



MANAPPURAM FINANCE LIMITED

Make Life Easy

Ref: Sec/SGX/386/2020-21
November 06,2020

Singapore Exchange

Securities Market Control
Securities & Market Data, Operations
11 North Buona Vista Drive,
#06-07 The Metropolis Tower 2,
Singapore 138589

Dear Sir/Madam,

Sub: Unaudited Consolidated and Standalone Financial Results for the quarter and period ended September 30,2020

We enclose herewith the Unaudited Consolidated and Standalone Financial Results and Limited Review Report for the quarter and period ended September 30,2020.

We request you to take the same on record.

Thanking You.

For Manappuram Finance Limited

MANOJKUMAR V
R

Digitally signed by MANOJKUMAR V R
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serialNumber=c0607b2050a85987aa84548d23761b1c1
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V R
Date: 2020.11.06 15:48:24 +05'30'

Manoj Kumar V R
Company Secretary

India's First Listed and Highest Credit Rated Gold Loan Company

Registered & Corporate Office : (CIN-L65910KL1992PLC006623) IV/470A (old) W638A(New), Manappuram House, Valapad, Thrissur, Kerala - 680 567, India
Tel : 0487 - 3050100, 3050108 **Fax :** 0487 - 2399298 **E mail :** mail@manappuram.com **Website :** www.manappuram.com

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF MANAPPURAM FINANCE LIMITED

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of **MANAPPURAM FINANCE LIMITED** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), for the quarter and six months ended September 30, 2020 ("the Statement") being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's 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. 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 (ICAI). A review of interim financial information consists of making inquiries, primarily of Parent's personnel 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 Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 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.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities:
 - I. Manappuram Finance Limited (the Parent)
 - II. Manappuram Home Finance Limited (Wholly owned subsidiary)
 - III. Asirvad Microfinance Limited (Subsidiary)
 - IV. Manappuram Insurance Brokers Limited (Wholly owned subsidiary)
 - V. Manappuram Comptech and Consultants Limited (Subsidiary)
5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review report of other auditors referred in paragraph 7 below, 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 the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 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.
6. We draw attention to Note 9 to the Statement in which the Group describes the continuing uncertainties arising from the COVID 19 pandemic.

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

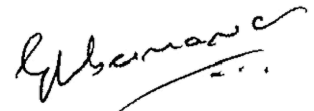


Deloitte Haskins & Sells LLP

7. We did not review the interim financial results of one subsidiary included in the consolidated unaudited financial results, whose interim financial results reflect total assets of Rs. 5,349.02 crore as at September 30, 2020, total revenues of Rs. 256.34 crore and Rs. 522.07 for the quarter and six months ended September 30, 2020 respectively, total net loss after tax of Rs. 2.42 crore and Rs. 5.02 crore for the quarter and six months ended September 30, 2020 respectively and total comprehensive loss of Rs. 2.42 crore and Rs. 5.08 crore for the quarter and six months ended September 30, 2020 respectively and net cash flows of Rs. 204.76 crore for the six months ended September 30, 2020, as considered in the Statement. These interim financial results have been reviewed by other auditor whose report have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the report of the other auditor and the procedures performed by us as stated in paragraph 3 above.

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

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



G. K. Subramaniam
Partner
(Membership No.109839)
UDIN: 20109839AAAAXD9544

Place: Mumbai
Date: November 06, 2020

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER, 2020

(Rs. Crore, except per equity share data)

