

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

**Review Report to
The Board of Directors
Electronica Finance Limited**

1. We have reviewed the accompanying statement of unaudited financial results of Electronica Finance Limited (the "Company") for the half year ended September 30, 2020 (the "Statement") 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").
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, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, 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. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. 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 Standards on Auditing 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 the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to note 4 to the Statement, which describes the uncertainty caused by Novel Coronavirus (COVID-19) pandemic with respect to the Company's estimates of impairment of loans to customers and that such estimates may be affected by the severity and duration of the pandemic. Our conclusion is not modified in respect of this matter.

For **S.R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Jayesh Gandhi**
Partner
Membership Number: 037924

UDIN: 20037924AAAAOV9508

Mumbai
November 11, 2020

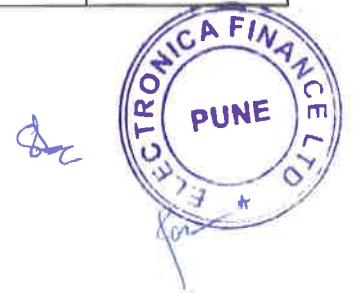
Electronica Finance Limited
(CIN: U65910PN1990PLC057017)

Regd. Office: 101/1, Erandawane 'Audumbar', Dr. Ketkar Road, Pune Pune MH 411004
Phone No.: 020-25459716, Website: www.epl.co.in

Statement of unaudited financial results for the half year ended September 30, 2020

(Rs. in Lakhs)

Particulars	As at	
	September 30, 2020 (Unaudited)	March 31, 2020 (Audited)
ASSETS		
Financial Assets		
Cash and cash equivalents	1,314.70	5,430.25
Bank balances other than cash and cash equivalents	3,518.13	1,393.24
Receivables		
Trade receivables	-	-
Loans	91,293.42	82,668.71
Investments	17.57	12.89
Other financial assets	2,090.33	1,612.14
Sub-total - Financial assets	98,234.15	91,117.23
Non financial assets		
Current tax assets (net)	202.30	116.80
Deferred tax assets (Net)	738.17	743.04
Investment property	115.78	116.85
Property, plant and equipment	6,346.32	6,506.98
Capital work in progress	96.60	96.60
Intangible assets	75.26	96.73
Other non financial assets	645.58	691.16
Sub-total - Non-financial assets	8,220.01	8,368.16
Total Assets	1,06,454.16	99,485.39
LIABILITIES AND EQUITY		
Liabilities		
Financial Liabilities		
Payables		
Trade payables	-	-
Debt securities	18,938.65	12,428.70
Borrowings (Other than debt securities)	53,031.62	52,252.01
Subordinated liabilities	898.00	896.72
Other financial liabilities	15,157.47	16,719.25
Sub-total - Financial liabilities	88,025.74	82,296.68
Non financial liabilities		
Current tax liabilities (net)	801.69	546.99
Provisions	153.65	129.79
Other non financial liabilities	60.33	170.76
Sub-total - Non-financial liabilities	1,015.67	797.04
Equity		
Equity share capital	2,253.46	2,253.46
Other equity	15,159.29	14,138.21
Total Equity	17,412.75	16,391.67
Total liabilities and equity	1,06,454.16	99,485.39



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Statement of unaudited financial results for the half year ended September 30, 2020

(Rs. in Lakhs)

