

10<sup>th</sup> November, 2021

The Listing Department  
BSE Limited  
P. J. Towers, Dalal Street,  
Fort, Mumbai – 400 001.

Dear Sir / Madam,

**Sub: Submission of the Financial Results for the quarter and half year ended September 30, 2021 pursuant to the Regulation 52 and Regulation 54 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Regulations)**

With reference to the Regulation 52 and Regulation 54 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), please find enclosed the following documents approved by the Board of Directors of the Company, at its meeting held on 10<sup>th</sup> November, 2021:

- a) Financial Results for the quarter and half year ended September 30, 2021;
- b) Limited Review Report on the aforesaid Results issued by M/s Mukund M Chitale & Co, the Statutory Auditors of the Company, giving unmodified opinion; and
- c) Declaration and information pursuant to Regulations 51(2), Regulation 52 read with Part B of Schedule III of the Listing Regulations, Regulation 52(4), Regulation 52(7) and Regulation 54 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

Request you to take the above documents on your record.

Thanking you,

Yours faithfully,  
**For Electronica Finance Limited**

  
**Shilpa Pophale**  
Managing Director  
DIN: 00182457



**Electronica Finance Limited**  
Audumbar, 101/1, Erandwane, Dr. Ketkar Road,  
Pune 411004, Maharashtra (India)

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...by your side

**Independent Auditor's Review Report on the unaudited quarterly and year to date Financial Results of the Company pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure requirements) Regulations 2015, as amended**

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

1. We have reviewed the accompanying statement of unaudited financial results of Electronica Finance Limited (the 'Company') for the quarter ended September 30, 2021 and year to date from April 01, 2021 to September 30, 2021 (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 'Regulations').
2. This Statement, which is the responsibility of the Company's Board of Directors and have been approved by them, 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, as amended (the 'Act') read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulations. 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 recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, 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 Regulation, 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.





### **Emphasis of Matter**

5. We draw attention to Note 4 to the Statement, which describes the uncertainty continuing to be caused by COVID 19 pandemic and related events which may impact the Company's operations and estimates related to impairment of assets, which are dependent on future developments regarding the severity and duration of the pandemic. Our conclusion is not modified in respect of this matter.

### **Other Matters**

6. The figures for the previous quarter ended June 30, 2021, as reported in these unaudited Ind AS financial results have been approved by the Company's Board of Directors but have not been subjected to a review. The figures of the quarter ended September 30, 2021 are the balancing figures in respect of figures for the half year ended September 30, 2021 and for the quarter ended June 30, 2021. Our conclusion is not modified in respect of this matter.
7. The comparative financial results of the Company as stated in statement for the quarter/half year ended September 30, 2020 were reviewed and for the year ended March 31, 2021 were audited by the predecessor auditor who expressed an unmodified conclusion / opinion on those financial results on November 11, 2020 and June 8, 2021 respectively. Our conclusion is not modified in respect of this matter.

For Mukund M Chitale & Co  
Chartered Accountants  
Firm Reg. No. 106655W

S. M. Chitale  
Partner  
Membership No.: 111383

UDIN: 21111383AAAARY7240

Place: Mumbai  
Date: November 10, 2021

Electronica Finance Limited

(CIN: U74110PN1990PLC057017)

Regd. Office: 101/1, Erandawane 'Audumbar', Dr. Ketkar Road, Pune 411004

Phone No.: 020-67290700, Website: www.efl.co.in

Statement of unaudited financial results for the quarter ended and half year ended September 30, 2021

(Rs. in Lakhs except per share data)

