

Independent Auditors' Review Report on the Quarterly and Year to date Unaudited Financial Results Pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To,

THE BOARD OF DIRECTORS

HDFC CREDILA FINANCIAL SERVICES LIMITED

1. We have reviewed the accompanying **Statement of Unaudited Financial Results** of HDFC CREDILA FINANCIAL SERVICES LIMITED (the 'Company'), for the quarter ended June 30, 2022 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 52 of 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 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 (the 'Act'), as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 ("Listing Regulation"). Our responsibility is to issue a report 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 procedures and other review procedures. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted and procedure performed 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 Indian Accounting Standards specified under section 133 of the Act, as amended, read with relevant rules issued there under and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 52 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. The Statement includes the results for the comparative quarter ended June 30, 2021, which have been reviewed by predecessor auditor who issued unmodified conclusion, whose report has been furnished to us and which has been relied upon by us for the purpose of our review of the Statement. Our conclusion is not modified in respect of this matter.

For **SHAH GUPTA & CO.,**

Chartered Accountants

Firm Registration No.: 109574W

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Vipul K Choksi

Partner

M. No. 37606

Unique Document Identification Number (UDIN) for this document is: 22037606ANOJNH1835

Place: Mumbai

Date: 25.07.2022

HDFC CREDILA FINANCIAL SERVICES LIMITED
(formerly known as HDFC Credila Financial Services Private Limited)
(CIN: U67190MH2006PLC159411)

Regd. Office: B-301, Citi Point, Andheri-Kurla Road, Andheri (East), Mumbai 400 059
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STATEMENT OF UNAUDITED FINANCIAL RESULTS
FOR THE QUARTER ENDED 30 JUNE 2022

(₹ in Lakhs)

Particulars	Quarter ended 30 June 2022	Quarter ended 31 March 2022	Quarter ended 30 June 2021	Year ended 31 March 2022
	Reviewed	Audited	Reviewed	Audited
I Revenue from operations				
Interest income	24,190.03	23,042.46	17,237.98	80,074.51
Fees and commission income	262.91	449.64	211.23	1,750.24
Net gain/(loss) on fair value changes	(158.38)	340.43	140.29	534.42
Total Revenue from operations	24,294.56	23,832.53	17,589.50	82,359.17
II Other income	-	0.54	-	0.54
III Total income (I + II)	24,294.56	23,833.07	17,589.50	82,359.71
IV Expenses:				
(a) Finance costs	13,107.95	12,066.83	9,381.81	42,798.55
(b) Impairment on financial instruments (Expected credit loss)	42.42	478.32	157.69	1,604.29
(c) Employee benefits expense	1,422.79	1,531.62	1,019.10	4,974.46
(d) Depreciation, amortisation and impairment	124.62	109.65	85.51	378.72
(e) Other expenses	1,602.92	1,286.58	1,035.55	4,850.82
Total expenses	16,300.70	15,473.00	11,679.66	54,606.84
V Profit before tax (III - IV)	7,993.86	8,360.07	5,909.84	27,752.87
VI Tax expense				
(a) Current tax	2,612.40	2,153.90	1,814.03	7,602.22
(b) Deferred tax	(572.51)	(2.11)	(325.62)	(487.06)
Total tax expense	2,039.89	2,151.79	1,488.41	7,115.16
VII Net profit for the quarter / year after tax (V - VI)	5,953.97	6,208.28	4,421.43	20,637.71
VIII Other comprehensive income	187.40	351.23	(14.71)	993.07
IX Total comprehensive income (VII + VIII)	6,141.37	6,559.51	4,406.72	21,630.78
X Earnings per share				
(a) Basic (₹)	4.52	4.71	3.35	15.66
(b) Diluted (₹)	4.52	4.71	3.35	15.66
(c) Face value per share (₹)	10.00	10.00	10.00	10.00
XI Disclosures under Regulation 52(4)				
1. Debt-Equity ratio	5.9	5.6	4.4	5.6
2. Outstanding redeemable preference shares (quantity and value)	-	-	-	-
3. Capital redemption reserve / Debenture redemption reserve	-	-	-	-
4. Net worth*	138,232.25	134,094.87	116,816.75	134,094.87
5. Total debts to total assets (%)	82.27%	82.52%	78.46%	82.52%
6. Net profit margin (%)	24.51%	26.05%	25.14%	25.06%
7. Sector specific equivalent ratios				
(a) Gross Stage 3 (%)	0.50%	0.57%	0.66%	0.57%
(b) Net Stage 3 (%)	0.33%	0.38%	0.45%	0.38%

* Networth is equal to paid up equity share capital plus other equity less deferred tax assets less intangible assets

Note: Debt service coverage ratio, Interest service coverage ratio, Current ratio, Long term debt to working capital ratio, Bad debts to account receivable ratio, Current liability ratio, Debtors turnover, Inventory turnover and Operating margin (%) are not applicable.

Notes :

- 1 The Company is a Systemically Important Non-Deposit taking Non-Banking Financial Company registered with the Reserve Bank of India ("RBI") classified as an Investment and Credit Company.
- 2 The above financial results for the quarter ended 30 June 2022 along with comparative period, which have been subjected to limited review by the Statutory Auditors of the Company, have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at their respective meetings held on 25 July 2022.
- 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. Accordingly, these financial results together with the results for the comparative reporting period have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 - "Interim Financial Reporting", prescribed under section 133 of the Companies Act 2013 ("the Act"), and other recognized accounting practices generally accepted in India, in compliance with Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to circular SEBI/HO/DDHS/CIR/2021/0000000637 dated 5 October 2021.
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, as amended, 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 Pursuant to SEBI Circular No. SEBI/HO/DDHS/CIR/P/2021/613 dated 10 August 2021, the Company has listed Commercial Papers on BSE Limited.
- 5 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.
- 6 The secured, listed, non convertible debentures of the Company are secured by pari passu charge on the education loan receivables of the Company with a security cover of 1.05 times of the principal outstanding and interest accrued thereon as on 30 June 2022.
- 7 Earnings per equity share for the quarter ended 30 June 2022 and comparative quarters have not been annualised.
- 8 India is emerging from the COVID-19 virus, a global pandemic that affected the world economy over the last two years. The extent to which any new wave of COVID-19 will impact the Company's results will depend on ongoing as well as future developments, 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 us.
- 9 The Parliament has approved the Code on Social Security, 2020 ("Code") which may impact the contribution by the Company towards provident fund and gratuity. The effective date from which the Code and its provisions would be applicable is yet to be notified and the rules which would provide the details based on which financial impact can be determined are yet to be framed. The Company will complete its evaluation and will give appropriate impact, if any, in the financial results following the Code becoming effective and the related rules being framed and notified. The Company has taken professional opinion in this regard and will ensure that it makes adequate provisions to remain compliant with all requirements.
- 10 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.

For and on behalf of Board of Directors

HDFC Credila Financial Services Limited

ARIJIT SANYAL
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by ARIJIT SANYAL
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Arijit Sanyal
Managing Director & CEO
(DIN – 08386684)

Date:- 25 July 2022

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