

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

May 11, 2020

**Sub: Outcome of Board Meeting.**

Dear Sirs,

We wish to inform you that at the meeting of the Board of Directors held today i.e. on May 11, 2020, the Board has approved the Annual Audited Financial Results of the Company for the year ended March 31, 2020, which has been audited by the Statutory Auditors of the Company, in terms of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

The said results, containing the information required under Regulation 52(4) and the Audit Report issued by the Statutory Auditors of the Company is enclosed herewith and the same are being uploaded on the website of the Company i.e. [www.hdfccredila.com](http://www.hdfccredila.com). The results will also be published in the newspapers, in the format prescribed under Regulation 52 of the Listing Regulations.

Further, please note that the Statutory Auditor of the Company has submitted Audit Report for the year ended March 31, 2020 with unmodified opinion

We request you to take note of the above and arrange to bring this to the notice of all concerned.

Thanking you,

Yours faithfully,  
**For HDFC Credila Financial Services Private Limited**

AKANKSHA KANDOI  
Digitally signed by AKANKSHA KANDOI  
DN: cn=AKANKSHA KANDOI, o=HDFC CREDITA FINANCIAL SERVICES PRIVATE LIMITED, email=AKANKSHA.KANDOI@HDFCCREDILA.COM, c=IN

**Akanksha Kandoi**  
**Company Secretary**  
Encl: a/a

**HDFC CREDILA FINANCIAL SERVICES PVT. LTD.**

Corporate Identity Number : U67190MH2006PTC159411

Regd. Office: B-301, Citi Point, Andheri-Kurla Road, Andheri (East), Mumbai 400 059, India.

Tel: +91-22-28266636 loan@hdfccredila.com

# BSR & Co. LLP

Chartered Accountants

5th Floor, Lodha Excelus,  
Apollo Mills Compound  
N. M. Joshi Marg, Mahalaxmi  
Mumbai - 400 011  
India

Telephone +91 (22) 4345 5300  
Fax +91 (22) 4345 5399

## Independent Auditor's Report

### To the Board of Directors of HDFC Credila Financial Services Private Limited

#### Report on the Audit of the Annual Financial Results

#### Opinion

We have audited the annual financial results of HDFC Credila Financial Services Private Limited ("the Company") for the year ended 31 March 2020, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial results:

- (i) are presented in accordance with the requirements of the Regulation 52 of Listing Regulations in this regard; and
- (ii) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit and other comprehensive income, and other financial information for the year ended 31 March 2020.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Annual Financial Results* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the annual financial results.

#### Emphasis of matter

As described in Note 13 to the financial results, in respect of accounts overdue but standard at 29 February 2020 where moratorium benefit has been granted, the staging of those accounts at 31 March 2020 is based on the days past due status as on 29 February 2020 in accordance with the Reserve Bank of India COVID-19 Regulatory Package.



BSR & Co (a partnership firm with  
Registration No. BA61223) converted into  
BSR & Co. LLP (a Limited Liability Partnership  
with LLP Registration No. AAB-3181)  
with effect from October 14, 2013

Registered Office:  
5th Floor, Lodha Excelus  
Apollo Mills Compound  
N. M. Joshi Marg, Mahalaxmi  
Mumbai - 400 011, India



**Independent Auditor's Report (Continued)**

**HDFC Credila Financial Services Private Limited**

**Emphasis of matter (Continued)**

As described in Note 13 to the financial results, the extent to which the COVID-19 pandemic will impact the Company's financial performance is dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of the above matters.

**Management's and Board of Directors' Responsibilities for the Annual Financial Results**

These annual financial results have been prepared on the basis of the annual financial statements. The Company's Management and Board of Directors are responsible for the preparation of these annual financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in the Companies (Indian Accounting Standards) Rules, 2015 as per Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the annual financial results, the Management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

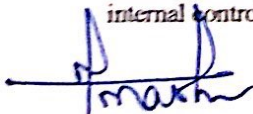
The Board of Directors is responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Annual Financial Results**

Our objectives are to obtain reasonable assurance about whether the annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.





