



To,
BSE Limited,
P.J. Towers, Dalal Street,
Mumbai – 400 001.

Dear Sir/Madam,

Sub: Regulation 52- Audited Financial Results with Auditors Report for the year ended 31st March 2020

Pursuant to Regulation 52 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Audited financial results under Ind AS along with Auditors Report for the year ended 31st March 2020.

Kindly take the same on record

Thanking you,

Yours faithfully,

For Muthoot Microfin Ltd

Neethu Ajay
Digitally signed by Neethu Ajay
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serialNumber=fb4d1d3b778877e9432c,
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Date: 2020.06.18 10:08:57 +05'30'

Neethu Ajay
Company Secretary

Place: Ernakulam

Date: 19/06/2020

MUTHOOT MICROFIN LIMITED

CIN: U65190MH1992PLC066228

Regd. Office: 13th Floor, Parinee Crescenzo, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra - 400051

Administrative Office: 5th Floor, Muthoot Towers, M.G. Road, Kochi, Kerala - 682035 Tel: +91-484-4277500, F: +91-484-2351494 E: info@muthootmicrofin.com

www.muthootmicrofin.com

Muthoot Microfin Limited

Regd. Office: 13th Floor, Parinee Crescenzo, Bandra Kurla Complex, Bandra East, Mumbai, Maharashtra - 400051

Admin Office: 5th Floor, Muthoot Towers, Opp Abad Hotel, MG Road, Ernakulam - 682035

Statement of financial results for the 6 months and year ended 31 March 2020

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

Particulars	6 Months ended 31 March 2020	6 Months ended 31 March 2019	Year ended 31 March 2020	Year ended 31 March 2019
	Unaudited (Refer Note 10)	Unaudited (Refer Note 10)	Audited	Audited
Revenue from operations				
(i) Interest income	34,170.52	28,788.85	60,108.63	51,802.85
(ii) Fees and commission income	422.16	743.02	947.93	1,662.75
(iii) Net gain on fair value changes	8,932.44	11,802.32	21,628.42	17,938.51
(iv) Sale of services	27.08	20.04	44.37	26.71
(v) Income on investments	1,460.64	857.06	2,561.70	1,525.49
Total revenue from operations	45,012.84	42,211.29	85,291.05	72,956.31
Other income	610.95	1,977.76	651.75	2,085.99
Total income	45,623.79	44,189.05	85,942.80	75,042.30
Expenses				
Finance costs	15,404.29	13,228.69	29,067.28	23,383.73
Fees and commission expenses	869.88	588.17	1,442.49	1,372.54
Impairment on financial instruments	16,123.38	846.47	26,470.39	2,834.95
Employee benefit expenses	10,574.89	7,613.70	19,691.93	14,701.25
Depreciation and amortisation expense	718.71	166.80	1,370.90	296.59
Other expenses	3,040.44	2,476.99	5,930.10	5,401.36
Total expenses	46,731.59	24,920.92	83,973.09	47,990.42
Profit / (loss) before tax for the period / year	(1,107.80)	19,268.13	1,969.71	27,051.88
Tax expense				
Current tax	1,424.89	2,721.97	1,863.32	6,126.03
Deferred tax	(1,566.96)	1,421.43	(1,695.49)	803.47
Tax relating to prior years	(18.68)	-	(18.68)	-
Total tax expense	(160.75)	4,143.40	149.15	6,929.50
Profit / (loss) for the period / year	(947.05)	15,124.73	1,820.56	20,122.38
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurement of the net defined benefit liability/asset	(70.67)	19.70	(277.77)	44.88
Income tax relating to items that will not be reclassified to profit or loss	17.78	(5.74)	69.91	(13.07)
Items that will be reclassified to profit or loss				
Remeasurement of financial assets carried at fair value through OCI	3,378.22	4,342.87	593.62	4,342.87
Income tax relating to items that will be reclassified to profit or loss	(850.23)	(1,264.64)	(149.38)	(1,264.64)
Other comprehensive income, net of tax	2,475.10	3,092.19	236.38	3,110.04
Total comprehensive income for the period / year	1,528.05	18,216.92	2,056.94	23,232.42
Paid-up equity share capital (face value of ₹ 10 each)	11,417.05	11,417.05	11,417.05	11,417.05
Earnings per share (not annualized for half year)				
Basic (₹)	(0.83)	14.50	1.59	19.43
Diluted (₹)	(0.83)	14.50	1.59	19.43
Par value of equity shares (₹)	10.00	10.00	10.00	10.00

