

Date: October 18, 2022

BSE Limited

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

Dear Sirs,

Subject: Outcome of Board Meeting & Submission of Unaudited Financial Results along with Limited Review Report for the quarter, and half year ended September 30, 2022 and Security Cover certificate

We wish to inform you that the Board of Directors of the Company at its meeting held today on October 18, 2022, have inter-alia approved the Unaudited Financial Results for the quarter and half ended September 30, 2022, duly reviewed by the Audit Committee.

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

In terms of Regulation 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Chapter VI of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and amendments thereof, we hereby enclose the Unaudited Financial Results along with the Limited Review Report thereon for the quarter and half year ended September 30, 2022.

The disclosures in compliance with Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are enclosed along with the financial results.

Pursuant to the provisions of Regulation 54 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please note that the disclosure of the extent and nature of security created and maintained for secured non-convertible securities of the Company and the security cover certificate is made in the Unaudited Financial Results for the quarter and half year ended September 30, 2022.

The disclosure of related party transactions under Regulation 23(9) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 for the half year ended September 30, 2022 is also enclosed.

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

Pursuant to the provisions of Regulation 51(2) read with Part B of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, we wish to inform you that the Board has considered and approved the Rights Issue of Equity Shares amounting Rs. 300 Crores.

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 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

Independent Auditors' Review Report on the Quarterly and Half year ended 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 and half year ended September 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 ("Listing Regulation").
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 (Ind AS) 34 "Interim Financial Reporting", prescribed under section 133 of the Companies Act, 2013 (the "Act"), the circulars, guidelines and directions issued by Reserve Bank of India ('RBI') from time to time ("RBI guidelines") read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 52 of 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 or that it has not been prepared in accordance with the relevant prudential norms issued by Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.
5. The Statement includes the results for the comparative quarter and half year ended September 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

VIPUL KANTILAL
CHOKSI

Digitally signed by VIPUL KANTILAL CHOKSI
DN: cn=VIPUL CHOKSI,
email=vipul@shahgupta.com, o=SHAH GUPTA & CO.,
ou=MEMBERSHIP, c=IN
SerialNumber=1020222, dn=MEMBERSHIP,
email=vipul@shahgupta.com, o=SHAH GUPTA & CO.,
ou=MEMBERSHIP, c=IN
KANTILAL CHOKSI
Date: 2022.10.18 16:44:14 +05'30'

Vipul K Choksi

Partner

M. No. 37606

Unique Document Identification Number (UDIN) for this document is: 22037606BADVBR5674

Place: Mumbai

Date: 18.10.2022

HDFC CREDILA FINANCIAL SERVICES LIMITED

(CIN: U67190MH2006PLC159411)

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 QUARTER AND HALF YEAR ENDED 30 SEPTEMBER 2022**

(₹ in Lakhs)