Particulars	For the quarter ended		For the half year ended		Year ended
	September 30, 2021 (Unaudited)	June 30, 2021 (Unaudited)	September 30, 2021 (Unaudited)	September 30, 2020 (Unaudited)	March 31, 2021 (Audited)
<b>Revenue from operations</b>					
Interest income	4,674.91	4,265.64	8,940.55	7,062.61	15,169.60
Fees income	47.85	47.00	94.85	269.65	218.23
Gain on derecognition of financial assets	272.81	-	272.81	-	1,180.07
Sale of services	3.54	12.00	15.54	13.60	26.15
Recoveries of financial assets written off	22.23	8.59	30.82	8.09	27.82
Net gain on fair value changes	90.42	-	90.42	195.58	212.87
<b>Total revenue from operations</b>	<b>5,111.76</b>	<b>4,333.23</b>	<b>9,444.99</b>	<b>7,549.53</b>	<b>16,834.74</b>
<b>Other income</b>	174.97	54.62	229.59	195.12	386.24
<b>Total income</b>	<b>5,286.73</b>	<b>4,387.85</b>	<b>9,674.58</b>	<b>7,744.65</b>	<b>17,220.98</b>
<b>Expenses</b>					
Finance costs	2,160.04	1,571.80	3,731.84	3,445.74	7,082.89
Customer loyalty bonus	511.34	220.79	732.13	557.90	1,179.00
Impairment on financial instruments	57.55	352.76	410.31	20.42	994.54
Employee benefit expenses	1,122.40	1,030.82	2,153.22	1,615.58	3,383.35
Depreciation and amortisation expenses	106.88	95.12	202.00	224.61	427.60
Other expenses	621.78	201.90	823.68	470.74	1,157.30
<b>Total expenses</b>	<b>4,579.99</b>	<b>3,473.19</b>	<b>8,053.18</b>	<b>6,334.99</b>	<b>14,224.68</b>
<b>Profit before tax</b>	<b>706.74</b>	<b>914.66</b>	<b>1,621.40</b>	<b>1,409.66</b>	<b>2,996.30</b>
Tax expense:					
Current tax	256.99	244.67	501.66	401.32	919.18
Deferred tax	(83.53)	-	(83.53)	4.86	(154.37)
Total Tax expense	173.46	244.67	418.13	406.18	764.81
<b>Profit after tax for the period/year</b>	<b>533.28</b>	<b>669.99</b>	<b>1,203.27</b>	<b>1,003.48</b>	<b>2,231.49</b>
<b>Other comprehensive income (OCI)</b>					
Items that will not be reclassified to profit or loss:					
Remeasurement losses on defined benefit plans	-	-	-	-	17.33
Tax impact on above	-	-	-	-	(4.51)
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12.82</b>
<b>Total comprehensive income</b>	<b>533.28</b>	<b>669.99</b>	<b>1,203.27</b>	<b>1,003.48</b>	<b>2,244.31</b>
<b>Earnings per equity share</b>					
[Nominal value of share Rs. 10]					
Basic EPS (not annualised except for March 31, 2021)	2.37	2.97	5.34	4.45	9.90
Diluted EPS (not annualised except for March 31, 2021)	1.83	2.30	4.13	3.46	7.70



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Regd. Office: 101/1, Erandawane 'Audumbar', Dr. Ketkar Road, Pune 411004  
Phone No.: 020-67290700, Website: www.efl.co.in  
**Statement of assets and liabilities as at September 30, 2021**

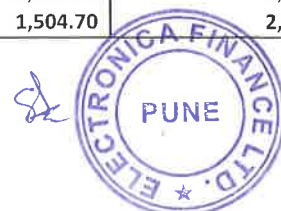
Particulars	(Rs. in Lakhs)	
	As at September 30, 2021 (Unaudited)	As at March 31, 2021 (Audited)
<b>ASSETS</b>		
<b>Financial Assets</b>		
Cash and cash equivalents	1,504.70	2,402.14
Bank balances other than cash and cash equivalents	5,197.87	1,404.20
Loans	1,04,747.02	97,458.86
Investments	507.70	18.11
Other financial assets	594.48	936.10
<b>Sub-total - Financial assets</b>	<b>1,12,551.77</b>	<b>1,02,219.41</b>
<b>Non financial assets</b>		
Current tax assets (net)	211.16	211.16
Deferred tax assets (Net)	976.43	892.89
Investment property	615.93	622.49
Property, plant and equipment	5,725.44	5,773.06
Capital work in progress	96.60	96.60
Intangible assets	122.49	119.89
Other non financial assets	828.88	826.20
<b>Sub-total - Non-financial assets</b>	<b>8,576.93</b>	<b>8,542.29</b>
<b>Total Assets</b>	<b>1,21,128.70</b>	<b>1,10,761.70</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Liabilities</b>		
<b>Financial Liabilities</b>		
Debt securities	21,701.42	13,899.58
Borrowings (Other than debt securities)	60,565.32	58,954.63
Subordinated liabilities	-	499.28
Other financial liabilities	17,735.32	17,685.22
<b>Sub-total - Financial liabilities</b>	<b>1,00,002.06</b>	<b>91,038.71</b>
<b>Non financial liabilities</b>		
Current tax liabilities (net)	1,050.45	832.69
Provisions	196.37	176.31
Other non financial liabilities	108.08	34.88
<b>Sub-total - Non-financial liabilities</b>	<b>1,354.90</b>	<b>1,043.88</b>
<b>Equity</b>		
Equity share capital	2,253.46	2,253.46
Other equity	17,518.28	16,425.65
<b>Total Equity</b>	<b>19,771.74</b>	<b>18,679.11</b>
<b>Total liabilities and equity</b>	<b>1,21,128.70</b>	<b>1,10,761.70</b>



