

Date: October 20, 2021

BSE Limited

Phiroze Jeejeebhoy Tower,
Dalal Street,
Mumbai – 400001

Sub.: Outcome of Board Meeting

Dear Sirs,

We wish to inform you that at the meeting of the Board of Directors(“Board”) held today i.e. on October 20, 2021, the Board has approved the unaudited financial results of the Company for the quarter and half year ended September 30, 2021, in terms of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

We would like to state that the statutory auditors of the Company have issued limited review reports with unmodified opinion on the financial statements.

The disclosures in compliance with Regulations 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter & half-year ended September 30, 2021 is enclosed herewith:

A copy of the said results along with the limited review reports issued by the Statutory Auditors of the Company is enclosed herewith and the said documents are being uploaded on the website of the Company i.e. www.hdfccredila.com.

The quarter ended results will also be published in the newspapers, in the format prescribed by the SEBI.

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

This intimation is also being uploaded on the Company’s website at <https://www.hdfccredila.com>

Thanking you,

For HDFC Credila Financial Services Limited

(Formerly known as HDFC Credila Financial Services Private Limited)

Akanksha Kandoi

Company Secretary & Compliance Officer

HDFC CREDILA FINANCIAL SERVICES LIMITED

(Formerly known as HDFC Credila Financial Services Private Limited)

Corporate Identity Number: U67190MH2006PLC159411

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



Tel: +91-22-28266636



Email: loan@hdfccredila.com

B S R & Co. LLP

Chartered Accountants

14th Floor, Central B Wing and North C Wing,
Nesco IT Park 4, Nesco Center,
Western Express Highway,
Goregaon (East), Mumbai - 400 063

Telephone: +91 22 6257 1000
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Limited Review Report on Unaudited Financial Results of HDFC Credila Financial Services Limited for the quarter and half year ended 30 September 2021

To the Board of Directors of 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 and half year ended 30 September 2021 ('the Statement').
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 Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). 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 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 as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognized accounting practices and policies, 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. As more fully described in Note 13 to the financial results, the extent to which the COVID-19 pandemic will have impact on the Company's financial performance is dependent on future developments, which are highly uncertain.

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

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022

AJIT
VISWANATH

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Date: 2021.10.20
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Ajit Viswanath

Partner

Membership No: 067114

UDIN No:21067114AAAAFP7744

Mumbai
20 October 2021

Registered Office:

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

STATEMENT OF PROFIT AND LOSS
FOR THE QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2021

(₹ in Lakhs)