Particulars	Quarter ended			Half year ended		Year ended 31 March 2022
	30 September 2022	30 June 2022	30 September 2021	30 September 2022	30 September 2021	
	Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	
I Revenue from operations						
Interest income	29,208.93	24,190.03	18,976.51	53,398.96	36,214.49	80,074.51
Fees and commission income	986.05	262.91	699.56	1,248.96	910.79	1,750.24
Net gain/(loss) on fair value changes	155.60	(158.38)	(166.75)	(2.78)	(26.46)	534.42
Total Revenue from operations	30,350.58	24,294.56	19,509.32	54,645.14	37,098.82	82,359.17
II Other income	0.20	-	-	0.20	-	0.54
III Total income (I + II)	30,350.78	24,294.56	19,509.32	54,645.34	37,098.82	82,359.71
IV Expenses:						
(a) Finance costs	18,260.08	13,107.95	10,156.09	31,368.03	19,537.90	42,798.55
(b) Impairment on financial instruments (Expected credit loss)	257.93	42.42	281.80	300.35	439.49	1,604.29
(c) Employee benefits expense	2,246.37	1,422.79	1,258.73	3,669.16	2,277.83	4,974.46
(d) Depreciation, amortisation and impairment	130.67	124.62	84.38	255.29	169.89	378.72
(e) Other expenses	1,661.87	1,602.92	1,057.42	3,264.79	2,092.97	4,850.82
Total expenses	22,556.92	16,300.70	12,838.42	38,857.62	24,518.08	54,606.84
V Profit before tax (III - IV)	7,793.86	7,993.86	6,670.90	15,787.72	12,580.74	27,752.87
VI Tax expense						
(a) Current tax	1,788.16	2,612.40	1,795.63	4,400.56	3,609.66	7,602.22
(b) Deferred tax	200.27	(572.51)	(113.36)	(372.24)	(438.98)	(487.06)
Total tax expense	1,988.43	2,039.89	1,682.27	4,028.32	3,170.68	7,115.16
VII Net profit for the period/ year after tax (V - VI)	5,805.43	5,953.97	4,988.63	11,759.40	9,410.06	20,637.71
VIII Other comprehensive income	(35.04)	187.40	207.84	152.36	193.13	993.07
IX Total comprehensive income (VII + VIII)	5,770.39	6,141.37	5,196.47	11,911.76	9,603.19	21,630.78
X Earnings per share						
(a) Basic (₹)	4.40	4.52	3.79	8.92	7.14	15.66
(b) Diluted (₹)	4.40	4.52	3.79	8.92	7.14	15.66
(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	7.4	5.9	5.4	7.4	5.4	5.6
2. Outstanding redeemable preference shares (quantity and value)	-	-	-	-	-	-
3. Capital redemption reserve / Debenture redemption reserve	-	-	-	-	-	-
4. Net worth*	144,218.31	138,232.25	121,937.38	144,218.31	121,937.38	134,094.87
5. Total debts to total assets (%)	85.67%	82.27%	81.90%	85.67%	81.90%	82.52%
6. Net profit margin (%)	19.13%	24.51%	25.57%	21.52%	25.36%	25.06%
7. Sector specific equivalent ratios						
(a) Gross Stage 3 (%)	0.35%	0.50%	0.65%	0.35%	0.65%	0.57%
(b) Net Stage 3 (%)	0.23%	0.33%	0.45%	0.23%	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 Statement of Assets and Liabilities as at 30 September 2022

(₹ in Lakhs)

Particulars	As at 30 September 2022	As at 31 March 2022
	Reviewed	Audited
ASSETS		
Financial assets		
i. Cash and cash equivalents	1,295.93	2,730.33
ii. Bank balances other than (i) above	65.88	142.54
iii. Derivative financial instruments	9,125.05	3,048.08
iv. Trade receivables	365.28	48.50
v. Loans	1,211,427.86	878,684.22
vi. Investments	18,447.29	18,901.13
vii. Other financial assets	2,680.59	3,122.06
Total financial assets	1,243,407.88	906,676.86
Non financial assets		
i. Current tax assets (net)	228.18	279.55
ii. Deferred tax assets (net)	2,151.17	1,778.77
iii. Property, plant and equipment	1,570.08	1,324.31
iv. Other intangible assets	6.57	12.29
v. Intangible assets under development	503.01	174.47
vi. Other non financial assets	541.64	454.72
Total non financial assets	5,000.65	4,024.11
Total assets	1,248,408.53	910,700.97
LIABILITIES AND EQUITY		
LIABILITIES		
Financial liabilities		
i. Derivative financial instruments	12,643.04	7,157.05
ii. Trade payables		
(a) Total outstanding dues of micro enterprises & small enterprises	17.23	64.71
(b) Total outstanding dues other than micro enterprises & small enterprises	3,174.94	2,155.27
iii. Debt securities	266,036.77	210,177.80
iv. Borrowings (other than debt securities)	698,035.65	481,537.99
v. Subordinated liabilities	105,431.83	59,787.61
vi. Other financial liabilities	13,558.02	12,079.34
Total financial liabilities	1,098,897.48	772,959.77
Non financial liabilities		
i. Current tax liability (net)	336.10	-
ii. Provisions	546.00	444.83
iii. Other non financial liabilities	1,749.89	1,235.97
Total non financial liabilities	2,631.99	1,680.80
EQUITY		
i. Equity share capital	13,179.82	13,179.82
ii. Other equity	133,699.24	122,880.58
Total equity	146,879.06	136,060.40
Total liabilities and equity	1,248,408.53	910,700.97

Notes (continued)

2 Statement of cash flow for the half year ended 30 September 2022

(₹ in Lakhs)