BSR & Co. LLP

**Independent Auditor's Report (Continued)**

**HDFC Credila Financial Services Private Limited**

**Auditor's Responsibilities for the Audit of the Annual Financial Results (Continued)**

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial results, including the disclosures, and whether the annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.

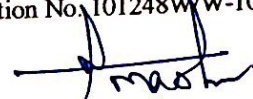
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Other Matters**

The annual financial results include the results for the half year ended 31 March 2020 and the corresponding previous period half year ended 31 March 2019 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures for the half year ended 30 September 2019 and 30 September 2018 respectively, which were subject to limited review by us.

**For BSR & Co. LLP**  
Chartered Accountants  
Firm's Registration No. 101248WW-100022



**Akcel Master**  
Partner

Membership No. 046768  
UDIN: 20046768AAAAHT3327

Place: Mumbai  
Date: 11 May 2020

**HDFC CREDILA FINANCIAL SERVICES PRIVATE LIMITED**

(CIN: U67190MH2006PTC159411)

Regd. Office: B-301, Citi Point, Andheri-Kurla Road,  
Andheri (East), Mumbai 400 059

Tel No: 022-28266636 Website: www.hdfccredila.com Email: investor@hdfccredila.com

**Statement of profit and loss**  
for the year ended 31 March 2020

(₹ in Lakhs)

Particulars	Half year ended	Half year ended	Year ended	Year ended
	31 March	31 March	31 March	31 March
	2020	2019	2020	2019
	Unaudited	Unaudited	Audited	Audited
<b>I Revenue from operations</b>				
Interest income	36,756.17	32,126.96	70,512.50	59,105.60
Dividend income	-	36.16	-	65.30
Fees and commission income	510.38	430.89	1,141.31	1,102.48
Net gain on fair value changes	174.53	79.05	1,004.45	79.05
<b>Total revenue from operations</b>	<b>37,441.08</b>	<b>32,673.06</b>	<b>72,658.26</b>	<b>60,352.43</b>
<b>II Other income</b>	0.03	0.11	0.03	0.11
<b>III Total income</b>	<b>37,441.11</b>	<b>32,673.17</b>	<b>72,658.29</b>	<b>60,352.54</b>
<b>IV Expenses:</b>				
(a) Finance costs	23,611.00	20,516.98	46,226.89	37,382.77
(b) Impairment on financial instruments (Expected credit loss)	2,223.75	263.34	2,280.52	270.76
(c) Employee benefits expense	1,529.31	1,583.07	3,093.80	2,942.62
(d) Depreciation and amortisation	144.47	47.92	299.69	88.99
(e) Other expenses	2,092.14	2,016.99	3,830.87	3,976.84
<b>Total expenses</b>	<b>29,600.67</b>	<b>24,428.30</b>	<b>55,731.77</b>	<b>44,661.98</b>
<b>V Profit before tax (III - IV)</b>	<b>7,840.44</b>	<b>8,244.87</b>	<b>16,926.52</b>	<b>15,690.56</b>
<b>VI Tax expense:</b>				
(a) Current tax	2,266.00	2,995.20	4,568.00	5,694.20
(b) Deferred tax	(257.20)	(20.72)	48.39	(172.88)
<b>Total tax expense</b>	<b>2,008.80</b>	<b>2,974.48</b>	<b>4,616.39</b>	<b>5,521.32</b>
<b>VII Profit for the period from continuing operations (V - VI)</b>	<b>5,831.64</b>	<b>5,270.39</b>	<b>12,310.13</b>	<b>10,169.24</b>
<b>VIII Other comprehensive income</b>	(1,685.08)	(17.29)	(1,684.31)	(9.54)
<b>IX Total comprehensive income for the period (VII + VIII)</b>	<b>4,146.56</b>	<b>5,253.10</b>	<b>10,625.82</b>	<b>10,159.70</b>
<b>X Earnings per equity share:</b>				
(a) Basic (in ₹)	6.27	7.64	14.18	15.05
(b) Diluted (in ₹)	6.27	4.25	14.18	8.30
(c) Face value per share (in ₹)	10.00	10.00	10.00	10.00



