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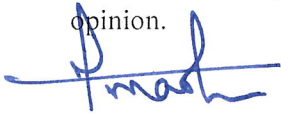
Independent Auditor's report on annual financial results of HDFC Credila Financial Services Private Limited pursuant to the Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

We have audited the annual financial results of HDFC Credila Financial Services Private Limited (the 'Company') for the year ended 31 March 2019, attached herewith (the 'Statement'), 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'). Attention is drawn to the fact that the figures for the half year ended 31 March 2019 and the corresponding half year ended in the previous year as reported in the Statement are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the half year of the relevant financial year. Also, the figures up to the end of the half year for the current financial year had only been reviewed and not subjected to audit.

These annual financial results have been prepared on the basis of the annual financial statements and reviewed half yearly financial results upto the end of the half year which are the responsibility of the Company's management. Our responsibility is to express an opinion on these annual financial results based on our audit of the annual financial statements which have been prepared in accordance with the recognition and measurement principles laid down in the Companies (Indian Accounting Standards) Rules, 2015 as per Section 133 of the Companies Act, 2013 ('the Act') and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the annual financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.



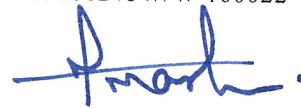
Independent Auditor's report (Continued)

HDFC Credila Financial Services Private Limited

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

- (i) are presented in accordance with the requirements of Regulation 52 of the Listing Regulations in this regard and
- (ii) give a true and fair view of the net profit and other comprehensive income and other financial information for the year ended 31 March 2019.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022



Akeel Master
Partner
Membership No: 046768

Mumbai
10 May 2019

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 2019

(₹ in Lakhs)

Particulars	Half year ended 31 March 2019	Half year ended 31 March 2018	Year ended 31 March 2019	Year ended 31 March 2018
	Unaudited	Unaudited	Audited	Audited
I Revenue from operations				
Interest income	32,126.96	25,035.10	59,105.60	47,443.00
Dividend income	36.16	11.98	65.30	17.85
Fees and commission income	430.89	383.50	1,102.48	1,021.26
Net gain on fair value changes	79.05	-	79.05	-
Total revenue from operations	32,673.06	25,430.58	60,352.43	48,482.11
II Other income	0.11	0.02	0.11	0.05
III Total income	32,673.17	25,430.60	60,352.54	48,482.16
IV Expenses:				
(a) Finance costs	20,516.98	15,052.96	37,382.77	28,383.99
(b) Impairment on financial instruments (Expected credit loss)	263.34	88.77	270.76	134.74
(c) Employee benefits expense	1,583.07	1,418.21	2,942.62	2,619.85
(d) Depreciation and amortisation	47.92	33.89	88.99	63.71
(e) Other expenses	2,016.99	1,901.56	3,976.84	3,718.44
Total expenses	24,428.30	18,495.39	44,661.98	34,920.73
V Profit before tax (III - IV)	8,244.87	6,935.21	15,690.56	13,561.43
VI Tax expense:				
(a) Current tax	2,995.20	2,653.98	5,694.20	5,084.98
(b) Deferred tax	(20.72)	(23.58)	(172.88)	(181.09)
Total tax expense	2,974.48	2,630.40	5,521.32	4,903.89
VII Profit for the period from continuing operations (V - VI)	5,270.39	4,304.81	10,169.24	8,657.54
VIII Other comprehensive income	(17.29)	4.83	(9.54)	0.12
IX Total comprehensive income for the period (VII + VIII)	5,253.10	4,309.64	10,159.70	8,657.66
X Earnings per equity share:				
(a) Basic (in ₹)	7.64	6.92	15.05	14.03
(b) Diluted (in ₹)	4.25	3.67	8.30	7.42
(c) Face value per share (in ₹)	10.00	10.00	10.00	10.00



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Balance Sheet

as at 31 March 2019

(₹ in Lakhs)