S.No	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30-Sep-20	30-Jun-20	30-Sep-19	30-Sep-20	30-Sep-19	31-Mar-20
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
A	Revenue from operations						
	(i) Interest income	1,547.25	1,475.77	1,279.53	3,023.02	2,449.88	5,280.48
	(ii) Dividend income	3.37	5.30	2.03	8.67	4.98	9.47
	(iii) Fees and commission income	8.78	3.26	16.50	12.04	28.81	30.77
	(iv) Net gain on fair value changes	4.16	23.46	38.71	27.62	38.71	125.91
	(v) Others	2.02	4.74	6.26	6.76	11.34	18.69
	Total revenue from operations (A)	1,565.58	1,512.53	1,343.03	3,078.11	2,533.72	5,465.32
B	Other income	12.33	3.94	47.10	16.27	57.21	85.87
	Total income (A+B)	1,577.91	1,516.47	1,390.13	3,094.38	2,590.93	5,551.19
C	Expenses						
	(i) Finance costs	570.95	566.83	447.96	1,137.78	853.77	1,832.23
	(ii) Fees and commission expense	4.54	3.72	5.86	8.26	11.24	23.66
	(iii) Impairment on financial instruments	108.02	145.27	29.19	253.29	63.32	237.62
	(iv) Employee benefits expenses	216.91	175.31	203.42	392.22	400.52	830.13
	(v) Depreciation and amortization	41.55	44.40	39.88	85.95	79.45	164.18
	(vi) Other expenses	91.53	88.65	115.52	180.18	227.19	456.08
	Total expenses (C)	1,033.50	1,024.18	841.83	2,057.68	1,635.49	3,543.90
D	Profit before tax (A+B-C)	544.41	492.29	548.30	1,036.70	955.44	2,007.29
E	Tax expense:						
	(i) Current tax	167.93	136.17	90.15	304.10	242.23	534.47
	(ii) Deferred tax	(28.96)	(11.85)	25.17	(40.81)	13.45	(7.48)
F	Profit for the period (D-E)	405.44	367.97	432.98	773.41	699.76	1,480.30
G	Other comprehensive income						
	A) (i) Items that will not be reclassified to profit or loss						
	- Actuarial gains / (losses) on post retirement benefit plans	1.88	(2.63)	(2.18)	(0.75)	(3.21)	(8.49)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.11	0.09	0.36	0.20	0.71	2.09
	Subtotal (A)	1.99	(2.54)	(1.82)	(0.55)	(2.50)	(6.40)
	B) (i) Items that will be reclassified to profit or loss						
	- Fair value changes on derivatives designated as cash flow hedges, net	5.80	(35.39)	-	(29.59)	-	0.54
	(ii) Income tax relating to items that will be reclassified to profit or loss	5.22	2.23	-	7.45	-	(0.14)
	Subtotal (B)	11.02	(33.16)	-	(22.14)	-	0.40
	Total other comprehensive income (G)	13.01	(35.70)	(1.82)	(22.69)	(2.50)	(6.00)
H	Total comprehensive income for the period (F+G)	418.45	332.27	431.16	750.72	697.26	1,474.30
I	Net profit attributable to:						
	Owners of parent	405.57	368.11	428.10	773.68	692.53	1,467.74
	Non-controlling interests	(0.13)	(0.14)	4.88	(0.27)	7.23	12.56
J	Other comprehensive Income attributable to:						
	Owners of parent	13.01	(35.70)	(1.82)	(22.69)	(2.51)	(5.99)
	Non-controlling interests	-	-	-	-	0.01	(0.01)
K	Total comprehensive income attributable to:						
	Owners of parent	418.58	332.41	426.28	750.99	690.02	1,461.75
	Non-controlling interests	(0.13)	(0.14)	4.88	(0.27)	7.24	12.55
L	Paid-up equity share capital (Face value of Rs. 2/- per share)	169.23	169.04	168.65	169.23	168.65	169.00
M	Earnings per equity share (not annualised)						
	Basic (Rs.)	4.80	4.35	3.16	9.15	7.80	17.54
	Diluted (Rs.)	4.79	4.35	3.15	9.15	7.77	17.49

