



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

Dear Sir/Madam,

**Sub: Regulation 52- Unaudited Financial Results with Limited review report for the half year ended 30<sup>th</sup> September 2020**

Pursuant to Regulation 52 of SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the unaudited financial results under Ind AS along with limited review report for the half year ended 30<sup>th</sup> September 2020.

Kindly take the same on record

Thanking you,

Yours faithfully,

For Muthoot Microfin Ltd

Neethu Ajay

Digitally signed by Neethu Ajay  
DN: cn=Neethu Ajay, o=Muthoot Microfin Ltd,  
ou=Neethu Ajay, email=neethu.ajay@muthootmicrofin.com,  
c=IN

Neethu Ajay  
Company Secretary

Place: Ernakulam

Date: 10/11/2020

**MUTHOOT MICROFIN LIMITED**

CIN: U65190MH1992PLC066228

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

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

[www.muthootmicrofin.com](http://www.muthootmicrofin.com)

# Walker Chandiook & Co LLP

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MG Road,  
Kochi - 682 016  
India

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## Independent Auditor's Review Report on Unaudited Half-Yearly 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

1. We have reviewed the accompanying statement of unaudited financial results ('the Statement') of Muthoot Microfin Limited ('the Company') for the half year ended 30 September 2020, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Our responsibility is to express a conclusion 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. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. 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 prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement.



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

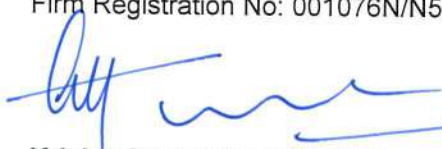
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5. We draw attention to Note 5 of the accompanying Statement, which describes the uncertainty relating to the effects of COVID-19 pandemic on the Company's operations and the consequential impact on the appropriateness of the impairment losses recognized towards the loan assets outstanding as at 30 September 2020. Our conclusion is not modified in respect of this matter.

**For Walker Chandiook & Co LLP**

Chartered Accountants

Firm Registration No: 001076N/N500013



**Krishnakumar Ananthasivan**

Partner

Membership No. 206229

UDIN: 20206229AAAAEV1186



**Place:** Kochi

**Date:** 10 November 2020

**Muthoot Microfin Limited**

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**Statement of financial results for the 6 months period ended 30 September 2020**

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

Particulars	6 Months ended 30 September 2020	6 Months ended 30 September 2019	Year to Date 30 September 2020	Year ended 31 March 2020
	Unaudited	Unaudited	Unaudited	Audited
<b>Revenue from operations</b>				
Interest income	28,588.56	25,938.11	28,588.56	60,108.63
Fees and commission income	164.03	525.77	164.03	947.93
Net gain on fair value changes	-	12,695.98	-	21,628.42
Sale of services	9.61	17.29	9.61	44.37
Income on investments	1,293.89	1,101.06	1,293.89	2,561.70
<b>Total revenue from operations</b>	<b>30,056.09</b>	<b>40,278.21</b>	<b>30,056.09</b>	<b>85,291.05</b>
Other income	423.31	40.80	423.31	651.75
<b>Total income</b>	<b>30,479.40</b>	<b>40,319.01</b>	<b>30,479.40</b>	<b>85,942.80</b>
<b>Expenses</b>				
Finance costs	15,379.45	13,662.99	15,379.45	29,067.28
Fees and commission expenses	295.66	572.61	295.66	1,442.49
Impairment on financial instruments	6,718.26	10,347.01	6,718.26	26,470.39
Employee benefit expenses	7,310.18	9,117.04	7,310.18	19,691.93
Depreciation and amortisation expense	921.79	652.19	921.79	1,370.90
Other expenses	2,456.36	2,889.66	2,456.36	5,930.10
<b>Total expenses</b>	<b>33,081.70</b>	<b>37,241.50</b>	<b>33,081.70</b>	<b>83,973.09</b>
<b>Profit / (loss) before tax for the period / year</b>	<b>(2,602.30)</b>	<b>3,077.51</b>	<b>(2,602.30)</b>	<b>1,969.71</b>
<b>Tax expense</b>				
Current tax	-	438.43	-	1,863.32
Deferred tax	(621.04)	180.98	(621.04)	(1,695.49)
Tax relating to prior years	-	-	-	(18.68)
<b>Total tax expense</b>	<b>(621.04)</b>	<b>619.41</b>	<b>(621.04)</b>	<b>149.15</b>
<b>Profit / (loss) for the period / year</b>	<b>(1,981.26)</b>	<b>2,458.10</b>	<b>(1,981.26)</b>	<b>1,820.56</b>
<b>Other comprehensive income</b>				
<b>Items that will not be reclassified to profit or loss</b>				
Remeasurement of the net defined benefit liability / asset	(43.63)	(207.10)	(43.63)	(277.77)
Income tax relating to items that will not be reclassified to profit or loss	10.98	42.94	10.98	69.91
<b>Items that will be reclassified to profit or loss</b>				
Remeasurement of financial assets carried at fair value through OCI	2,947.33	(2,784.60)	2,947.33	593.62
Income tax relating to items that will be reclassified to profit or loss	(741.84)	1,019.55	(741.84)	(149.38)
<b>Other comprehensive income, net of tax</b>	<b>2,172.84</b>	<b>(1,929.21)</b>	<b>2,172.84</b>	<b>236.38</b>
<b>Total comprehensive income for the period / year</b>	<b>191.58</b>	<b>528.89</b>	<b>191.58</b>	<b>2,056.94</b>
Paid-up equity share capital (face value of ₹ 10 each)	11,417.05	11,417.05	11,417.05	11,417.05
<b>Earnings per share (not annualized for half year)</b>				
Basic (₹)	(1.74)	2.15	(1.74)	1.59
Diluted (₹)	(1.74)	2.15	(1.74)	1.59
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 30 September 2020**