Particulars	As at 31 March 2019	As at 31 March 2018
	Audited	Audited
ASSETS		
Financial assets		
i. Cash and cash equivalents	14,295.74	1,288.48
ii. Bank balances other than (i) above	141.61	141.61
iii. Trade receivables	27.13	35.84
iv. Loans	533,397.10	423,419.13
v. Other financial assets	235.53	171.40
Total financial assets	548,097.11	425,056.46
Non financial assets		
i. Current tax assets (net)	60.44	68.16
ii. Deferred tax assets (net)	1,193.00	1,015.00
iii. Property, plant and equipment	191.29	226.49
iv. Other intangible assets	56.95	57.80
v. Intangible assets under development	-	2.00
vi. Other non financial assets	117.52	133.74
Total non financial assets	1,619.20	1,503.19
Total assets	549,716.31	426,559.65
LIABILITIES AND EQUITY		
LIABILITIES		
Financial liabilities		
i. Trade payables		
(a) Total outstanding dues of micro enterprises & small enterprises	-	-
(b) Total outstanding dues other than micro enterprises & small enterprises	1,018.39	873.65
ii. Debt securities	206,348.37	181,703.29
iii. Borrowings (other than debt securities)	222,644.38	152,847.15
iv. Subordinated liabilities	47,376.77	39,888.77
v. Other financial liabilities	8,381.70	5,484.78
Total financial liabilities	485,769.61	380,797.64
Non financial liabilities		
i. Current tax liability (net)	264.39	196.27
ii. Provisions	288.68	213.29
iii. Other non financial liabilities	347.36	457.17
Total non financial liabilities	900.43	866.73
EQUITY		
i. Equity share capital	6,902.08	6,452.64
ii. Other equity	56,144.19	38,442.64
Total equity	63,046.27	44,895.28
Total liabilities and equity	549,716.31	426,559.65



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 corresponding 6 months ended and year ended 31 March 2019 along with restated 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 10 May 2019.
- 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. The Company has adopted Ind-AS from 1 April 2018 with effective transition date of 1 April 2017 and accordingly, these financial results together with the results for the comparative reporting period have been prepared in accordance with the recognition and measurement principles stated therein, prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued thereunder and the other accounting principles generally accepted in India.
The transition to Ind-AS has been carried out from the erstwhile accounting standards notified under the Act read with Rule 7 of Companies (Accounts) Rules 2014 (as amended), guidelines issued by the Reserve Bank of India and other generally accepted accounting principles in India (collectively referred to as 'the previous GAAP'). Accordingly, the impact of transition has been recorded in the opening reserves as at 1 April 2017 and the corresponding adjustments pertaining to comparative previous period / half year as presented in these financial results have been restated / reclassified in order to conform to current year / period presentation.
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 As required by Paragraph 32 of Ind-AS 101, the reconciliation of net profit, net of tax, as previously reported and as restated under Ind-AS, for the year ended 31 March 2018 is as under:

(₹ in Lakhs)

Particulars	Half year ended 31 March 2018	Year ended 31 March 2018
Net profit after tax as per the previous GAAP	4,213.70	8,707.19
Adjustment on account of effective interest rate/ net interest on credit impaired loans	76.83	(237.87)
Adjustment on account of effective interest rate method relating to borrowing cost	(43.35)	(83.99)
Adjustment on account of reclassification of net actuarial gain on employee benefit obligation to other comprehensive income	(4.82)	(0.12)
Adjustment on account of provision for expected credit loss	60.22	270.08
Other adjustments	2.24	2.25
Net profit after tax as per Ind AS	4,304.82	8,657.54
Other comprehensive income (net of tax)	4.82	0.12
Total comprehensive income (net of tax) as per Ind AS	4,309.64	8,657.66

- 6 Reconciliation of equity attributable to shareholders of the Company as on 31 March 2018

(₹ in Lakhs)