Particulars	For the half year ended 30 September 2022	For the half year ended 30 September 2021
	Reviewed	Reviewed
A. Operating activities		
Profit before tax	15,787.72	12,580.74
<i>Adjustments to reconcile profit before tax to net cash flows :</i>		
Depreciation & amortisation	255.29	169.89
Impairment on financial instruments (Expected credit loss)	300.35	439.49
(Profit)/loss on property, plant and equipment sold/discarded	(0.20)	2.94
Interest income	(53,398.96)	(36,214.49)
Interest expense	31,281.54	19,495.18
Provision for employee benefits	12.35	28.97
Employee share based payments expense	224.89	-
Net gain on fair value changes	2.78	26.46
	(5,534.24)	(3,470.82)
Cash inflow towards interest received	32,509.77	28,916.95
Cash outflow towards interest paid	(28,260.73)	(19,537.66)
Cash (utilised in) / generated from operations before working capital changes	(1,285.20)	5,908.47
Working capital changes		
(Increase) / Decrease in financial assets and non financial assets	(402.57)	(243.20)
Increase / (Decrease) in financial and non financial liabilities	1,610.18	536.61
Net cash from operations	(77.59)	6,201.88
Loans disbursed (net)	(312,259.86)	(135,712.27)
(Investment)/Redemption in/from cash management schemes of mutual funds (net)	3,363.11	3,465.96
Income tax paid	(4,069.99)	(3,217.05)
Net cash flows from/(used in) operating activities	(313,044.33)	(129,261.48)
B. Investing activities		
Investments (net)	(2,794.15)	(3,651.79)
Purchase of property, plant and equipment and intangible assets	(620.74)	(47.55)
Proceeds from sale of property, plant and equipment	0.20	0.13
Net cash flows from/(used in) investing activities	(3,414.69)	(3,699.21)
C. Financing activities		
Debt securities & subordinated liabilities issued	165,829.42	84,143.66
Debt securities & subordinated liabilities repaid	(60,000.00)	(27,500.00)
Borrowings (other than debt securities) taken	270,322.80	126,677.88
Borrowings (other than debt securities) repaid	(59,602.16)	(59,914.98)
Lease payments	(207.46)	(134.71)
Dividend paid	(1,317.98)	-
Net cash flows from/(used in) financing activities	315,024.62	123,271.85
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(1,434.40)	(9,688.84)
Cash and cash equivalents at the beginning of the period	2,730.33	10,741.60
Cash and cash equivalents at the end of the period	1,295.93	1,052.76

Notes :

- 3 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.
- 4 The above financial results for the quarter and half year ended 30 September 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 18 October 2022.
- 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 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/DDHS_Div1/P/CIR/2022/0000000103 dated 29 July 2022.
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/CIR/P/2021/613 dated 10 August 2021, 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 a security cover of 1.05 times of the principal outstanding and interest accrued thereon as on 30 September 2022. The security cover certificate as per Regulation 54(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached as Annexure 1.
- 9 Earnings per equity share for the quarter and half year ended 30 September 2022 and comparative periods have not been annualised.
- 10 The figures for the quarter ended 30 September 2022 and 30 September 2021 are the balancing figures between reviewed figures in respect of the half year ended 30 September 2022 and 30 September 2021 and the reviewed figures for the quarter ended 30 June 2022 and 30 June 2021 respectively.
- 11 Pursuant to Employee Stock Option Scheme (ESOP 2022) approved by the shareholders of the Company on 18 April 2022 for the issuance of 40,72,565 shares in aggregate to the eligible employees, the Company has granted 31,27,141 ESOPs during the quarter ended 30 September 2022. The options granted, are measured at the fair value of the options at the grant date using Black Scholes Model. The fair value of the options is accounted under employee benefit expenses over the vesting period on a straight line basis, which amounted to ₹ 224.89 lakhs for the quarter ended 30 September 2022 (Previous period: Nil)
- 12 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.
- 13 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.

- 14 Disclosure pursuant to RBI notification on "Resolution Framework for COVID-19-related Stress" dated 6 August 2020 and on "Resolution Framework – 2.0: Resolution of COVID-19 related stress of Individuals and Small Businesses" dated 5 May 2021 as at 30 September 2022 is given below:

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 31 March 2022 (A)	Of (A), aggregate debt that slipped into NPA during the half-year ended 30 September 2022	Of (A) amount written off during the half-year ended 30 September 2022	Of (A) amount paid by the borrowers during the half-year ended 30 September 2022**	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of this half-year ended 30 September 2022
Personal Loans	5,502.13	196.33	-	1,308.06	3,997.74
Corporate persons*	-	-	-	-	-
Of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	5,502.13	196.33	-	1,308.06	3,997.74

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

** Includes loans outstanding upgraded to "Standard" from "Standard Restructured" on satisfactory performance during the specified period of 12 months.