SEGMENT WISE DETAILS ON UNAUDITED CONSOLIDATED BASIS FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER, 2020

S.No	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30-Sep-20	30-Jun-20	30-Sep-19	30-Sep-20	30-Sep-19	31-Mar-20
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Segment Revenue						
	Gold loan & others	1,321.10	1,250.31	1,101.16	2,571.41	2,073.36	4,449.75
	Microfinance	256.81	266.16	288.97	522.97	517.57	1,101.44
	Total Segment Revenue	1,577.91	1,516.47	1,390.13	3,094.38	2,590.93	5,551.19
2	Segment Results (Profit before Tax)						
	Gold loan & others	547.33	496.47	433.94	1,043.80	772.98	1,696.99
	Microfinance	(2.92)	(4.18)	114.36	(7.10)	182.46	310.30
	Total Segment Results	544.41	492.29	548.30	1,036.70	955.44	2,007.29
3	Segment Assets						
	Gold loan & others	26,912.25	25,274.95	20,591.87	26,912.25	20,591.87	23,629.59
	Microfinance	5,349.02	6,145.06	4,625.41	5,349.02	4,625.41	5,912.45
	Total Segment Assets	32,261.27	31,420.01	25,217.28	32,261.27	25,217.28	29,542.04
4	Segment Liabilities						
	Gold loan & others	21,449.47	20,219.11	16,382.58	21,449.47	16,382.58	18,864.72
	Microfinance	4,314.65	5,104.78	3,685.35	4,314.65	3,685.35	4,872.93
	Total Segment Liabilities	25,764.12	25,323.89	20,067.93	25,764.12	20,067.93	23,737.65



NOTES:

1 Statement of Assets and Liabilities

(Rs. Crore)

S.No	Particulars	As at 30 September 2020	As at 31 March 2020
		Unaudited	Audited
I	ASSETS		
1	Financial assets		
(a)	Cash and cash equivalent	4,300.24	3,293.08
(b)	Bank balance other than (a) above	399.61	352.87
(c)	Derivative financial instruments	-	137.00
(d)	Receivables		
(i)	Trade Receivables	2.51	2.48
(e)	Loans	26,061.88	24,297.08
(f)	Investments	61.47	90.08
(g)	Other financial assets	308.30	285.07
2	Non-financial assets		
(a)	Current tax assets (net)	43.83	96.16
(b)	Deferred tax assets (net)	149.81	101.36
(c)	Investment Property	0.09	0.09
(d)	Property, plant and equipment	300.68	327.22
(e)	Capital work-in-progress	3.91	3.46
(f)	Right of Use Asset	479.92	419.06
(g)	Goodwill	35.57	35.57
(h)	Other Intangible assets	27.07	20.70
(i)	Other non financial assets	86.38	80.76
	Total assets	32,261.27	29,542.04
II	LIABILITIES AND EQUITY		
	Liabilities		
1	Financial Liabilities		
(a)	Derivative financial instruments	0.46	-
(b)	Trade payables		
(i)	total outstanding dues of micro enterprises and small enterprises	-	-
(ii)	total outstanding dues of creditors other than micro enterprises and small enterprises	202.54	173.66
	Other Payables		
(i)	total outstanding dues of micro enterprises and small enterprises	-	-
(ii)	total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
(c)	Debt securities	10,430.44	8,089.35
(d)	Borrowings (other than debt securities)	14,178.46	14,366.92
(e)	Deposits	0.01	0.01
(f)	Subordinated liabilities	125.73	123.38
(g)	Lease Liability	500.63	448.65
(h)	Other financial liabilities	183.17	129.27
2	Non-financial liabilities		
(a)	Current tax liabilities	11.60	-
(b)	Provisions	52.40	64.49
(c)	Other non-financial liabilities	78.68	341.92
		25,764.12	23,737.65
3	Equity		
(a)	Equity share capital	169.23	169.00
(b)	Other equity	6,281.60	5,577.09
	Equity attributable to owners of the company	6,450.83	5,746.09
	Non controlling Interest	46.32	58.30
	Total liabilities and equity	32,261.27	29,542.04



2 Cash flow statement

(Rs. Crore)