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**Statement of cash flow for the half year ended September 30, 2021**

(Rs. in Lakhs)

Particulars	For the six month ended	For the year ended
	30 September 2021	31 March 2021
<b>(I) Cash flows from operating activities</b>		
<b>Profit before tax</b>	1,621.40	2,996.30
Adjustments for:		
Depreciation and amortisation	202.00	427.60
Loss / (profit) on sale of fixed assets	-	(8.11)
Impairment on financial instruments	387.78	460.70
Loans and other balances written off	42.38	569.91
Stock option expenditure	13.91	43.12
Dividend income	-	(0.02)
Income from shares & mutual funds	(50.98)	(68.96)
Interest on margin money deposits	(48.00)	(38.65)
Net gain on fair value changes	(363.23)	(1,392.94)
Finance cost	3,731.84	1,285.57
<b>Operating profit before working capital changes</b>	<b>5,537.10</b>	<b>4,274.52</b>
<b>Movements in working capital</b>		
(Increase)/decrease in loans	(7,718.87)	(18,184.14)
(Increase)/decrease in other financial assets	704.85	974.40
(Increase)/decrease in other non-financial assets	(2.68)	(158.98)
Increase/(decrease) in other financial liabilities	(155.80)	3,699.85
Increase/(decrease) in provisions	20.06	63.85
Increase/(decrease) in other non-financial liabilities	73.76	(85.38)
<b>Cash generated from / (used in) operations</b>	<b>(1,541.58)</b>	<b>(9,415.88)</b>
Direct taxes paid (net of refunds)	(283.90)	(727.84)
<b>Net cash flows used in operating activities (A)</b>	<b>(1,825.48)</b>	<b>(10,143.72)</b>
<b>(II) Cash flows from investing activities</b>		
Purchase of property, plant and equipment (incl. capital work-in-progress)	(129.90)	(116.25)
Purchase of intangible assets	(20.52)	(57.28)
Proceeds from maturity of fixed deposits	5,976.08	718.79
Payments towards fixed deposits	(9,748.05)	(691.10)
Proceeds from sale of property, plant and equipment	-	10.09
Proceeds from sale of investments	17,962.08	12,388.96
Purchase of investments	(18,400.69)	(12,320.00)
Dividend received	-	0.02
Interest received on margin money deposit	26.30	-
Income from mutual funds	-	-
<b>(III) Net cash flows (used in)/ from investing activities (B)</b>	<b>(4,334.70)</b>	<b>(66.77)</b>
<b>Cash flows from financing activities</b>		
Repayment of debt securities	(1,505.66)	(5,391.61)
Repayment of borrowings other than debts securities	(15,955.09)	(19,055.30)
Proceeds from debts securities	9,307.50	6,500.00
Proceeds from borrowing issued	17,066.50	25,290.00
Finance cost	(3,731.84)	-
Payment of lease liability	81.33	(160.71)
<b>Net cash flows from / (used in) financing activities (C)</b>	<b>5,262.74</b>	<b>7,182.38</b>
<b>Net increase / (decrease) in cash and cash equivalents (A + B + C)</b>	<b>(897.44)</b>	<b>(3,028.11)</b>
Cash and cash equivalents at the beginning of the year	2,402.14	5,430.25
<b>Cash and cash equivalents for the period/ end of the year</b>	<b>1,504.70</b>	<b>2,402.14</b>



**Notes :**

1 The above financial results have been prepared in accordance with the requirements of Regulation 52 of the SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015 as amended and the Indian Accounting Standards ("IND AS") notified under Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016, prescribed under section 133 of the Companies Act 2013 ("the Act") read with the rules issued thereunder and the other accounting principles generally accepted in India. Any application guidance/clarification issued by the Reserve Bank of India or other regulators are implemented as and when they are applicable.