See accompanying notes to financial results



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Balance Sheet as at 31 March 2020

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

Particulars	As at 31 March 2020	As at 31 March 2019
	Audited	Audited
Assets		
Financial assets		
Cash and cash equivalents	118,129.25	67,001.00
Bank balances other than cash and cash equivalents	17,895.29	11,091.87
Receivables		
Other receivables	1,104.44	382.11
Loans	256,380.14	269,925.07
Other financial assets	233.24	196.68
	393,742.36	348,596.73
Non-financial Assets		
Current tax assets (net)	3,795.19	1,653.51
Property, plant and equipment	3,686.70	2,051.76
Right of use of assets	7,205.01	-
Capital work-in-progress	-	65.80
Other intangible assets	18.23	15.65
Other non-financial assets	573.43	634.51
	15,278.56	4,421.23
Total assets	409,020.92	353,017.96
Liabilities and equity		
Liabilities		
Financial liabilities		
Payables		
Other payables		
total outstanding dues of micro enterprises and small enterprises	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises	304.08	549.21
Debt securities	21,449.06	27,900.74
Borrowings (other than debt securities)	268,193.07	214,736.98
Subordinated liabilities	2,492.77	2,489.27
Lease liabilities	7,581.84	-
Other financial liabilities	13,799.53	13,355.89
	313,820.35	259,032.09
Non-financial liabilities		
Deferred tax liabilities (net)	2,993.18	4,609.20
Provisions	508.89	90.32
Other non-financial liabilities	999.27	707.50
	4,501.34	5,407.02
Equity		
Equity share capital	11,417.05	11,417.05
Other equity	79,282.18	77,161.80
	90,699.23	88,578.85
Total liabilities and equity	409,020.92	353,017.96

See accompanying notes to financial results



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Notes to financial results as at 31 March 2020

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

- 1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors of Muthoot Microfin Limited at their respective meetings held on 18 June 2020 and 19 June 2020.
- 2 The financial results of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) (Amendment) Rules, 2016.
- 3 The above financial results has been audited by the statutory auditors of the Company as required under Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").
- 4 The Company has exercised the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Deferred Tax Liabilities (net) as at 31 March, 2019 and the estimate of tax expense for the year ended 31 March 2020 have been re-measured. The resultant impact has been recognised in the current financial year. Consequently, tax expense for financial year ended 31 March 2020 includes a credit of ₹ 625.52 lakhs.
- 5 The Company has adopted Ind AS 116 "Leases" effective 1 April 2019, as notified by the Ministry of Corporate Affairs (MCA) in the Companies (Indian Accounting Standard) Amendment Rules, 2019, using modified retrospective approach and accordingly previous period information has not been reinstated. On transition, the adoption of the new standard resulted in recognition of Right of use assets (ROU) (an amount equal to the lease liabilities, adjusted by the prepaid lease rent) of ₹ 7,205.01 lakhs. The effect of this adoption is decrease in profit before tax by ₹ 478.45 lakhs for the current year.
- 6 The Company is primarily engaged in the business of financing and as such no separate information is required to be furnished in terms of Ind AS 108 "Operating Segments" specified under section 133 of the Companies Act, 2013.
- 7 The SARS-CoV-2 virus responsible for COVID-19 pandemic (declared by the World Health Organization on 11 March 2020) continues to spread across the globe, which has contributed to a significant decline and volatility in global and Indian Financial Markets and a significant decrease in the economic activities. On 24 March 2020, the Government of India announced a nation-wide lock down till 14 April 2020 to contain the spread of virus, which was further extended till 31 May 2020 through subsequent announcements. This has led to significant disruptions and dislocations for individuals and businesses, impacting Company's regular operations including lending and collection activities due to inability of employees to physically reach borrowers. Further, pursuant to Reserve Bank of India circulars DOR. No. BP.BC.47/21.04.048/2019-20 and DOR. No. BP.BC.71/21.04.048/2019-20 (COVID-19 - Regulatory Package) dated 27 March 2020 and 23 May 2020 allowing lending institutions to offer moratorium to its borrowers on payment of instalments falling due between 1 March 2020 and 31 August 2020, the Company has granted moratorium to its borrowers in accordance with its Board approved policy. For such accounts, where the moratorium is granted, the asset / stage-wise classification shall remain stand still during the moratorium period. (i.e. the number of days past-due shall exclude the moratorium period for the purposes of asset classification).
Based on the relaxations granted in the lock down rules, a significant number of the branches of the Company are operational and the employees in these branches are permitted to work in accordance with the extant guidelines issued by the Ministry of Home Affairs, Government of India and respective state governments. There is a delay in collection of instalments from many customers and the Company expects collection of instalments to improve in the coming months due to relaxation of lockdown restrictions. The Company has sufficient funds and sanctioned credit facilities which are adequate to fulfil its obligations as and when these become due in the foreseeable future.
Considering the widespread impact of COVID-19 pandemic, the Company has estimated and recognised an additional allowance of ₹ 5,673.74 lakhs in its provision for expected credit loss, based on the information available at this point in time to reflect, among other things, the deterioration in the macro economic factors. These estimates are based on early indicators, subject to uncertainty and may be affected by the severity and duration of the pandemic and the actual impact of the pandemic, including governmental and regulatory measures, on the business and financial metrics of the Company could be different from that estimated by the Company. The Company will continue to monitor any material changes to future economic conditions
- 8 The Company has made loan loss provision based on the expected credit loss method as per Ind AS 109 "Financial Instruments". Further, based on specific identification method, the Company has prudently written off certain non-performing advances amounting to ₹ 11,395.78 lakhs. In the opinion of management any recovery from these advances are uncertain.
- 9 There has not been any change in the business model of the Company during the financial year ended 31 March 2020.



