

**INDEPENDENT AUDITORS' REVIEW REPORT
TO THE BOARD OF DIRECTORS OF
CREDILA FINANCIAL SERVICES PRIVATE LIMITED**

Introduction

We have reviewed the accompanying Statement of Unaudited Financial Results of **CREDILA FINANCIAL SERVICES PRIVATE LIMITED** ("the Company") for the half year ended September 30, 2016 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the Listing Regulations, 2015"). This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement, based on our review, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (AS-25) on Interim Financial Reporting specified under Section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India

Scope of Review

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.

Conclusion

Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Accounting Standard specified under the Companies Act, 2013 and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Listing regulation 2015 for debt securities with the Stock Exchanges, 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.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No.117365W)



G. K. Subramaniam
Partner
(Membership No. 109839)

MUMBAI, October 24, 2016



UNAUDITED FINANCIAL RESULTS FOR THE HALF YEAR ENDED SEPTEMBER 30, 2016

(₹ In lacs)

Particulars	6 months ended 30/09/2016	Corresponding 6 months ended in the previous year 30/09/2015	Previous accounting year ended 31/03/2016
	(Unaudited)	(Unaudited)	(Audited)
1. Interest earned	16,800.78	12,747.76	27,965.60
(a) Interest on Advances	16,769.03	12,718.62	27,915.56
(b) Income on Investments	26.33	22.94	37.94
(c) Interest on balances with Reserve Bank of India and other inter bank funds	5.42	6.20	12.10
2. Other Income	1,534.52	1,338.32	2,088.92
3. Total Income (1+2)	18,335.30	14,086.08	30,054.52
4. Interest Expended	11,163.91	8,713.67	18,798.05
5. Operating Expenses	2,218.57	1,845.27	4,023.79
(a) Employees Cost	921.40	748.68	1,748.34
(b) Advertisement & Sales Promotion Expenses	169.33	131.38	302.05
(c) Outsourcing Charges	483.89	400.58	821.59
(d) Professional Fees	175.10	147.94	278.34
(e) Other Operating Expenses	468.85	416.69	873.47
6. Total Expenditure (4+5) excluding provisions and contingencies	13,382.48	10,558.94	22,821.84
7. Operating Profit before Provisions and Contingencies (3-6)	4,952.82	3,527.14	7,232.68
8. Provisions (other than tax) and Contingencies	286.40	203.23	346.25
9. Exceptional Items	-	-	-
10. Profit from Ordinary Activities before tax (7-8-9)	4,666.42	3,323.91	6,886.43
11. Tax expense	1,604.37	1,140.00	2,380.00
12. Net Profit from Ordinary Activities after tax (10-11)	3,062.05	2,183.91	4,506.43
13. Extraordinary items (net of tax expense)	-	-	-
14. Net Profit for the period (12-13)	3,062.05	2,183.91	4,506.43
15. Paid-up equity share capital (Face Value of the Share ₹ 10 each)	5,574.20	5,374.20	5,374.20
16. Reserves excluding Revaluation Reserves as at March 31 (as per balance sheet of previous accounting year)	-	-	7,893.89
17. Analytical Ratios			
(a) Capital Adequacy Ratio	16.56%	16.36%	17.72%
(b) Earnings Per Share (EPS) (Not Annualised)			
- Basic	5.64	4.06	8.38
- Diluted	2.80	2.01	4.14
18. NPA Ratios			
(a) Gross NPA	306.94	175.28	133.86
(b) Net NPA	203.06	135.76	73.35
(c) % of Gross NPA	0.10%	0.08%	0.05%
(d) % of Net NPA	0.07%	0.06%	0.03%
(e) Return on Assets (Not Annualised)	1.10%	1.09%	2.13%
19. Additional Information under Regulation 52(4)			
(a) Asset Cover Ratio #	2.79	4.01	2.98
(b) Debt Equity Ratio	11.45	11.73	11.22
(c) Network	24,017.72	17,642.04	19,963.55
(d) Debenture Redemption Reserve *	Nil	Nil	Nil

Asset Cover Ratio is calculated by considering Secured Non-Convertible Debentures outstanding as on date of disclosure.

* For NBFC's registered with the RBI under section 45-IA of the RBI (Amendment) Act, 1997, no Debenture Redemption Reserve is required to be created in the case of privately placed debentures.

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Notes:

- 1) The above results have been reviewed by the Audit Committee and approved by the Board of Directors on October 24, 2016 and have been subjected to a "Limited Review" by the Statutory Auditors.
- 2) Return on Assets have been computed as a percentage of profit after tax to the average assets during the period.
- 3) The Company has made an incremental standard asset provision of ₹ 75.54 lacs. As specified in RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 01, 2016, the Company intends to comply with provision @ 0.35% of the standard assets by March 31, 2017.
- 4) As per the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016, the Company is required to classify non-performing assets (NPAs) based on overdue exceeding 120 days or more for the year ending March 31, 2017 and 90 days or more for the year ending March 31, 2018. The Company has classified its NPAs based on overdue exceeding 90 days or more, which is more stringent than the regulatory requirement. The impact on account of this change has resulted in to an incremental NPA provision ₹ 11.79 lacs.
- 5) Figures for the previous period / year have been regrouped and reclassified wherever necessary, in order to make them comparable.
- 6) Information as required by Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on Credit Rating, previous and next due date for payment of interest / principal is as below: (There has been no change in the Credit Rating)

Name of Debt Instruments	Previous Due Date for Payment of Interest & Principal	Next Due Date for Payment of Interest & Principal	ISIN & Scrip Code	Credit Rating
11.75% Unsecured Perpetual Debt Instruments	Interest - 08/07/2016 (Paid) & Principal - N.A.	Interest - 10/07/2017 & Principal - Perpetual	INE539K08112, 950446	CARE AA & ICRA AA
10.50% Unsecured Perpetual Debt Instruments	Interest - 27/01/2016 (Paid) & Principal - N.A.	Interest - 27/01/2017 & Principal - Perpetual	INE539K08120, 951612	CARE AA & ICRA AA
10.50% Unsecured Perpetual Debt Instruments	Interest - 16/06/2016 (Paid) & Principal - N.A.	Interest - 17/06/2017 & Principal - Perpetual	INE539K08138, 952267	CARE AA & ICRA AA
8.99% Secured Non-Convertible Debentures	Interest - 06/08/2016 (Paid) & Principal - N.A.	Interest - 07/08/2017 & Principal - 07/08/2017	INE539K07015, 952514	CARE AA+ & CRISIL AA+
9.30% Unsecured Subordinated Tier II Non-Convertible Debentures	Interest - 07/10/2016 (Paid) & Principal - N.A.	Interest - 09/10/2017 & Principal - 09/10/2025	INE539K08146, 952850	CARE AA+ & CRISIL AA+
9.00% Secured Non-Convertible Debentures	Interest & Principal - N.A.	Interest - 27/02/2017 & Principal - 26/02/2019	INE539K07023, 953505	CRISIL AA+
9.00% Secured Non-Convertible Debentures	Interest & Principal - N.A.	Interest - 28/06/2017 & Principal - 28/06/2019	INE539K07031, 954280	CRISIL AA+

For Deloitte Haskins & Sells
Chartered Accountants



G. K. Subramaniam
Partner
Mumbai, October 24, 2016

For and on behalf of Board of Directors
Credila Financial Services Private Limited



Anil Bohora
Managing Director
Mumbai, October 24, 2016



Ajay Bohora
Managing Director & CEO