**Balance sheet**  
as at 31 March 2020

Particulars	(₹ in Lakhs)	
	As at 31 March 2020	As at 31 March 2019
	Audited	Audited
<b>ASSETS</b>		
<b>Financial assets</b>		
i. Cash and cash equivalents	38,139.26	14,295.74
ii. Bank balances other than (i) above	141.32	141.61
iii. Derivative Financial Instruments	4,877.90	-
iv. Trade receivables	69.36	27.13
v. Loans	6,22,889.93	5,33,981.90
vi. Investments	31,072.99	-
vii. Other financial assets	260.00	235.53
<b>Total financial assets</b>	<b>6,97,450.76</b>	<b>5,48,681.91</b>
<b>Non financial assets</b>		
i. Current tax assets (net)	15.57	60.44
ii. Deferred tax assets (net)	1,711.00	1,193.00
iii. Property, plant and equipment	667.62	191.29
iv. Other intangible assets	38.14	56.95
v. Other non financial assets	230.74	117.52
<b>Total non financial assets</b>	<b>2,663.07</b>	<b>1,619.20</b>
<b>Total assets</b>	<b>7,00,113.83</b>	<b>5,50,301.11</b>
<b>LIABILITIES AND EQUITY</b>		
<b>LIABILITIES</b>		
<b>Financial liabilities</b>		
i. Derivative Financial Instruments	2,073.92	-
ii. Trade payables		
(a) Total outstanding dues of micro enterprises & small enterprises	4.80	-
(b) Total outstanding dues other than micro enterprises & small enterprises	792.10	1,018.39
iii. Debt securities	2,22,912.41	2,06,348.37
iv. Borrowings (other than debt securities)	3,00,603.29	2,22,644.38
v. Subordinated liabilities	62,327.90	47,376.77
vi. Other financial liabilities	11,715.38	8,610.05
<b>Total financial liabilities</b>	<b>6,00,429.80</b>	<b>4,85,997.96</b>
<b>Non financial liabilities</b>		
i. Current tax liability (net)	14.15	264.39
ii. Provisions	362.98	288.68
iii. Other non financial liabilities	660.62	703.81
<b>Total non financial liabilities</b>	<b>1,037.75</b>	<b>1,256.88</b>
<b>EQUITY</b>		
i. Equity share capital	13,179.82	6,902.08
ii. Other equity	85,466.46	56,144.19
<b>Total equity</b>	<b>98,646.28</b>	<b>63,046.27</b>
<b>Total liabilities and equity</b>	<b>7,00,113.83</b>	<b>5,50,301.11</b>



Notes :