| Particulars | Quarter ended | | | Half year ended | | Year ended 31 March 2021 |
|---|----------------------|------------------|----------------------|----------------------|----------------------|-----------------------------|
| | 30 September 2021 | 30 June 2021 | 30 September 2020 | 30 September 2021 | 30 September 2020 | |
| | Reviewed | Reviewed | Reviewed | Reviewed | Reviewed | |
| I Revenue from operations | | | | | | |
| Interest income | 18,976.51 | 17,237.98 | 17,294.37 | 36,214.49 | 35,041.44 | 69,705.90 |
| Fees and commission income | 699.56 | 211.23 | 280.65 | 910.79 | 368.24 | 879.89 |
| Net gain/(loss) on fair value changes | (166.75) | 140.29 | 592.15 | (26.46) | 770.95 | 760.75 |
| Total revenue from operations | 19,509.32 | 17,589.50 | 18,167.17 | 37,098.82 | 36,180.63 | 71,346.54 |
| II Other income | - | - | - | - | - | 0.01 |
| III Total income (I + II) | 19,509.32 | 17,589.50 | 18,167.17 | 37,098.82 | 36,180.63 | 71,346.55 |
| IV Expenses: | | | | | | |
| (a) Finance costs | 10,156.09 | 9,381.81 | 11,312.78 | 19,537.90 | 22,724.58 | 41,869.15 |
| (b) Impairment on financial instruments (Expected credit loss) | 281.80 | 157.69 | (62.98) | 439.49 | (41.62) | 884.55 |
| (c) Employee benefits expense | 1,258.73 | 1,019.10 | 840.10 | 2,277.83 | 1,671.11 | 3,543.51 |
| (d) Depreciation and amortisation | 84.38 | 85.51 | 61.20 | 169.89 | 129.20 | 316.79 |
| (e) Other expenses | 1,057.42 | 1,035.55 | 1,058.20 | 2,092.97 | 1,756.77 | 3,954.81 |
| Total expenses | 12,838.42 | 11,679.66 | 13,209.30 | 24,518.08 | 26,240.04 | 50,568.81 |
| V Profit before tax (III - IV) | 6,670.90 | 5,909.84 | 4,957.87 | 12,580.74 | 9,940.59 | 20,777.74 |
| VI Tax expense | | | | | | |
| (a) Current tax | 1,795.63 | 1,814.03 | 1,220.93 | 3,609.66 | 2,565.67 | 5,414.00 |
| (b) Deferred tax | (113.36) | (325.62) | 55.23 | (438.98) | 6.34 | (159.09) |
| Total tax expense | 1,682.27 | 1,488.41 | 1,276.16 | 3,170.68 | 2,572.01 | 5,254.91 |
| VII Net profit after tax (V - VI) | 4,988.63 | 4,421.43 | 3,681.71 | 9,410.06 | 7,368.58 | 15,522.83 |
| VIII Other comprehensive income | 207.84 | (14.71) | 276.88 | 193.13 | (235.33) | 260.51 |
| IX Total comprehensive income (VII + VIII) | 5,196.47 | 4,406.72 | 3,958.59 | 9,603.19 | 7,133.25 | 15,783.34 |
| X Earnings per share | | | | | | |
| (a) Basic (₹) | 3.79 | 3.35 | 2.79 | 7.14 | 5.59 | 11.78 |
| (b) Diluted (₹) | 3.79 | 3.35 | 2.79 | 7.14 | 5.59 | 11.78 |
| (c) Face value per share (₹) | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 | 10.00 |
| XI Disclosures under Regulation 52(4) | | | | | | |
| 1. Debt-Equity ratio | 5.4 | 4.5 | 5.1 | 5.4 | 5.1 | 4.7 |
| 2. Outstanding redeemable preference shares (quantity and value) | - | - | - | - | - | - |
| 3. Capital redemption reserve / Debenture redemption reserve | - | - | - | - | - | - |
| 4. Net worth* | 121,937.38 | 116,816.75 | 104,058.33 | 121,937.38 | 104,058.33 | 112,706.60 |
| 5. Total debts to total assets (%) | 81.90% | 78.46% | 81.10% | 81.90% | 81.10% | 79.82% |
| 6. Net profit margin (%) | 25.57% | 25.14% | 20.27% | 25.36% | 20.37% | 21.76% |
| 7. Sector specific equivalent ratios | | | | | | |
| (a) Gross Stage 3 % | 0.65% | 0.66% | 0.12% | 0.65% | 0.12% | 0.60% |
| (b) Net Stage 3 % | 0.45% | 0.45% | 0.10% | 0.45% | 0.10% | 0.40% |

* 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.

Debenture redemption reserve is not required in respect of privately placed debentures in terms of Rule 18(7)(b)(ii) of Companies (Share Capital and Debenture) Rules, 2014.