S.No	Particulars	As at 30 September 2020	As at 30 September 2019
		Unaudited	Unaudited
A.	Cash flow from operating activities		
	Net profit before tax	1,036.70	955.42
	Adjustments for:		
	Depreciation and amortization expense	85.95	79.45
	Impairment on financial instruments	210.32	48.56
	Lease income on rent waiver	(10.32)	-
	Provision for litigation	0.09	0.55
	Provision for other assets	(0.64)	(0.19)
	Profit on sale of property, plant and equipment	(0.39)	(0.68)
	Dividend income	(8.67)	(4.98)
	Stock compensation expense	(12.72)	(1.17)
	Finance costs	22.38	13.03
	Interest income from banks, investments and others	(76.61)	(120.61)
	Operating Profit before working capital changes	1,246.09	969.38
	Changes in working capital:		
	Decrease / (increase) in non-financial assets	(8.38)	5.96
	Decrease / (increase) in loans	(1,975.35)	(3,235.89)
	Decrease / (increase) in other financial assets	(35.75)	(20.28)
	Increase / (decrease) in Deposits	-	(1.91)
	Increase / (decrease) in trade payables	28.87	21.71
	Decrease / (increase) in trade receivables	(0.04)	260.65
	Increase / (decrease) in other financial liabilities	53.90	26.23
	Increase / (decrease) in provisions	(41.87)	(9.12)
	Increase / (decrease) in other non-financial liabilities	(263.23)	(27.08)
	Cash generated from operations	(2,241.85)	(2,979.73)
	Net income tax (paid)	(995.76)	(2,010.35)
	Net cash flows from/(used in) operating activities (A)	(1,235.92)	(2,189.70)
B.	Cash flow from investing activities		
	Capital expenditure, including capital advances	(19.37)	(51.88)
	Acquisition of subsidiary	(21.79)	(0.15)
	Proceeds from sale of property, plant and equipment	0.40	0.86
	(Purchase) / Sale of investments	28.85	44.50
	Interest received	85.54	116.81
	Dividend received	8.67	4.98
	Bank balances not considered as cash and cash equivalents	(43.16)	(46.90)
	Net cash flows from/(used in) investing activities (B)	39.14	68.22
C.	Cash flow from financing activities		
	Debt securities issued (net)	2,341.09	68.80
	Borrowings other than debt securities issued (Net)	(52.65)	2,746.33
	Subordinated liabilities issued (Net)	2.35	4.67
	Proceeds from issue of equity shares	0.23	0.09
	Share premium on equity shares allotted	10.32	3.95
	Share application money received/(refunded)	(32.31)	11.64
	Dividend paid, including dividend distribution tax	-	(111.82)
	Payment of lease liabilities	(65.09)	(70.80)
	Net cash flow from financing activities (C)	2,203.94	2,652.86
	Net Increase / (decrease) in cash and cash equivalents (A+B+C)	1,007.16	531.38
	Cash and cash equivalents at the beginning of the year	3,293.08	840.38
	Cash and cash equivalents at the end of the year	4,300.24	1,371.76