2 The above unaudited financial results for the second quarter and half year ended September 30, 2021 have been reviewed by the Audit Committee, and on its recommendation, have been approved by the Board of Directors at its meeting held on November 10, 2021 in accordance with Regulation 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

In compliance with Regulation 52 of the Securities Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations 2015 a 'Limited Review' of financial results for the quarter and half year ended September 30, 2021 has been carried by the Statutory Auditors of the Company, who have issued an unmodified report thereon.

Pursuant to SEBI circular dated October 05, 2021, the Company has elected an option to not present the figures for the corresponding quarter September 30, 2020 and Cash flow statement for the half year ended September 30, 2020.

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 virus, a global pandemic has affected the world economy including India. Consequent to the outbreak of COVID – 19 pandemic, the Indian Government had announced a lockdown at various point of time. Subsequently, the lockdown had been lifted by the Government in a phased manner. While there has been improvements in the economic activities from the second of the current half year, but with emergence of second wave of COVID-19 in the first quarter, its impact on Company's performance remain uncertain and will depend on ongoing and future development.

In assessing the recoverability of loans to customers, the Company has used its assessment of recoverability along with an estimation of potential stress on probability of default and exposure at default due to Covid-19 situation in developing the estimates and assumptions to assess the impairment loss allowance on Loans. Accordingly, the Company has recognized an additional impairment on loans of Rs. 212.68 lakhs as at September 30, 2021, (As at March 31, 2021 Rs.185.45 lakhs). The Company has assessed the impact of the COVID-19 pandemic on its liquidity position and ability to repay its obligations as and when they are due. In addition, management has considered various stimulus packages announced by the Government of India which will directly or indirectly benefit NBFCs and also its MSME borrowers and various other financial support from other banks and financial institutions in determining the Company's liquidity position over the next 12 months from the end of reporting period. Based on the foregoing and necessary stress tests, management believes that the Company will be able to fulfil its obligation during the said period.

5 The Code on Social Security, 2020 ("Code") relating to employee benefits during the employment and post-employment benefits has been published in the Gazette of India on September 28, 2020. The Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. The effective date from which these changes are applicable is yet to be notified. The Company will assess and record the impact, if any when the rules are notified and the Code becomes effective.

6 The figures for quarter ended June 30, 2021 are approved by the Board of Directors and were not subjected to review by Statutory Auditors of the Company. The figures of the quarter ended September 30, 2021 are the balancing figures in respect of figures for the half year ended September 30, 2021 and for the quarter ended June 30, 2021.

7 The Government of India, Ministry of Finance, vide its notification dated October 23, 2020, announced a scheme for COVID-19 Relief for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts ("the Scheme"), as per the eligibility criteria and other aspects specified therein and irrespective of whether moratorium as per RBI regulatory package was availed or not. The Company has implemented the Scheme and credited the accounts of or remitted amounts to the eligible borrowers as per the Scheme, amounting to Rs.119.31 lakhs. The Company has filed its claim for the ex-gratia with State Bank of India as per the Scheme and is yet to receive amount of Rs.119.31 lakhs as on September 30, 2021.

The Reserve Bank of India, vide its notification 'Asset Classification and Income Recognition following the expiry of Covid-19 regulatory package' dated April 07, 2021, had announced to refund/adjust the 'interest on interest' charged to the borrowers during the moratorium period, i.e. March 1, 2020 to August 31, 2020 in conformity with the judgement of the Hon'ble Supreme Court of India in the matter of Small Scale Industrial Manufacturers Association vs UOI & Ors. and other connected matters on March 23, 2021. The company had made an estimation of the said amount and recognised interest reversal of Rs. 132.64 lakhs in the statement of profit and loss account for the year ended March 31, 2021. The company has reassessed the said computation and the revised impact amounts to Rs 36.93 lakhs resulting in reversal (income) of Rs 95.71 lakhs in its statement of profit and loss account for six months period ended September 30, 2021

**8 Micro, small and medium enterprises (MSME) sector - restructuring of advances**

The Company has restructured the accounts as per RBI circular DBR.No.BP.BC.100/21.04.048/2017-18, DBR.NO.BP.BC.108/21.04.048/2017-18 dated June 06, 2018 circular DBR.No.BP.BC.18/21.04.048/2018-19 dated January 01, 2019, circular DOR.No.BP.BC.34/21.04.048/2019-20 dated February 11, 2020 and DOR.No.BP.BC.4/21.04.048/2020-21 dated August 06, 2020.

