

Independent Audit Report on Audited Quarterly Standalone financial results of the Company pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

Independent Auditor's Report to the Board of Directors of Chaitanya India Fin Credit Private Limited

REPORT ON THE AUDIT OF STANDALONE FINANCIAL RESULTS

Opinion

We have audited the accompanying statement of quarterly standalone financial results ("the Statement") of **Chaitanya India Fin Credit Private Limited** ("the Company") for the quarter ended June 30, 2022 attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.

In our opinion and to the best of our information and according to the explanations given to us, these standalone 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 in conformity with the recognition and measurement principles laid down in the applicable accounting standards, RBI guidelines and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information for the quarter ended June 30, 2022.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone financial results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial results.



Board of Directors' Responsibilities for the Standalone financial results

These standalone financial results have been prepared on the basis of the special purpose audited financial statements of the company. The Company's Board of Directors are responsible for the preparation of these standalone financial results that give a true and fair view of the net profit and other comprehensive income and other financial information of the company in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, the Management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone financial results

Our objectives are to obtain reasonable assurance about whether the standalone financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error,



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as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial results made by the Board of Directors.
- Conclude on the appropriateness of the Management and the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the standalone financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

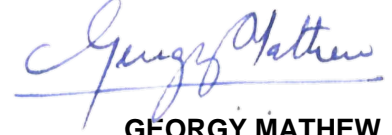


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We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For **VARMA & VARMA**
Chartered Accountants



GEORGY MATHEW
Partner

M. No. 209645

UDIN: 22209645AOUBGC6232



Place : Bengaluru
Date : August 10, 2022

Chaitanya India Fin Credit Private Limited
CIN: U67190KA2009PTC049494
#145, 2nd Floor, NR Square, 1st Main Road, Sirsi Circle, Chamrajpet, Bengaluru - 560018
Financial results for the quarter ended 30 June 2022
 (All amounts in ₹ millions unless otherwise stated)

| Sl. No. | Particulars | Quarter ended | Quarter ended | Quarter ended | Year ended |
|-----------|--|-----------------|-----------------|-----------------|-----------------|
| | | 30 June 2022 | 31 March 2022 | 30 June 2021 | 31 March 2022 |
| | | (Audited) | (Audited) | (Audited) | (Audited) |
| 1 | Revenue from operations | | | | |
| | Interest Income | 1,311.30 | 1,023.27 | 655.84 | 3,201.27 |
| | Fees and commission Income | 6.94 | 6.22 | 1.15 | 19.32 |
| | Net gain on fair value changes | 4.90 | 2.64 | 7.87 | 17.57 |
| | Net gain on derecognition of financial instruments | 135.06 | 228.33 | - | 361.40 |
| | Other operating income | 5.44 | 9.09 | 0.58 | 12.34 |
| | Total Revenue from operations | 1,463.64 | 1,269.54 | 665.44 | 3,611.90 |
| 2 | Other Income | 0.04 | 0.71 | - | 0.73 |
| 3 | Total Income (1+2) | 1,463.68 | 1,270.25 | 665.44 | 3,612.63 |
| 4 | Expenses | | | | |
| | Finance costs | 489.45 | 422.53 | 269.88 | 1,311.41 |
| | Employee benefits expenses | 366.96 | 264.48 | 182.34 | 902.18 |
| | Depreciation, amortisation and impairment | 10.93 | 10.87 | 4.03 | 27.98 |
| | Impairment on financial instruments | 68.52 | 84.80 | 96.25 | 230.85 |
| | Others expenses | 194.60 | 150.95 | 59.18 | 437.11 |
| | Total Expenses | 1,130.46 | 933.63 | 611.68 | 2,909.53 |
| 5 | Profit/(loss) before tax for the period/ year (3-4) | 333.22 | 336.62 | 53.76 | 703.10 |
| 6 | Tax Expense: | | | | |
| | Current Tax | 91.20 | (28.58) | 41.53 | 96.17 |
| | Prior Period Tax | - | 9.40 | - | 9.40 |
| | Deferred Tax | (6.84) | 114.87 | (27.72) | 75.01 |
| | Total Tax Expense | 84.36 | 95.68 | 13.81 | 180.58 |
| 7 | Profit/ (loss) after tax for the period / year (5-6) | 248.86 | 240.94 | 39.95 | 522.52 |
| 8 | Other Comprehensive Income/ Loss | | | | |
| | i) Items that will not be reclassified to profit or loss | (2.39) | (0.11) | 16.04 | (1.73) |
| | - Income tax relating to items that will not be reclassified to profit or loss | 0.60 | 0.03 | (4.04) | 0.44 |
| | ii) Items that will be reclassified to profit or loss | (0.52) | (27.24) | (39.77) | (23.80) |
| | - Income tax relating to items that will be reclassified to profit or loss | 0.13 | 6.86 | 10.01 | 5.99 |
| | Total other comprehensive income/ (loss), net of tax | (2.18) | (20.47) | (17.76) | (19.10) |
| 9 | Total comprehensive income/ (loss) for the period/ year (7+8) | 246.68 | 220.47 | 22.19 | 503.42 |
| 10 | Paid-up equity share capital (face value of ₹ 10 each) | 1,285.00 | 1,035.00 | 1,035.00 | 1,035.00 |
| | No. of Equity Shares (in Millions) | 128.50 | 103.50 | 103.50 | 103.50 |
| 11 | Earnings per equity share (not annualised) | | | | |
| | Basic (₹) | 2.22 | 2.33 | 0.39 | 5.05 |
| | Diluted (₹) | 2.22 | 2.33 | 0.39 | 5.05 |