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

Particulars	As at	As at
	30 September 2020	31 March 2020
	Unaudited	Audited
<b>Assets</b>		
<b>Financial assets</b>		
Cash and cash equivalents	57,058.46	118,129.25
Bank balances other than cash and cash equivalents	16,678.36	17,895.29
Receivables		
Other receivables	1,355.43	1,104.44
Loans	269,756.71	256,380.14
Other financial assets	1,461.50	233.24
	<b>346,310.46</b>	<b>393,742.36</b>
<b>Non-financial Assets</b>		
Current tax assets (net)	3,542.33	3,795.19
Property, plant and equipment	4,010.00	3,686.70
Right of use of assets	7,075.47	7,205.01
Capital work-in-progress	-	-
Other intangible assets	15.27	18.23
Other non-financial assets	184.38	573.43
	<b>14,827.45</b>	<b>15,278.56</b>
<b>Total assets</b>	<b>361,137.91</b>	<b>409,020.92</b>
<b>Liabilities and equity</b>		
<b>Liabilities</b>		
<b>Financial liabilities</b>		
Payables		
Other payables		
total outstanding dues of micro enterprises and small enterprises	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises	274.18	304.08
Debt securities	33,797.09	21,449.06
Borrowings (other than debt securities)	198,477.66	268,193.07
Subordinated liabilities	2,495.25	2,492.77
Lease liabilities	7,700.13	7,581.84
Other financial liabilities	19,393.84	13,799.53
	<b>262,138.15</b>	<b>313,820.35</b>
<b>Non-financial liabilities</b>		
Deferred tax liabilities (net)	3,103.00	2,993.18
Provisions	658.48	508.89
Other non-financial liabilities	4,311.83	999.27
	<b>8,073.31</b>	<b>4,501.34</b>
<b>Equity</b>		
Equity share capital	11,417.05	11,417.05
Other equity	79,509.40	79,282.18
	<b>90,926.45</b>	<b>90,699.23</b>
<b>Total liabilities and equity</b>	<b>361,137.91</b>	<b>409,020.92</b>

See accompanying notes to financial results



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**Notes to Financial Results as at 30 September 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 10 November 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 subjected to limited review 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 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.
- 5 The outbreak of COVID-19 pandemic continues to have a significant impact and volatility in the global and domestic economies and consequently the extent to which the same will impact the Company's operations and financial position remain uncertain and is dependent on several factors including, inter-alia, measures initiated by the Government to mitigate the impact as well as regulatory measures notified by RBI. The Company's management continues to closely monitor the day-to-day operations, business and liquidity position as well as adequacy of capital.

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 borrowers on payment of instalments falling due between 1 March 2020 and 31 August 2020, the Company granted moratorium to all its borrowers in accordance with its Board approved policy. For such accounts, where the moratorium was granted, the asset / stage-wise classification remained stand still during the moratorium period. (i.e. the number of days past due excluded the moratorium period for the purposes of asset / stage-wise classification).

Considering the widespread impact of COVID-19 pandemic, the Company has estimated and recognised adequate provision for expected credit loss as on 30 September 2020, 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 has sufficient funds and sanctioned credit facilities which are adequate to fulfil its obligations as and when these become due in the foreseeable future. The Company will continue to monitor any material changes to future economic conditions.

The Honourable Supreme Court of India in a writ petition in the matter of Gajendra Sharma Vs. Union of India & Anr. vide its interim order dated 3 September 2020, has directed that the accounts which were not declared NPA till 31 August 2020 shall not be classified as NPA till further orders. Pursuant to the order, the Company has not classified any account that was not classified as NPA as on 31 August 2020 as per the prudential IRAC norms of RBI, as NPA after 31 August 2020. The Company continues to hold provisions towards such borrower accounts, as if these accounts were classified as impaired (stage 3) as per Ind AS 109 "Financial Instruments" as at 30 September 2020.

- 6 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 of certain non-performing advances amounting to ₹ 9,831 lakhs. In the opinion of the management any recovery from these advances are uncertain.
- 7 The business model of the company under Ind AS 109 "Financial Instruments" continues to be 'hold to collect and sell' and consequently the financial assets have been fair valued through other comprehensive income as on 30 September 2020.
- 8 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 : 10 November 2020