- 10 Figures for the six months period ended 31 March 2020 and 31 March 2019 represent the difference between the audited figures in respect of full financial years and the published reviewed figures for the six months period ended 30 September 2019 and 30 September 2018 respectively.
- 11 Previous period's figures have been regrouped / reclassified wherever necessary to correspond with the current period's classification / disclosure.

For and on behalf of the Board of Directors


Name : Thomas Muthoot
Designation : Managing Director
DIN : 00082099

Place : Kochi
Date : 19 June 2020



Walker Chandiook & Co LLP

Walker Chandiook & Co LLP
6th Floor, Modayil Centre Point,
Warriam Road Junction,
MG Road, Kochi - 682 016
Kerala, India

T +91 484 406 4541

Independent Auditor's Report on Annual Financial Results of the Company Pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Muthoot Microfin Limited

Opinion

1. We have audited the accompanying annual financial results ('the Statement') of Muthoot Microfin Limited ('the Company') for the year ended 31 March 2020, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('the Listing Regulations'), including relevant circulars issued by SEBI from time to time.
2. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - i. presents financial results in accordance with the requirements of Regulation 52 of the Listing Regulations; and
 - ii. gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the net profit after tax and other comprehensive income and other financial information of the Company for the year ended 31 March 2020.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Statement* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

Emphasis of Matter

4. We draw attention to Note 7 to the accompanying Statement, which describes the uncertainty relating to outcome of the effects of COVID-19 pandemic on the Company's operations and the consequential impact on the appropriateness of impairment losses recognised towards loan assets outstanding as at 31 March 2020. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Statement

5. This Statement has been prepared on the basis of the annual audited financial statements and has been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit/loss and other comprehensive income and other financial information of the Company in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India, and in compliance with Regulation 52 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error.
6. 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.
7. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Statement

8. 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 auditor's 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 Standards on Auditing, specified under section 143(10) of the Act, 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 this Statement.
9. As part of an audit in accordance with the Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement 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 a 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 in place an adequate internal financial controls with reference to financial statements 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 the management.



- Conclude on the appropriateness of the 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 auditor's 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 auditor's 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 represents the underlying transactions and events in a manner that achieves fair presentation.
10. 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.
11. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding 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 Matter

12. The Statement includes the financial results for the half year ended 31 March 2020, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited figures for the half year ended 30 September 2019, which were subject to limited review by us.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013



Krishnakumar Ananthasivan

Partner

Membership No. 206229

UDIN: 20206229AAAABM6602

Place: Kochi

Date: 19 June 2020

