regard to the situation at this stage, the company has considered the probable impact of the above stated matters in the estimate of provision towards increase in impairment loss, including unrealized interest recognized thereon, and has created an additional estimate provision amounting to Rs 9400 lakhs as at 31<sup>st</sup> December 2020 (which includes Rs 8400 lakhs created up to 30<sup>th</sup> September 2020) towards the same.  
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 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 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.



5. The Company has maintained requisite full asset cover by way of first ranking pari passu and continuing charge on standard receivables of the Company on the Secured Listed Non - Convertible Debentures issued aggregating to Rs. 27,500 lakhs at principal value as of 31<sup>st</sup> December, 2020.
6. 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.

January 30, 2021

  
Thomas George Muthoot  
Managing Director  
DIN - 00011552

  
Thomas Muthoot  
Director  
DIN - 00082099



**Independent Auditor's Review Report on standalone unaudited quarterly and year to date unaudited standalone financial results of the Company pursuant to Regulation 33 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 unaudited standalone financial results of Muthoot Capital Services Limited ("the Company") for the quarter and nine months ended 31 December 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) 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 unaudited standalone 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



# *Varma & Varma*

**Chartered Accountants**

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

Place: Kochi

Date: 30.01.2021

**For VARMA & VARMA**  
**(FRN: 004532 S)**

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

UDIN: 21214435AAAAADP5214