Notes :

1 Statement of Assets and Liabilities as on 30 September 2021

(₹ in Lakhs)

| Particulars | As at 30 September 2021 | As at 31 March 2021 |
|---|----------------------------|------------------------|
| | Reviewed | Audited |
| ASSETS | | |
| Financial assets | | |
| i. Cash and cash equivalents | 1,052.76 | 10,741.60 |
| ii. Bank balances other than (i) above | 244.56 | 276.10 |
| iii. Derivative financial instruments | 2,183.51 | 1,647.15 |
| iv. Trade receivables | 312.44 | 29.56 |
| v. Loans | 765,617.55 | 623,041.77 |
| vi. Investments | 21,353.64 | 20,877.90 |
| vii. Other financial assets | 2,551.73 | 699.50 |
| Total financial assets | 793,316.19 | 657,313.58 |
| Non financial assets | | |
| i. Current tax assets (net) | 87.94 | 85.22 |
| ii. Deferred tax assets (net) | 2,047.96 | 1,698.00 |
| iii. Property, plant and equipment | 920.72 | 837.48 |
| iv. Other intangible assets | 18.35 | 25.02 |
| v. Intangible assets under development | 29.72 | - |
| vi. Other non financial assets | 343.38 | 345.34 |
| Total non financial assets | 3,448.07 | 2,991.06 |
| Total assets | 796,764.26 | 660,304.64 |
| LIABILITIES AND EQUITY | | |
| LIABILITIES | | |
| Financial liabilities | | |
| i. Derivative financial instruments | 4,707.91 | 5,593.50 |
| ii. Trade payables | | |
| (a) Total outstanding dues of micro enterprises & small enterprises | 16.03 | 169.04 |
| (b) Total outstanding dues other than micro enterprises & small enterprises | 2,025.57 | 1,315.13 |
| iii. Debt securities | 242,662.20 | 185,143.87 |
| iv. Borrowings (other than debt securities) | 348,901.40 | 281,373.21 |
| v. Subordinated liabilities | 60,951.76 | 60,543.26 |
| vi. Other financial liabilities | 11,829.97 | 10,481.33 |
| Total financial liabilities | 671,094.84 | 544,619.34 |
| Non financial liabilities | | |
| i. Current tax liability (net) | 438.64 | 67.31 |
| ii. Provisions | 491.33 | 435.40 |
| iii. Other non financial liabilities | 706.04 | 752.97 |
| Total non financial liabilities | 1,636.01 | 1,255.68 |
| EQUITY | | |
| i. Equity share capital | 13,179.82 | 13,179.82 |
| ii. Other equity | 110,853.59 | 101,249.80 |
| Total equity | 124,033.41 | 114,429.62 |
| Total liabilities and equity | 796,764.26 | 660,304.64 |

Notes (continued)

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

(₹ in Lakhs)

| Particulars | For the half year ended 30 September 2021 | For the half year ended 30 September 2020 |
|---|--|--|
| | Reviewed | Reviewed |
| A. Operating activities | | |
| Profit before tax | 12,580.74 | 9,940.59 |
| <i>Adjustments to reconcile profit before tax to net cash flows :</i> | | |
| Depreciation & amortisation | 169.89 | 129.20 |
| Impairment on financial instruments (Expected credit loss) | 439.49 | (41.62) |
| (Profit)/loss on property, plant and equipment sold/discarded | 2.94 | 2.30 |
| Interest income | (36,214.49) | (35,041.44) |
| Interest expense | 19,495.18 | 22,279.28 |
| Provision for employee benefits | 28.97 | 52.87 |
| Net gain on fair value changes | 26.46 | (770.95) |
| | (3,470.82) | (3,449.77) |
| Cash inflow towards interest received | 28,916.95 | 21,383.96 |
| Cash outflow towards interest paid | (19,537.66) | (21,499.28) |
| Cash generated from operations before working capital changes | 5,908.47 | (3,565.09) |
| Working capital changes | | |
| (Increase) / Decrease in financial assets and non financial assets | (243.18) | 13.33 |
| Increase / (Decrease) in financial and non financial liabilities | 536.61 | 712.55 |
| Net cash from operations | 6,201.89 | (2,839.21) |
| Loans disbursed (net) | (135,712.27) | 27,754.18 |
| (Investment)/Redemption in/from cash management Schemes of mutual funds (net) | 3,465.96 | 4,029.97 |
| (Investment)/Redemption in/from treasury activities (net) | (3,651.79) | (3.86) |
| Income tax paid | (3,217.05) | (2,429.05) |
| Income tax refund | - | 16.18 |
| Net cash flows from/(used in) operating activities | (132,913.26) | 26,528.21 |
| B. Investing activities | | |
| Purchase of property, plant and equipment and intangible assets (including intangible assets under development) | (47.55) | (84.41) |
| Proceeds from sale of property and equipment | 0.13 | - |
| Net cash flows from/(used in) investing activities | (47.42) | (84.41) |
| C. Financing activities | | |
| Debt securities issued | 84,143.66 | 41,988.86 |
| Debt securities repaid | (27,500.00) | (62,500.00) |
| Borrowings (other than debt securities) taken | 126,677.88 | 30,500.00 |
| Borrowings (other than debt securities) repaid | (59,914.98) | (67,660.87) |
| Lease payments | (134.71) | (103.18) |
| Net cash flows from/(used in) financing activities | 123,271.84 | (57,775.19) |
| Net increase/(decrease) in cash and cash equivalents (A+B+C) | (9,688.84) | (31,331.39) |
| Cash and cash equivalents at the beginning of the period | 10,741.60 | 38,139.26 |
| Cash and cash equivalents at the end of the period | 1,052.76 | 6,807.87 |