- 3 In compliance with Regulation 33 of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, a limited review of unaudited consolidated financial results for the quarter and six months ended 30 September, 2020 has been carried out by the statutory auditors and have issued unqualified review conclusion thereon.
- 4 During the six months ended 30 September, 2020, the parent company allotted 11,54,365 shares, pursuant to exercise of stock option by eligible employees.
- 5 The Group has reported segment information as per Indian Accounting Standard 108 (Ind AS 108) on 'Operating Segments'. As per Ind AS 108, segments are identified based on management's evaluation of financial information for locating resources and assessing performance. Accordingly, the Group has identified two reportable segments. 1. Gold loan and others 2. Microfinance.
- 6 The Board of Directors declared an interim dividend of Rs. 0.60 per equity share having face value of Rs. 2/-each.
- 7 The Group has maintained requisite full asset cover by way of floating charge on book debts and other unencumbered assets of the Group on its Secured Listed Non Convertible Debentures as at 30 September, 2020.
- 8 The Code on Social Security, 2020 (the "Code") has been enacted. The date of coming into force of the various provisions of the Code is to be notified and the rules thereunder are yet to be announced. The potential impact of the change will be estimated and accounted in the period of notification.
- 9 The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. Reserve Bank of India (RBI) has issued guidelines relating to COVID-19 Regulatory Package dated 27 March 2020, 17 April 2020 and 23 May 2020 and in accordance therewith, the holding company and two of its subsidiaries had proposed an opt-in moratorium on the payment of principal instalments and/ or interest, as per the Board approved policy to certain eligible borrowers classified as standard, even if the said amounts were overdue as on 29 February 2020. For all such accounts where the moratorium was granted, the asset classification remained at a standstill during the moratorium period (i.e. the number of days past due shall exclude the moratorium period for the purposes of asset classification as per the Group's policy). Further, the Group has, based on current available information and based on the policy approved by the board, determined the prudential estimate of provision for impairment of financial assets. Given the uncertainty over the potential macro-economic impact, the Group's management has considered all available internal and external information up to the date of approval of these financial results. Accordingly, the Group has made prudential estimate of provision for expected credit loss on financial assets as at 30 September 2020. Based on the current indicators of future economic conditions, the Group considers this provision to be adequate and expects to recover the carrying amount of these financial assets.
- The extent to which the COVID-19 pandemic will impact the Group's future results will depend on developments, including the final decision of the Honourable Supreme Court of India in relation to moratorium and other related matters, which cannot be predicted with certainty, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Group. The Group will continue to closely monitor any material changes to future economic conditions.
- 10 Pursuant to the regulatory guidance on Ind AS issued by RBI dated 13 March 2020 to promote consistent Ind AS implementation among NBFCs, in the financial year 2019-2020, one of our subsidiaries was required to change its policy on accounting for securitised assets and direct assignment transactions. In order to give effect to the same, the securitised assets which were hitherto, de-recognized in the books based on 'True Sale Criteria' prescribed by RBI, was re-recognised in the books along with interest income using effective interest rate as the subsidiary has not transferred substantially all the risks and rewards in accordance with the provisions of Indian Accounting Standard No.109 (Ind AS 109), 'Financial Instruments'. Proceeds received from securitisation has been recognised as Borrowings (other than debt securities) and interest thereon has been recognised as Finance cost. Similarly, the gain on sale of assets arising from a direct assignment transactions, has been recognised on de-recognition as interest only strip.

Accordingly, as per para 14 (b) of IND AS 8, the subsidiary has retrospectively changed the policy to reflect the above changes in the financial statements, thereby providing reliable and more relevant information about the Company's financial position, financial performance or cash flows. The impact of such change is as under :

Financial line item	(Rs. in Crore)	
	For the Half Year ended 30 September 2019	For the quarter ended 30 September 2019
	increase / (decrease)	increase / (decrease)
Interest Income	34.03	17.53
Net Gain on derecognition of Financial Instruments	38.71	38.71
Other income	(0.60)	(0.20)
Finance Cost	48.88	23.05
Provision and Other Losses	(2.54)	(0.14)
Other Expenses	(0.76)	(0.73)
Tax Expense	6.68	8.52
Profit after Tax for the period	19.87	25.34
Other Equity	41.83	25.34
Loans	934.35	-6.71
Other Financial assets	24.94	24.91
Deferred tax assets (net)	-18.48	-8.52
Other non financial assets	-0.13	0.43
Borrowings (other than debt security)	927.00	-14.15
Other Financial liabilities	-28.16	-1.08
Impact on Basic Earnings per Share of Rs.2 each	0.23	0.30
Impact on Diluted Earnings per Share of Rs.2 each	0.23	0.30



11 Previous period/year figures have been regrouped/reclassified, wherever necessary, to conform with the current period presentation.