- 1 The Company is a Systemically Important Non-Deposit taking Non-Banking Financial Company (NBFC-ND-SI) registered with the Reserve Bank of India (RBI) classified as an Investment and Credit Company (NBFC-ICC).
- 2 The above financial results for the year ended 31 March 2020 along with comparative period have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at its meeting held on 11 May 2020.
- 3 The financial results of the Company have been prepared in accordance with Indian Accounting Standards ('Ind-AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016 and the other accounting principles generally accepted in India.  
These financial results have been prepared in the format prescribed under the notified schedule III of the Companies Act, 2013 for Non-Banking Financial Companies issued by Ministry of Corporate Affairs (MCA) on 11 October 2018, and on the basis of Ind-AS that are applicable to the Company based on the MCA Notification GSR 111(E) and GSR 365(E) dated 16 February 2015 and 31 March 2016 respectively.
- 4 In compliance with Regulation 52 of the Securities Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015 an audit of financial results has been carried out by the Statutory Auditors.
- 5 Earnings per equity share for the half year ended 31 March 2020 and 31 March 2019 have been calculated for six months and not annualised.
- 6 The Company is primarily engaged in the business of financing and accordingly, there are no separate reportable segments as per Ind AS 108 dealing with operating segment.
- 7 The Company has adopted Ind AS 116 effective from 01 April 2019, using the modified retrospective method. The Company has applied the standard to its leases with cumulative impact recognised on the date of initial application (01 April 2019). Accordingly, previous period information has not been restated. The Company has recognised lease liability and right to use asset of ₹ 684.82 lakhs as on 01 April 2019. Net decrease in profit for the year ended 31 March 2020 due to Ind AS 116 is ₹ 24.53 lakhs (net of tax).
- 8 The Company has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for income tax for the year ended 31 March 2020 and remeasured its deferred tax assets basis the rate prescribed in the said section. The full impact of this change has been recognised in the statement of profit and loss for the year ended 31 March 2020.
- 9 During the year ended 31 March 2020, the Company has issued 18,11,600 equity shares of ₹ 10 per share at a premium of ₹ 266 per share amounting to ₹ 5,000.02 lakhs on 23 August 2019 and 59,70,149 equity shares of ₹ 10 per share at a premium of ₹ 325 per share amounting to ₹ 20,000 lakhs on 31 March 2020 to Housing Development Finance Corporation Limited pursuant to a rights issue.
- 10 During the year ended 31 March 2020, the Company has converted 6,69,99,956 compulsorily convertible preference shares into 5,49,95,691 equity shares as per the various terms of the issues.
- 11 The secured, listed, non convertible debentures of the Company are secured by pari passu charge with other existing lenders on the loan receivables of the Company's underlying portfolio of loans having minimum asset cover of 1.05 times of the principal outstanding and interest accrued but not paid, to be maintained throughout the tenure of the debentures.
- 12 Figures for the half year ended 31 March 2020 and the corresponding half year ended 31 March 2019, represent the difference between the audited figures in respect of the full financial years and the reviewed figures for the half year ended 30 September 2019 and 30 September 2018 respectively.



Notes (continued)

- 13 Following the outbreak of COVID -19 during the quarter ended 31 March 2020 there has been a considerable slowdown in economic activities across the globe with most countries initiating lockdown to contain the pandemic. The Reserve Bank of India as a part of its measures to support and boost the economy has vide its notifications titled "COVID-19 Regulatory Package" dated 27 March 2020 and 17 April 2020 directed all Banks, NBFCs and other financial institutions to grant moratorium of three months on the payment of all installments and/or interest as applicable to all eligible borrowers.

Based on the moratorium plan rolled out by the Company wherein the relaxation of their unpaid installments during the aforesaid period was extended to all the borrowers and the acceptance of the same by a significant portion of our loan portfolio and other information available up to the date of approval of these financial results/statements the Company assessed the impact on its assets, including valuation of its investments, expected credit loss on its loan portfolio and liabilities including Asset Liability Management ("ALM") position.

Based on the detailed evaluation, the Company has:

- a) fair valued its investments to active market prices and as the investments mainly comprise of liquid debt securities, no material volatility is expected,
- b) made adequate provision for credit losses on its loan portfolio against the potential impact of COVID -19 by way of a management overlay of ₹ 2072.89 lakhs. The aggregate provisions are adequate vis-a-vis the minimum regulatory provisions prescribed by the Reserve Bank of India vide its circular dated 13 March 2020 on Implementation of Indian Accounting Standards,
- c) stress tested its ALM position and the Company has a comfortable liquidity outlook across all maturity buckets and has strong liquidity position maintained in form of high-quality liquid assets and undrawn committed short term and long-term bank lines.

The final impact of the global health pandemic is very uncertain and the actual impact on these financial results may be different than that estimated based on the conditions prevailing as at the date of approval of these financial results/statements. The management will continue to closely monitor the material changes in the macro-economic factors impacting the operations of the Company.

