



MCSL/SEC/24-25/137

August 07, 2024

BSE Limited

Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai - 400 001

Scrip Code – 511766

**Scrip Code (Debenture and CP)- 974915,
974292, 974550, 974552, 975282,
975513, 975662, 975739, 726950,
727368 and 727488**

National Stock Exchange of India Limited

Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E), Mumbai - 400 051

Trading Symbol - MUTHOOTCAP

Sub: Limited Review Report

Please find the Limited Review Report issued by the Company's Statutory Auditors, M/s. PKF Sridhar & Santhanam LLP, Chartered Accountants, on review of financial results for the quarter ended June 30, 2024, enclosed herewith.

Kindly take the same on your information and records.

Thanking You,

Yours Faithfully,

For Muthoot Capital Services Limited

Srikanth G Menon

Company Secretary and Compliance Officer

Membership Number: FCS11743

Encl: As above

PKF SRIDHAR & SANTHANAM LLP
Chartered Accountants

Independent Auditor's Review Report on review of Interim Financial Results

To the Board of Directors of Muthoot Capital Services Limited

1. We have reviewed the accompanying Statement of Unaudited Financial Results of **Muthoot Capital Services Limited** (the "Company"), for the quarter ended 30th June 2024 ("the Statement"), being submitted by the company pursuant to Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended read with relevant circulars issued by SEBI ("Listing Obligations").

Management's Responsibility

2. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Listing Obligations.

Auditor's Responsibility

3. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagement (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 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 provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Conclusion

4. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 read with Regulation 63(2) of the Listing Obligations, including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by the Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

Unit 609, 6th Floor, Jain Sadhguru Images Capital Park, Plot No: 1-98/4/1 – 1328 & 29, Near Metro Pillar No 1765, Madhapur, Hyderabad, Telangana, India 500 081.

PKF SRIDHAR & SANTHANAM LLP is a registered Limited Liability Partnership with LLPIN AAB-6552 (REGISTRATION NO. WITH ICAI IS 0029957200018)



Emphasis of Matter

We draw attention to Note 5 to the Financial results on increase in additional management overlay of Rs. 550 Lakhs and balance additional management overlay of Rs. 6,700 Lakhs as at 30th June 2024.

Our conclusion is not modified in respect of this matter.

Other Matter

The Statement includes the financial results for the quarter ended March 31, 2024, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the financial year 2023-24, which were subjected to limited review by us.

For **PKF Sridhar & Santhanam LLP**

Chartered Accountants

Firm's Registration No. 003990S/S200018

K. VNSS Viswanadh

Viswanadh VNSS Kuchi

Partner

M No: 210789

Place: Hyderabad

Date: 7th August 2024

UDIN No: 24210789BKGFFW5922



Statement of Unaudited Financial Results for the quarter ended June 30, 2024

(Rs. In Lakhs except EPS)

Particulars	Quarter Ended			Year Ended
	30.06.2024	31.03.2024	30.06.2023	31.03.2024
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
I Revenue from operations				
(i) Interest Income	9,428.58	9,047.60	9,901.54	36,881.53
(ii) Dividend Income	3.41	-	2.81	3.13
(iii) Fees and Charges Income	550.44	727.41	681.78	2,725.42
(iv) Net gain on fair value changes	-	5.95	7.73	70.80
(v) Other Operating Income	17.98	16.53	58.67	159.14
Total Revenue From Operations	10,000.41	9,797.49	10,652.53	39,840.02
II Other income	17.82	19.87	7.66	300.76
III Total income (I+II)	10,018.23	9,817.36	10,660.19	40,140.78
IV Expenses				
(i) Finance costs	4,370.40	4,242.58	4,417.78	16,756.41
(ii) Impairment on financial instruments	486.09	110.67	(144.85)	752.16
(iii) Employee benefits expenses	2,179.69	2,127.20	1,974.80	7,997.10
(iv) Depreciation, amortisation and impairment	81.72	33.41	14.89	86.42
(v) Net loss on fair value changes	12.65	-	-	-
(vi) Other expenses	1,436.46	1,834.82	1,970.77	7,699.46
Total expenses (IV)	8,567.01	8,348.68	8,233.39	33,291.55
V Profit/(Loss) Before Exceptional Items and Tax (III-IV)	1,451.22	1,468.68	2,426.80	6,849.23
VI Exceptional items (Refer Note 6)	-	-	-	(9,584.65)
VII Profit/(Loss) before tax (V-VI)	1,451.22	1,468.68	2,426.80	16,433.88
VIII Tax expense				
(1) Current tax	313.43	2,372.23	490.21	595.62
(2) Deferred tax	57.78	(2,072.15)	161.66	3,707.69
(3) Tax Relating to Prior Years	-	0.20	-	(135.22)
Total tax expenses (VIII)	371.21	300.28	651.87	4,168.09
IX Profit/(Loss) for the period (VII-VIII)	1,080.01	1,168.40	1,774.93	12,265.79
X Other Comprehensive Income				
(A) Items that will not be reclassified to profit or loss				
- Remeasurement of defined benefit plans	-	(83.85)	-	(96.49)
- Fair value changes on equity instruments through other comprehensive income	46.21	1.07	37.82	74.66
- Income tax relating to items that will not be reclassified to profit or loss	14.70	20.84	(9.52)	5.50
Subtotal (A)	60.91	(61.94)	28.30	(16.33)
(B) Items that will be reclassified to profit or loss				
- Cash flow hedging reserve	-	-	-	-
- Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
Subtotal (B)	-	-	-	-
Other Comprehensive Income (A+B) (X)	60.91	(61.94)	28.30	(16.33)
XI Total Comprehensive Income for the period (IX+X)	1,140.92	1,106.46	1,803.23	12,249.46
XII Paid-up equity share capital	1,644.75	1,644.75	1,644.75	1,644.75
XIII Other equity				59,530.14
XIV Earnings per equity share (Face value of Rs.10/- each)				
Basic (Rs.) (Quarterly figures are not annualized)	6.57	7.10	10.79	74.58
Diluted (Rs.) (Quarterly figures are not annualized)	6.57	7.10	10.79	74.58