12 Key standalone financial Information is given below:

(Rs. in Crore)

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		30-Sep-20	30-Jun-20	30-Sep-19	30-Sep-20	30-Sep-19	31-Mar-20
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Total Income	1,294.00	1,225.90	1,077.29	2,519.90	2,027.80	4,352.18
2	Profit before tax	543.86	494.85	427.55	1,038.71	762.86	1,680.00
3	Profit after tax	405.56	369.11	336.17	774.67	556.48	1,230.30
4	Total comprehensive Income	418.64	333.40	334.71	752.04	554.25	1,224.87

By order of the Board of Directors

V.P. Nandakumar
Managing Director & CEO
DIN: 00044512

Place : Valapad, Thrissur

Date: 06-11-2020



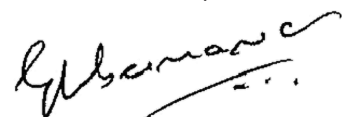
INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM STANDALONE FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF MANAPPURAM FINANCE LIMITED

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **MANAPPURAM FINANCE LIMITED** ("the Company"), for the quarter and six months ended September 30, 2020 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
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 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. 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 (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel 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 Standards on Auditing specified under section 143(10) of the Companies Act, 2013 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 stated in paragraph 3 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 the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 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.
5. We draw attention to Note 9 to the Statement in which the Company describes the continuing uncertainties arising from the COVID 19 pandemic.

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

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



G. K. Subramaniam
Partner
(Membership No. 109839)
UDIN: 20109839AAAAXC3598

Place: Mumbai
Date: November 06, 2020

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2020

(Rs. Crore, except per equity share data)

S. No	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30-Sep-20	30-Jun-20	30-Sep-19	30-Sep-20	30-Sep-19	31-Mar-20
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
A	Revenue from operations						
	(i) Interest income	1,274.78	1,222.22	1,037.18	2,497.00	1,981.83	4,288.66
	(ii) Dividend Income	-	-	-	-	-	5.02
	(iii) Fees and commission income	1.21	0.56	2.03	1.77	3.56	7.18
	(iv) Others	3.37	1.72	3.84	5.09	7.04	10.43
	Total revenue from operations (A)	1,279.36	1,224.50	1,043.05	2,503.86	1,992.43	4,311.29
B	Other income	14.64	1.40	34.24	16.04	35.37	40.89
	Total income (A+B)	1,294.00	1,225.90	1,077.29	2,519.90	2,027.80	4,352.18
C	Expenses						
	(i) Finance costs	442.34	432.58	338.90	874.92	642.78	1,391.20
	(ii) Fees and commission expense	4.54	3.72	5.86	8.26	11.24	23.66
	(iii) Impairment on financial instruments	38.25	50.08	13.91	88.33	32.49	84.85
	(iv) Employee benefits expenses	161.60	133.57	160.02	295.17	316.43	649.13
	(v) Depreciation and amortization	38.39	41.66	38.48	80.05	77.18	154.07
	(vi) Other expenses	65.02	69.44	92.57	134.46	184.82	369.27
	Total expenses (C)	750.14	731.05	649.74	1,481.19	1,264.94	2,672.18
D	Profit before tax (A+B-C)	543.86	494.85	427.55	1,038.71	762.86	1,680.00
E	Tax expense:						
	(i) Current tax	138.93	122.62	76.26	261.55	196.81	429.60
	(ii) Deferred tax	(0.63)	3.12	15.12	2.49	9.57	20.10
F	Profit for the period (D-E)	405.56	369.11	336.17	774.67	556.48	1,230.30
G	Other comprehensive income						
	A) (i) Items that will not be reclassified to profit or loss						
	- Actuarial gain / (losses) on post retirement benefit plans	1.94	(2.60)	(1.79)	(0.66)	(2.98)	(7.80)
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.12	0.05	0.33	0.17	0.75	1.97
	Subtotal (A)	2.06	(2.55)	(1.46)	(0.49)	(2.23)	(5.83)
	B) (i) Items that will be reclassified to profit or loss						
	- Fair value changes on derivatives designated as cash flow hedges, net	5.80	(35.39)	-	(29.59)	-	0.54
	(ii) Income tax relating to items that will be reclassified to profit or loss	5.22	2.23	-	7.45	-	(0.14)
	Subtotal (B)	11.02	(33.16)	-	(22.14)	-	0.40
	Total other comprehensive income (A + B) (G)	13.08	(35.71)	(1.46)	(22.63)	(2.23)	(5.43)
H	Total comprehensive income for the period (F+G)	418.64	333.40	334.71	752.04	554.25	1,224.87
I	Paid-up equity share capital (Face value of Rs. 2/- per share)	169.23	169.04	168.65	169.23	168.65	169.00
J	Earnings per equity share (not annualised)						
	Basic (Rs.)	4.80	4.37	3.95	9.16	6.56	14.58
	Diluted (Rs.)	4.80	4.36	3.94	9.16	6.54	14.53