- 2 The above audited financial results ('the Statement') of Chaitanya India Fin Credit Private Limited ('the Company') for the quarter ended 30 June 2022 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on 9 August 2022 and 10 August 2022 respectively.
- 3 The financial results of the Company have been prepared in accordance with Indian Accounting Standards ("IndAS") notified under Section 133 of the Companies Act 2013 ("the Act") read with the Companies (Indian Accounting Standard) Rules, 2015 as amended by the Companies Indian Accounting Standards (Amendment) Rules, 2016.
- 4 The books of account and financial statements were subjected to audit for the quarter ended 30 June 2022 and for quarter ended 30 June 2021 pursuant to the requirement of ultimate holding company to prepare the consolidated financial statements. Accordingly, the above financial results have been audited by the statutory auditors of the Company as required under Regulation 52 of the SEBI Listing Obligations and Disclosure Requirements Regulations 2015 and ('Listing Regulations') and have issued an unmodified opinion.
- 5 The Rated, Listed, Secured Non convertible Debentures amounting to ₹ 805 millions are secured by way of first and exclusive charge on specified pool of receivables on respective NCDs and pari passu subservient charge of companies immovable property is maintained with minimum asset coverage ratio of 100% for NCDs.
- 6 Information as required by Regulation 52(4) of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation 2015 is attached as **Annexure 1**.
- 7 The Company is primarily engaged in the business of financing and as such no separate information is required to be furnished in terms of Ind AS 108 "Operating segments" specified under section 133 of the Companies Act, 2013.
- 8 Figures of the previous periods have been regrouped, wherever necessary, to make them comparable with the current period.

For and on behalf of the Board of Directors
Chaitanya India Fin Credit Private Limited



Anand Rao
Joint Managing Director
DIN: 01713987

Bengaluru
10 August 2022



Annexure 1

Disclosure in compliance with Regulation 52(4) of the Securities and Exchange Board of India (Listing obligation and Disclosure Requirements) Regulations, 2015 for the quarter ended 30 June 2022

- a) Omitted
b) Omitted
c) **Debt Equity Ratio**
Debt-equity ratio of the Company as per the audited standalone financial results by statutory auditors as at 30 June 2022 is 4.22 times.
- d) Omitted
e) Omitted
f) **Debt service coverage ratio**
Not applicable
g) **Interest service coverage ratio**
Not applicable
h) **Outstanding redeemable preference shares (quantity and value)**
Not applicable
i) **Debenture Redemption Reserve (DRR)** - The Company has created DRR of ₹ 10 Millions during the year ended 31 March 2021. The Company subsequent to the year-end has deposited a sum of ₹ 10 Millions in the form of fixed deposits with scheduled banks, representing 2% of the debenture issued to State Bank of India under TLTRO Scheme.
Capital Redemption Reserve (CRR) - NIL
j) **Net worth**
₹ 5232.45 Millions
k) **Net profit after tax**
₹ 248.86 Millions
l) **Earning per share**
a. Basic - ₹ 2.22
b. Diluted - ₹ 2.22
m) **Current ratio**
Current ratio is 1.27 times
n) **Long Term Debt to Working Capital ratio**
Long Term Debt to Working Capital ratio is 2.39 times
o) **Bad Debts To Accounts Receivable Ratio (%)**
Bad Debts To Accounts Receivable Ratio is 0.21%
p) **Current Liability Ratio**
Current Liability Ratio is 0.61 times
q) **Total Debts to Total Assets Ratio (%)**
Total Debts to Total Assets Ratio is 77.68%
r) **Debtor Turnover**
Not applicable
s) **Inventory Turnover**
Not applicable
t) **Operating Margin %**
Operating Margin for the quarter ended 30 June 2022 is 27.45%
u) **Net Profit Margin %**
Net Profit Margin for the year ended 30 June 2022 is 16.85%
v) **Sector specific equivalent ratios :**
a) Provision Coverage Ratio (PCR) - 74.39%
b) Gross NPA Ratio - 0.86%
c) Net NPA Ratio - 0.22%