Notes (continued)

- 3 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).
- 4 The above financial results for the quarter and half year ended 30 September 2021 along with comparative period have been reviewed by the Audit Committee and subsequently approved by the Board of Directors of the Company at their respective meetings held on 20 October 2021. The financial results have been subjected to a limited review by the statutory auditors of the Company and their report thereon is unmodified.
- 5 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 Indian Accounting Standard 34, "Interim Financial Reporting" ("Ind AS 34"), 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 ('Listing Regulations') 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.
- 6 Pursuant to SEBI Circular No. SEBI/HO/DDHS/DDHS/CIR/P/2019/115 dated 22 October 2019, the Company has listed Commercial Papers on BSE Limited.
- 7 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.
- 8 The secured, listed, non convertible debentures of the Company are secured by pari passu charge on the education loan receivables of the Company with an asset cover of 1.05 times of the principal outstanding and interest accrued thereon.
- 9 The asset cover available for the secured, listed, non convertible debentures of the Company as on 30 September 2021 is 1.05.
- 10 Other equity contains statutory reserve as per Section 45 IC of Reserve Bank of India Act, 1934, balance in securities premium, capital reserve, impairment reserve created under RBI notification on "Implementation of Indian Accounting Standards" dated 13 March 2020, other comprehensive income and surplus in statement of profit and loss.
- 11 Earnings per equity share for the quarter and half year ended 30 September 2021 and comparative periods have not been annualised.
- 12 The figures for the quarter ended 30 September 2021 and 30 September 2020 are the balancing figures between reviewed figures in respect of the half year ended 30 September 2021 and 30 September 2020 and the reviewed figures for the quarter ended 30 June 2021 and 30 June 2020 respectively.
- 13 The COVID -19 pandemic continues to have a considerable impact on economic activities across the globe. In April-May 2021, India experienced a "second wave" of COVID-19 with a significant surge of COVID-19 cases following the discovery of mutant coronavirus variants in the country leading to re-imposition of regional lockdowns. These have been gradually lifted with the ebbing of the second wave.
The impact of COVID-19 has led to changes in customer behavior, travel restrictions both domestic & international and decrease in economic activities. With the gradual easing of the lockdowns the economic activities have picked up but yet to reach the pre covid levels. The final impact of the global health pandemic continues to be 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. Given the dynamic and evolving nature of pandemic, the management will continue to closely monitor the material changes in the macro-economic factors impacting the operations of the Company.
The Company continues to hold management overlay in relation to COVID-19 aggregating ₹ 1,779.55 lakhs (previous year ₹ 2,072.89 lakhs) in this regard.