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

ARIJIT SANYAL
 Digitally signed by ARIJIT SANYAL
 Date: 2022.10.18 16:37:47 +05'30'

Arijit Sanyal
 Managing Director & CEO
 (DIN – 08386684)

Date:- 18 October 2022

VIPUL KANTILAL CHOKSI
 Digitally signed by VIPUL KANTILAL CHOKSI
 DN: c=IN, o=PERSONAL, pseudonym=f88938140ba762aa75a3dbc55d, e9a551f42fbae4f9eed0d17a65482667c0530, postalCode=400022, st=MAHARASHTRA, serialNumber=42d657e5b7dd4a94be1711e3e5a231868f09e1ac8afc253952d5732167abd5a3, cn=VIPUL KANTILAL CHOKSI
 Date: 2022.10.18 16:49:09 +05'30'

Annexure 1

(₹ in Lakhs)

Security Cover Certificate as per Regulation 54(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as on 30 September 2022										
Column A	Column B	Column E	Column F	Column G	Column H		Column J	Column M	Column N	Column O
Particulars	Description of asset for which this certificate relate	Pari-Passu Charge	Pari-Passu Charge	Pari-Passu Charge	Assets not offered as Security	Debt not backed by any assets offered as security	(Total C to H)	Relating to only those items covered by this certificate		
		Debt for which this certificate being issued	Assets shared by pari passu debt holder	Other assets on which there is pari-passu charge	Market Value for Pari passy charge Assets			Carrying/book value for pari passu charge assets where market value is not ascertainable or applicable	Total Value (K + L + M + N)	
		Yes/No	Book Value	Book Value						
Assets										
Property, Plant & Equipments			-	-	1,570.08	-	1,570.08	-	-	-
Capital Work in Progress			-	-	-	-	-	-	-	-
Intangible Assets			-	-	6.57	-	6.57	-	-	-
Intangible Assets under development			-	-	503.01	-	503.01	-	-	-
Investments			-	-	18,447.29	-	18,447.29	-	-	-
Loans	Education Loan	Yes	1,020,284.39	-	196,508.70	-	1,216,793.09	-	245,980.78	245,980.78
Trade Receivables			-	-	365.28	-	365.28	-	-	-
Cash & Cash Equivalents			-	-	1,295.93	-	1,295.93	-	-	-
Balance Balances			-	-	65.88	-	65.88	-	-	-
Others			-	-	14,726.63	-	14,726.63	-	-	-
Total			1,020,284.39		233,489.37		1,253,773.76			
Liabilities										
Debt Securities to which this certificate pertains		Yes	234,267.41	-	-	-	234,267.41	-	-	-
Other Debt sharing pari-passu charge with above debt			698,568.22	-	-	-	698,568.22	-	-	-
Other Debt			-	-	-	-	-	-	-	-
Subordinated Debt			-	-	109,174.99	109,174.99	109,174.99	-	-	-
Borrowings			-	-	-	-	-	-	-	-
Bank			-	-	-	-	-	-	-	-
Debt Securities			-	-	39,228.12	39,228.12	39,228.12	-	-	-
Others			-	-	-	-	-	-	-	-
Trade Payables			-	-	3,192.17	-	3,192.17	-	-	-
Lease Liabilities			-	-	-	-	-	-	-	-
Provisions			-	-	5,911.23	-	5,911.23	-	-	-
Others			-	-	16,552.56	-	16,552.56	-	-	-
Total			932,835.63		174,059.07		1,106,894.70		245,980.78	245,980.78
Cover on Book Value			1.09						1.05	1.05
Cover on Market Value										
			Pari-Passu Security Cover Ratio							

Notes :-

- Since there is no exclusive charge on any assets of the Company, column C, D, I, K and L are not applicable
- Education loan book of the Company is non trading book where loans are in the nature of held to maturity and created with a sole objective of collecting principal and interest. Therefore, the Company has considered the carrying value (before netting off impairment loss allowance) for this certificate.