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 August 6, 2024 and August 7, 2024 respectively. These financial results are reviewed by the Statutory Auditors of the company and an unqualified review report has been issued.
2. The above financial results have been prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules 2015.
3. Consequent to the adoption of 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, impairment losses have been determined and recognized under the expected credit loss method as prescribed therein.
4. During the current quarter, company has carried out a review of its ECL model and made refinements to the model considering various parameters to bring it in line with the current scenario.
5. In accordance with the provisioning policy of the board for ensuring provision on the credit impaired assets at 75% and NNPA being below 6%, the company has further created an additional management overlay of Rs. 550 Lakhs during the current quarter. Additional management overlay as on 30th June 2024 stands at Rs. 6,700 Lakhs.
6. The following items have been shown as exceptional items in financial results for the year ended 31st March 2024.

(Rs. In Lakhs)

Nature of item	(Income)/Expense
Impairment of financial instruments	(13,871.62)
Net loss on derecognition of financial instruments under amortized cost category	4,286.97
Total	(9,584.65)

7. 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.
8. 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.
9. Figures for the previous periods have been regrouped /reclassified, wherever found necessary, to conform to current period presentation.
10. All the secured non-convertible debentures of the Company are fully secured by pari-passu charge on future receivables under Loan contracts. Further, the Company in respect of secured listed non-convertible debt securities maintains 100% security cover or higher security cover as per the terms of Term Sheet sufficient to discharge the principal amount and the interest thereon. The total Security Cover is 1.5 times of the principal and interest thereon wherever applicable for the said debentures



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11. Disclosures in compliance with Regulation 52 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter ended June 30, 2024 is attached as Annexure I.

For Muthoot Capital Services Limited

Kochi

August 7, 2024




Thomas George Muthoot
Managing Director

DIN – 00011552


Thomas Muthoot
Director

DIN – 00082099

Annexure I

Disclosure in compliance with Regulations 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, for Quarter ended June 30, 2024.

SL No	Particulars	Details Required
1	Debt Equity Ratio	2.79
2	Debt Service Coverage Ratio	Not Applicable, being an NBFC
3	Interest Service Coverage Ratio	Not Applicable, being an NBFC
4	Details of Debenture Redemption Reserve	Not Applicable, being an NBFC Pursuant to Rule 18(7)(b)(iii) of the Companies (Share Capital and Debentures) Rules, 2014, as amended vide the Companies (Share Capital and Debentures) Amendment Rules, 2019, the Company, being an NBFC registered with the Reserve Bank of India under Section 45 IA of the RBI Act, 1934, is not required to create a Debenture Redemption Reserve, in respect of public issue of debentures and debentures issued by it on a private placement basis.
5	Net Worth on 30th June 2024	Rs. 62,315.81 Lakhs
6	Net Profit/(Loss) After Tax	For Quarter Ended 30th June 2024 Rs.1,080.01 Lakhs For Quarter Ended 30th June 2023 Rs.1,774.93 Lakhs For the Year Ended 31st Mar 2024 Rs.12,265.79 Lakhs
7	Earnings per Share	For Quarter Ended 30th June 2024 - Basic & Diluted EPS 6.57 (Not Annualized) For Quarter Ended 30th June 2023 - Basic & Diluted EPS 10.79 (Not Annualized) For the Year Ended 31st March 2024- Basic & Diluted EPS 74.58
8	Current Ratio	Not Applicable, being an NBFC
9	Long term debt to Working Capital	Not Applicable, being an NBFC
10	Bad Debts to Accounts Receivable Ratio	Not Applicable, being an NBFC
11	Current liability Ratio	Not Applicable, being an NBFC
12	Total Debts to Total Assets	0.72
13	Debtors Turnover	Not Applicable, being an NBFC
14	Inventory Turnover	Not Applicable, being an NBFC
15	Operating Margin	Not Applicable, being an NBFC



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16	Net Profit/(Loss) Margin	For Quarter Ended 30 th June 2024 10.78% For Quarter Ended 30 th June 2023 16.60% For the Year Ended 31st Mar 2024 30.56%
17	Sector Specific Equivalent Ratio, as applicable:	
(A)	Gross NPA	Rs.21,445.88 Lakhs
(B)	Net NPA	Rs.6,942.73 Lakhs
(C)	Advances	Rs.2,17,884.64 Lakhs
(D)	Advances net of Provision	Rs.2,01,452.19 Lakhs
(E)	Gross NPA to Advances Ratio (A / C)	9.84%
(F)	Net NPA to Advances net of Stage 3 Provision Ratio (B / D)	3.41%