For and on behalf of Board of Directors

**HDFC Credila Financial Services Private Limited**



**Arijit Sanyal**  
*Managing Director & CEO*  
(DIN – 08386684)

Date:- 11 May 2020

Place : Mumbai



**Disclosures in terms of Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended 31 March 2020**

**Annexure I**

- a) The Company has paid interest and principal on Non Convertible Debentures (NCDs) on due dates. Details of payment of interest / principal and Credit Rating as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided in Annexure A. There is no change in the Credit Rating during the period.
- b) Asset cover available as on 31 March 2020, in case of secured NCDs issued by the Company is 1.56.
- c) Debt-Equity ratio as on 31 March 2020 is 6.05.
- d) The Company is not required to create debenture redemption reserve in terms of the Companies (Share Capital and Debenture) Rules, 2014 read with the Companies (Share Capital and Debenture) Amendments Rules, 2019.
- e) Tangible net worth\* as on 31 March 2020 is ₹ 96,897.14 lakhs
- f) Net profit after tax for the year ended on 31 March 2020 is ₹ 12,310.13 lakhs
- g) Earnings per share for the year ended on 31 March 2020: Basic ₹ 14.18 and Diluted ₹ 14.18
- h) Debt service coverage ratio: Not applicable
- i) Interest service coverage ratio: Not applicable
- j) Outstanding redeemable preference shares: Not applicable

\* Tangible net worth = Equity + Other equity - Intangible assets - Deferred tax.



**Details of payment of interest / principal and Credit Rating of the Non-Convertible Debentures in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Annexure A

Name of debt instruments	ISIN & scrip code	Credit rating	Previous due date (1 October 2019 to 31 March 2020)		Interest (1 April 2020 to 30 September 2020)		Principal (1 April 2020 to 30 September 2020)	
			Interest	Principal	Next due date	Amount ₹ in lakhs	Next due date	Amount ₹ in lakhs
11.75% HDFC Credila PDI July 9, 2014	INE539K08112, 950446	CARE AA+ & ICRA AA+	-	-	09-Jul-20	587.50	-	-
10.50% HDFC Credila PDI January 27, 2015	INE539K08120, 951612	CARE AA+ & ICRA AA+	523.56	-	-	-	-	-
10.50% HDFC Credila PDI June 17, 2015	INE539K08138, 952267	CARE AA+ & ICRA AA+	-	-	17-Jun-20	525.00	-	-
9.30% HDFC Credila October 9, 2025	INE539K08146, 952850	CARE AAA & CRISIL AAA	930.00	-	-	-	-	-
8.25% HDFC Credila November 25, 2021	INE539K07056, 955181	CARE AAA & CRISIL AAA	2,468.22	-	-	-	-	-
8.00% HDFC Credila February 25, 2022	INE539K07064, 955821	CARE AAA & CRISIL AAA	1,600.00	-	-	-	-	-
8.20% HDFC Credila July 23, 2027	INE539K08153, 956752	ICRA AAA & CRISIL AAA	-	-	24-Jul-20	410.00	-	-
8.10% HDFC Credila, November 16, 2027	INE539K08161, 957172	ICRA AAA & CRISIL AAA	405.00	-	-	-	-	-
8.75% HDFC Credila PDI, December 8, 2017	INE539K08179, 957228	CARE AA+ & ICRA AA+	437.50	-	-	-	-	-
9.35% HDFC Credila PDI, June 6, 2018	INE539K08187, 957988	CARE AA+ & ICRA AA+	-	-	08-Jun-20	701.25	-	-
9.00% HDFC Credila September 24, 2020	INE539K07098, 958286	CRISIL AAA	-	-	24-Sep-20	2,700.00	24-Sep-20	30,000.00
9.40% HDFC Credila November 20, 2020	INE539K07106, 958403	CRISIL AAA	2,820.00	-	-	-	-	-
9.12% HDFC Credila June 06, 2029	INE539K08195, 958821	ICRA AAA & CRISIL AAA	-	-	08-Jun-20	1,368.00	-	-
8.62% HDFC Credila June 17, 2024	INE539K07114, 958853	ICRA AAA & CRISIL AAA	-	-	17-Jun-20	862.00	-	-
8.85% HDFC Credila July 06, 2029	INE539K07122, 958884	ICRA AAA & CRISIL AAA	-	-	08-Jul-20	1,770.00	-	-
8.70% HDFC Credila August 01, 2029	INE539K07130, 958913	ICRA AAA & CRISIL AAA	-	-	01-Aug-20	1,740.00	-	-