



MCSL/SEC/19-20/79

July 29, 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 ended June 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 ended June 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: 2019.07.29
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Abhijith Jayan
Company Secretary & Compliance Officer

Encl: As above

Statement of Unaudited Financial Results for the Quarter ended 30 June 2019

(Rs in Lakh except earnings per share)

Particulars	Quarter Ended	
	30th June 2019	30th June 2018
	(unaudited)	(unaudited)
I Revenue from operations		
(i) Interest income	13,735	11,394
(ii) Dividend income	1	-
(iii) Net gain on fair value changes	9	6
(iv) Net gain on Derecognition of financial instruments under amortized cost category	649	-
Total Revenue from operations	14,394	11,400
II Other Income	4	2
III Total Income (I + II)	14,398	11,402
IV Expenses		
(i) Finance costs	5,565	3,947
(ii) Impairment on financial instruments	1,697	1,338
(iii) Employee benefits expenses	2,151	1,770
(iv) Depreciation, amortization and impairment	34	24
(v) Other expenses	2,263	1,628
Total Expenses (IV)	11,710	8,707
V Profit before tax (III- IV)	2,688	2,695
VI Tax Expense:		
(1) Current tax	925	1,323
(2) Deferred tax	405	(376)
(3) Taxes relating to prior years	-	(3)
Total tax expense	1,330	944
VII Profit for the period (V- VI)	1,358	1,751
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	8	(9)
(ii) Income tax relating to items that will not be reclassified to profit or loss	(1)	3
Subtotal (A)	7	(6)
B) (i) Items that will be reclassified to profit or loss (ii) Income tax relating to items that will be reclassified to profit or loss	-	-
Subtotal (B)		
Other Comprehensive Income (A + B) (VIII)	7	(6)
Total Comprehensive Income for the year (VII+VIII)	1,365	1,745
Earnings per equity share(Face value of Rs. 10/- each)		
Basic (Rs.)(not annualized)	8.26	10.65
Diluted (Rs.)(not annualized)	8.26	10.65



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 29/7/2019.
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 conform 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.

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 for the quarter ended March 31, 2019 and previous year ended March 31, 2019 and hence has provided Ind AS compliant financial results only for the previous quarter ended June 30, 2018 along with the financial results for the quarter ended June 30, 2019. Further, the Ind AS compliant financial results for the quarter ended June 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 ended June 30, 2018 (as per requirements of Para 32 of Ind AS 101) is as under:



Particulars	Quarter ended June 30, 2018 (Rs in Lakhs)
Net profit after tax reported under previous GAAP	2,064
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	(157)
Amortisation of net income under Effective Interest Rate method for financial assets	(158)
Amortisation of expenses under Effective Interest Rate method for financial liabilities	75
Net gain/(loss) on change in Fair Value of Investments	(4)
Accrual of Excess Interest spread on Securitized assets	169
Reversal of net service income on assignment transactions	(406)
Tax adjustments on above items	168
Net Profit after tax reported under Ind AS	1,751
Other Comprehensive Income / Loss (Net of Tax)	(6)
Total Comprehensive Income (after tax) as reported under Ind AS	1,745

5. In accordance with the provisions of The Finance (No.2) Bill, 2019 which has been substantively enacted as on date, current tax and deferred tax as at 30th June 2019 has been computed in accordance with Ind AS 12 (Income Taxes) at the tax rate proposed in the said bill. Accordingly, the deferred tax asset as at 1st April, 2019 has been written off during the quarter to the extent of Rs.540 lakhs.
6. 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.

For and on behalf of the Board of Directors

Kochi
29 July, 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 June 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 ended 30 June 2018 including the reconciliation of profit under Ind AS of the corresponding quarter 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 : 29.07.2019

UDIN: 19203094AAAAAG9841

For VARMA & VARMA
(FRN : 0045329)


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