Particulars	As at 31 March 2018
Equity under previous Indian GAAP	45,544.07
Impact on loans and advances using effective rate of interest and net interest on credit impaired loans	(2,744.54)
Impact on borrowing using effective rate of interest	238.86
Impact on expected credit loss	1,521.27
Reclassification of net actuarial loss on employee defined benefit obligation to other comprehensive income	(0.20)
Impact due to other adjustments	2.61
Tax on Ind AS adjustments	333.09
Net equity reserve before other comprehensive income as per Ind AS	44,895.16
Other comprehensive income after tax	0.12
Equity under Ind AS	44,895.28



- 7 Earnings per equity share for the half year ended 31 March 2019 and 31 March 2018 have been calculated for six months and not annualised.
- 8 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.
- 9 During the year ended 31 March 2019, the Company has issued 44,94,383 right shares of ₹ 10 per share at a premium of ₹ 168 per share amounting to ₹ 8,000 lakhs on 28 July 2018 to Housing Development Finance Corporation Limited.
- 10 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.
- 11 Other equity contains compulsorily convertible preference shares, statutory reserve as per Section 45 IC of Reserve Bank of India Act, 1934, balance in securities premium, capital reserve and surplus in statement of profit and loss.
- 12 Figures for the half year ended 31 March 2019 and the corresponding half year ended 31 March 2018, 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 2018 and 30 September 2017 respectively.

For and on behalf of Board of Directors

HDFC Credila Financial Services Private Limited



Ajay Bohora
Managing Director & CEO
DIN: 00694444

Date : 10 May 2019
Place : Mumbai



Disclosures in terms of Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year and half-year ended 31 March 2019

Annexure 1

- 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 2019, in case of secured NCDs issued by the Company is 2.00.
- c) Debt-Equity ratio as on 31 March 2019 is 7.42.
- d) 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.
- e) Net worth as on 31 March 2019 is ₹ 62,989.32 lakhs
- f) Net profit after tax for the the year ended on 31 March 2019 is ₹ 10,169.24 lakhs
- g) Earnings per share as on 31 March 2019: Basic ₹ 15.05 and Diluted ₹ 8.30
- h) Debt service coverage ratio: Not applicable
- i) Interest service coverage ratio: Not applicable
- j) Outstanding redeemable preference shares: Not applicable

* Net worth = Equity + Other equity - Intangible assets.



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 2018 to 31 March 2019)		Interest (1 April 2019 to 30 September 2019)		Principal (1 April 2019 to 30 September 2019)	
			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-19	587.50	-	-
10.50% HDFC Credila PDI January 27, 2015	INE539K08120, 951612	CARE AA+ & ICRA AA+	523.57	-	-	-	-	-
10.50% HDFC Credila PDI June 17, 2015	INE539K08138, 952267	CARE AA+ & ICRA AA+	-	-	17-Jun-19	523.56	-	-
9.30% HDFC Credila October 9, 2025	INE539K08146, 952850	CARE AAA & CRISIL AAA	930.00	-	-	-	-	-
9.00% HDFC Credila February 26, 2019	INE539K07023, 953505	CRISIL AAA	1,800.00	20,000.00	-	-	-	-
9.00% HDFC Credila June 28, 2019	INE539K07031, 954280	CRISIL AAA	-	-	28-Jun-19	1,800.00	28-Jun-19	20,000.00
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	-	-	-	-	-
7.65% HDFC Credila March 26, 2019	INE539K07072, 956647	CRISIL AAA	1,521.62	20,000.00	-	-	-	-
8.20% HDFC Credila July 23, 2027	INE539K08153, 956752	ICRA AAA & CRISIL AAA	-	-	24-Jul-19	410.00	-	-
7.50% HDFC Credila August 7, 2019	INE539K07080, 956788	CRISIL AAA	-	-	07-Aug-19	1,500.00	07-Aug-19	20,000.00
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+	-	-	06-Jun-19	701.25	-	-
9.00% HDFC Credila September 24, 2020	INE539K07098, 958286	CRISIL AAA	-	-	24-Sep-19	2,700.00	-	-