Particulars	Half year ended		Year ended
	September 30, 2020 (Unaudited)	September 30, 2019 (Unaudited)	March 31, 2020 (Audited)
Revenue from operations			
Interest income	7,062.61	7,056.40	14,737.16
Fees and commission income	269.65	215.19	609.24
Net gain on sale of financial assets at amortised cost	-	66.36	295.96
Sale of services	70.70	97.73	166.68
Recoveries of financial assets written off	8.09	27.00	38.53
Gain on fair value changes	195.58	-	757.31
Total revenue from operations	7,606.63	7,462.68	16,604.88
Other income	138.02	104.72	249.39
Total Revenue	7,744.65	7,567.40	16,854.27
Expenses			
Finance costs	3,681.50	4,026.92	8,297.40
Impairment on financial instruments	20.42	292.55	850.83
Employee benefit expenses	1,615.58	1,653.39	3,425.84
Depreciation and amortisation expenses	224.61	172.80	374.25
Loss on fair value changes	322.14	-	-
Other expenses	470.74	617.29	1,453.35
Total expenses	6,334.99	6,762.95	14,401.67
Profit before tax	1,409.66	804.45	2,452.60
Tax expense:			
Current tax	401.32	219.06	698.24
Deferred tax	4.86	(16.57)	8.46
Total Tax expense	406.18	202.49	706.70
Profit for the period	1,003.48	601.96	1,745.90
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss			
Remeasurement losses on defined benefit plans			(27.76)
Tax impact on above			6.99
Total other comprehensive income	-	-	(20.77)
Total comprehensive income	1,003.48	601.96	1,725.13
Earnings per equity share			
[Nominal value of share Rs. 10]			
Basic EPS (not annualised)	4.45	2.67	7.75
Diluted EPS (not annualised)	3.46	2.66	7.16

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Statement of unaudited financial results for the half year ended September 30, 2020

1. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on November 11, 2020, and have been subjected to a limited review by the Statutory Auditors, in accordance with the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. Reserve Bank of India ('RBI') issued guidelines relating to 'COVID-19 Regulatory Package' dated March 27, 2020 and subsequent guidelines on EMI moratorium dated April 17, 2020 and May 23, 2020, the Company had offered moratorium in accordance with its Board approved policies to its customers based on requests as well as on a suo-moto basis between March 1, 2020 to August 31, 2020. For such accounts where the moratorium is granted, the asset classification shall remain stand still during the moratorium period.

Disclosures as required by RBI circular DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 'COVID-19 Regulatory Package Asset Classification and Provisioning' are given below:

Particulars	(Rs. in Lakhs)	
	September 30, 2020	March 31, 2020
Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3 of the circular (as of February 29, 2020)	8,876.40	1,179.34
Respective amount where asset classification benefit is extended (as of September 30, 2020/ March 31, 2020)	5,672.74	-
Provision made in terms of paragraph 5 of the circular (As per para 4, applicable to NBFC's covered under Ind AS)*	50.17	-
Provisions adjusted against slippages in terms of paragraph 6 of the circular	-	-
Residual provisions as of September 30, 2020/ March 31, 2020 in terms of paragraph 6 of the circular	50.17	-

3. The Company operates in a single business segment i.e. financing, which has similar risks and returns for the purpose of Ind AS 108. The Company operates in a single geographical segment i.e. domestic.

4. Covid-19 pandemic has affected business activities across the country. In spite of measures implemented by the government and consequent recovery in economic scenario, it is expected to have some impact on the performance and repayment capacity of various business entities. Although the number of overall active patients in the country are reducing, there still exists some uncertainty due to Covid-19. To be conservative, the estimates used for Covid-19 Impact as at March 31, 2020 have been used to arrive at expected credit loss for the period ended September 30, 2020.

5. Hon'ble Supreme Court, in a public interest litigation (Gajendra Shanna vs. Union of India & Anr), vide an interim order dated September 3, 2020 ('interim order'), has directed that accounts which were not declared NPA till August 31, 2020 shall not be declared as NPA till further orders. Basis the said interim order, the Company has not classified any account as NPA, as per RBI norms, after August 31, 2020 which was not NPA as of August 31, 2020. Further, in light of the interim order, even accounts that would have otherwise been classified as NPA post August 31, 2020 have not been and will not be, classified as NPA till such time the Hon'ble Supreme Court rules finally on the matter. Such accounts have been classified as stage 3 and provisioned accordingly.

6. Figures for the previous periods have been regrouped, wherever necessary, to make them comparable with the current period.

For and on Behalf of Board of Directors
Electronica Finance Limited

Shilpa Pophale
Ms. Shilpa Pophale
Managing Director
DIN 00182457

Place: Pune
Date: November 11, 2020