(Rs. in Lakhs)	
No of Accounts restructured	Amount as at September 30, 2021
27	1127.48

9 The previous period's / year's figures have been regrouped / reclassified, wherever necessary, to correspond with the current period's / year's classification / disclosure.

Date : November 10, 2021  
Place : Pune

For and on Behalf of Board of Directors  
Electronica Finance Limited  
CIN U74110PN1990PLC057017

*Shilpa Pophale*  
Shilpa Pophale  
Managing Director  
DIN 00182457



**Electronica Finance Limited**

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**A Disclosure in compliance with Regulation 52 (4) of the SEBI ( Listing Obligations and Disclosure Requirements ) Regulations, 2015 as amended, for the half year ended September 30, 2021)**

Sr. No	Particulars	Ratios
1	Debt - Equity Ratio <sup>a</sup>	4.16
2	Debt service coverage ratio	NA
3	Interest service coverage ratio	NA
4	Outstanding redeemable preference share (quantity)	NA
5	Outstanding redeemable preference share (Rs in lakhs.)	NA
6	Capital redemption reserve (Rs in lakhs.)	4.89
7	Debenture redemption reserve	NA
8	Net worth (Rs in lakhs.) <sup>b</sup>	19,459.36
9	Net Profit after tax (Rs in lakhs.)	1,203.27
10	Current ratio <sup>e</sup>	NA
11	Long term debt to working capital <sup>e</sup>	NA
12	Bad debts to Account receivable ratio <sup>e</sup>	NA
13	Current liability ratio <sup>e</sup>	NA
14	Total debts to total assets <sup>c</sup>	0.68
15	Debtors turnover <sup>e</sup>	NA
16	inventory turnover <sup>e</sup>	NA
17	Operating margin <sup>e</sup>	NA
18	Net profit margin <sup>d</sup>	12.44%
19	Sector specific equivalent ratios	
(i)	CRAR	25.90%
(ii)	Gross non performing assets (%)	3.18%
(iii)	Net non performing assets (%)	1.45%
(iv)	Provision Coverage Ratio (%)	84.38%

**Notes :**

- a) Debt Equity Ratio = (Debt Securities + Borrowings (Other than Debt Securities) including CCPS + Subordinate Liabilities )/ (Equity Share Capital + Other Equity)
- b) Net Worth = Equity Share Capital + Other Equity - Intangible Asset - Deferred Revenue Expenditure
- c) Total Debt to Total Assets = (Debt Securities + Borrowings (Other than Debt Securities ) including CCPS + Subordinate Liabilities )/Total Assets.
- d) Net Profit Margin = Net profit after tax/ total income
- e) The Company is registered under the Reserve Bank of India Act , 1934 as Non-Banking Financial Company , hence these ratios are generally not applicable

**B** Pursuant to Regulation 52(7) of the SEBI ( Listing obligation and Disclosure Requirements ) Regulations, 2015, we hereby confirm that issue proceed Non- Convertible Debentures (NCDs) issued by the Company and Outstanding as on September 30, 2021 are being utilized as per the objects stated in the document. Further, we also confirm that there have been no deviations in the use of proceeds of issue of NCDs from the objects stated in the offer documents.

**C** Pursuant to Regulation 54 of the SEBI ( Listing obligation and Disclosure Requirements ) Regulations, 2015, we would like to state that all the secured redeemable debt securities issued by the company and outstanding as on September 30, 2021 are fully secured by secured by first ranking charge by way of hypothecation over specific loan receivable/ book debts, present and future. Accordingly, the Company is maintaining asset cover of 1X or such higher asset cover required as per the terms of offer documents/ information memorandum.