Notes (continued)

- 14 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.
- 15 Information as required by Reserve Bank of India Circular on Resolution Framework for COVID-19 related Stress dated 6 August 2020 and Resolution Framework - 2.0: Resolution of COVID-19 related stress of Individuals and Small Businesses dated 5 May 2021 is attached as **Annexure 1**.
- 16 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

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Arijit Sanyal

Managing Director & CEO
(DIN – 08386684)

Date : 20 October 2021

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Date: 2021.10.20
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Annexure 1

Information as required by Reserve Bank of India Circular on Resolution Framework for COVID-19 related Stress dated 6 August 2020 and dated 5 May 2021:

Details of resolution plan implemented under the Resolution Framework for COVID-19 related Stress as per RBI circular dated 6 August 2020 are given below.

As at 30 September 2021

Format A

(₹ in Lakhs except number of accounts)

| Type of borrower | (A) Number of accounts where resolution plan has been implemented under this window | (B) exposure to accounts mentioned at (A) before implementation of the plan | (C) Of (B), aggregate amount of debt that was converted into other securities | (D) Additional funding sanctioned, if any, including between invocation of the plan and implementation | (E) Increase in provisions on account of the implementation of the resolution plan |
|--------------------|--|--|--|---|---|
| Personal loans | 133 | 3,954.79 | - | - | 666.65 |
| Corporate persons* | - | - | - | - | - |
| Of which, MSMEs | - | - | - | - | - |
| Others | - | - | - | - | - |
| Total | 133 | 3,954.79 | - | - | 666.65 |

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

Format B

(₹ in Lakhs except number of accounts)

| Type of borrower | Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of the previous half-year (A) | Of (A), aggregate debt that slipped into NPA during the half-year | Of (A) amount written off during the half-year | Of (A) amount paid by the borrowers during the half-year | Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year |
|--------------------|--|---|--|--|--|
| Personal loans | 4,111.21 | - | - | 174.12 | 3,937.09 |
| Corporate persons* | | | | | |
| Of which, MSMEs | | | | | |
| Others | | | | | |
| Total | 4,111.21 | - | - | 174.12 | 3,937.09 |

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

During the half year, the Company has offered resolution plan to its customers pursuant to RBI's guideline on 'Resolution Framework - 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses' dated 5 May 2021. The Company has invoked resolution plans in case of 77 eligible loan accounts having an aggregate exposure of ₹ 2,368.17 lakhs. The Company has reviewed and assessed the staging of these cases in accordance with the Company's provisioning policy under the ECL framework.

Details of resolution plan implemented under the RBI Resolution Framework - 2.0: Resolution of COVID-19 related stress of Individuals and Small Businesses dated 5 May 2021 are given below:

(₹ in Lakhs except number of accounts)

| Sl. No | Description | Individual Borrowers | | Small businesses |
|--------|--|----------------------|----------------|------------------|
| | | Personal Loans | Business Loans | |
| (A) | Number of requests received for invoking resolution process under Part A | 77 | - | - |
| (B) | Number of accounts where resolution plan has been implemented under this window * | 53 | - | - |
| (C) | Exposure to accounts mentioned at (B) before implementation of the plan | 1,583.67 | - | - |
| (D) | Of (C), aggregate amount of debt that was converted into other securities | - | - | - |
| (E) | Additional funding sanctioned, if any, including between invocation of the plan and implementation | - | - | - |
| (F) | Increase in provisions on account of the implementation of the resolution plan | 293.75 | - | - |

* There was 1 borrower account having an aggregate exposure of ₹ 78.39 lakhs to the Company, where resolution plans had been implemented under RBI's Resolution Framework 1.0 dated 6 August 2020 and now modified under RBI's Resolution Framework 2.0 dated 5 May 2021.