NOTES :

1 Statement of Assets and Liabilities

		(Rs. Crore)	
S.NO	Particulars	As at September 30, 2020	As at March 31, 2020
		Unaudited	Audited
I	ASSETS		
1	Financial assets		
	(a) Cash and cash equivalents	3,293.99	2,088.17
	(b) Bank balances other than above	162.95	156.80
	(c) Derivative financial instruments	-	137.00
	(d) Loans	21,544.95	19,358.96
	(e) Investments	923.55	931.09
	(f) Other financial assets	189.90	169.22
2	Non-financial assets		
	(a) Current tax assets (net)	43.61	79.75
	(b) Deferred tax assets (net)	67.59	62.47
	(c) Property, plant and equipment	293.31	317.69
	(d) Capital work-in-progress	2.37	2.85
	(e) Right of Use Asset	466.89	405.76
	(f) Other intangible assets	23.41	17.65
	(g) Other non-financial assets	70.44	75.15
	Total assets	27,082.96	23,802.56
II	LIABILITIES AND EQUITY		
	LIABILITIES		
1	Financial liabilities		
(a)	Derivative financial instruments	0.46	-
(a)	Payables		
	Trade payables		
	(i) total outstanding dues of micro enterprises and small enterprises	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	170.09	150.41
	(II) Other Payables		
	(i) total outstanding dues of micro enterprises and small enterprises		
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		
(b)	Debt securities	9,498.38	7,398.30
(c)	Borrowings (other than debt securities)	10,659.54	10,269.47
(d)	Subordinated liabilities	5.93	7.04
(e)	Lease Liability	493.62	433.90
(f)	Other financial liabilities	93.27	95.52
2	Non-financial Liabilities		
(a)	Provisions	44.76	58.51
(b)	Other non-financial liabilities	45.10	33.51
		21,011.15	18,446.66
3	EQUITY		
(a)	Equity share capital	169.23	169.00
(b)	Other equity	5,902.58	5,186.90
	Total liabilities and equity	27,082.96	23,802.56



2 Cash flow statement

		(Rs. Crore)	
S.NO	Particulars	Half Year Ended September 30, 2020	Half Year Ended September 30, 2019
		Unaudited	Unaudited
A.	Cash flow from operating activities		
	Net profit before tax	1,038.71	762.86
	Adjustments for:		
	Depreciation and amortization expense	80.05	77.18
	Impairment on financial instruments	45.72	17.73
	Lease Income on rent waiver	(10.03)	-
	Provision for litigation	0.09	0.55
	Provision for other assets	(0.64)	(0.16)
	Profit on sale of property, plant and equipment	(0.39)	(0.68)
	Stock compensation expense	(12.72)	(0.98)
	Finance Cost on Lease Liability	21.60	12.87
	Interest income from banks, investments and others	(40.39)	(14.74)
	Operating Profit before working capital changes	1,122.00	854.63
	Changes in working capital and loans:		
	Decrease / (increase) in non-financial assets	6.92	12.80
	Decrease / (increase) in loans	(2,232.08)	(2,369.44)
	Decrease / (increase) in other financial assets	(20.94)	1.48
	Increase / (decrease) in trade payables	19.68	20.27
	Increase / (decrease) in other financial liabilities	(2.25)	7.54
	Increase / (decrease) in provisions	(43.32)	(10.45)
	Increase / (decrease) in other non-financial liabilities	11.60	(31.47)
		(2,260.39)	(2,369.27)
	Cash generated from operations	(1,138.39)	(1,514.64)
	Net income tax (paid)	(225.40)	(116.69)
	Net cash flows used in operating activities (A)	(1,363.79)	(1,631.33)
B.	Cash flow from investing activities		
	Capital expenditure, including capital advances	(20.38)	(40.77)
	Proceeds from sale of property, plant and equipment	0.40	0.69
	(Purchase) / Sale of investments	7.78	40.51
	Interest received	37.06	11.58
	Bank balances not considered as cash and cash equivalents	(2.57)	(16.79)
	Net cash flows from/(used in) investing activities (B)	22.29	(4.78)
C.	Cash flow from financing activities		
	Debt securities issued (net)	2,100.08	296.74
	Borrowings (other than debt securities) issued (net)	525.87	2,380.85
	Subordinated liabilities issued (net)	(1.11)	(0.83)
	Proceeds from issue of equity shares	0.23	0.09
	Share premium on equity shares allotted	10.32	3.95
	Share application money received/(refunded)	(32.31)	11.64
	Dividend paid, including dividend distribution tax	-	(111.82)
	Payment of lease liabilities	(55.76)	(70.33)
	Net cash flow from financing activities (C)	2,547.32	2,510.29
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	1,205.82	874.18
	Cash and cash equivalents at the beginning of the year	2,088.17	293.45
	Cash and cash equivalents at the end of the half year	3,293.99	1,167.63



- 3 In compliance with the Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a limited review of unaudited financial results for the quarter and six months ended september 30, 2020 has been carried out by the statutory auditors and have issued unqualified review conclusion thereon.
- 4 The said financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with relevant Rules issued thereunder and other accounting principles generally accepted in India.
- 5 The Company operates mainly in the business of lending finance, accordingly there are no separate reportable segments as per IND AS 108 – Operating Segments.
- 6 The Board of Directors declared an interim dividend of Rs.0.60 per equity share having face value of Rs. 2/-each.
- 7 During the six months ended September 30, 2020, the Company allotted 11,54,365 shares, pursuant to exercise of stock option by eligible employees.
- 8 The Company has maintained requisite full asset cover by way of floating charge on book debts and other unencumbered assets of the Company on its Secured Listed Non-Convertible Debentures as at September 30, 2020.
- 9 The Code on Social Security, 2020 (the "Code") has been enacted. The date of coming into force of the various provisions of the Code is to be notified and the rules thereunder are yet to be announced. The potential impact of the change will be estimated and accounted in the period of notification.
- 10 The outbreak of COVID-19 pandemic across the globe and in India has contributed to a significant decline and volatility in the global and Indian financial markets and slowdown in the economic activities. Reserve Bank of India (RBI) has issued guidelines relating to COVID-19 Regulatory Package dated March 27, 2020, April 17, 2020 and May 23, 2020 and in accordance therewith, the Company had proposed a opt-in moratorium on the payment of principal instalments and/ or interest, as per the Board approved policy to certain eligible borrowers classified as standard, even if the said amounts were overdue as on February 29, 2020. For all such accounts where the moratorium was granted, the asset classification remained at a standstill during the moratorium period (i.e. the number of days past due shall exclude the moratorium period for the purposes of asset classification as per the Company's policy).
Further, the Company has, based on current available information and based on the policy approved by the board, determined the prudential estimate of provision for impairment of financial assets. Given the uncertainty over the potential macro-economic impact, the Company's management has considered all available internal and external information up to the date of approval of these financial results. Accordingly, the Company has made prudential estimate of provision for expected credit loss on financial assets as at September 30, 2020. Based on the current indicators of future economic conditions, the Company considers this provision to be adequate and expects to recover the carrying amount of these financial assets.
The extent to which the COVID-19 pandemic will impact the Company's future results will depend on developments, including the final decision of the Honourable Supreme Court of India in relation to moratorium and other related matters, which cannot be predicted with certainty, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company. The Company will continue to closely monitor any material changes to future economic conditions.
- 11 Previous period figures have been regrouped/reclassified, wherever necessary, to conform with the current period presentation.

By Order of the Board of Directors

V.P. Nandakumar
Managing Director & CEO
DIN: 00044512

Place : Valapad

Date : November 6, 2020

