

HDB/SLC/2020/867

October 17, 2020

To,
The Department of Corporate Affairs
BSE Limited
P J Towers, Dalal Street
Mumbai- 400 001

K.A.: Mr. Vinod Koyande / Ms. Netra Sahani

Subject: Submission of unaudited Financial Results along with Limited Review Report for the half year ended September 30, 2020

Dear Sir / Madam,

Pursuant to the provisions of Regulation 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed please find the unaudited financial results along with Limited Review Report for the half year ended September 30, 2020 as reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on October 16, 2020.

Further, please note that the Statutory Auditor of the Company, M/s. B.S.R. & Co. LLP has submitted Limited Review Report for the half year ended September 30, 2020 with unmodified opinion.

The disclosures in compliance with Regulations 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the half year ended September 30, 2020 is enclosed herewith.

Kindly take the same on records for the information of the Non-Convertible Debenture holders, Market Linked Debentures holders, Perpetual Debt Instruments holders and Subordinated Bond holders of the Company.

Thanking you,

For HDB Financial Services Limited

Dipti Khandelwal
Company Secretary

Encl: a/a

Limited review report on unaudited standalone financial results of HDB Financial Services Limited for the half year ended under Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

**To the Board of Directors of
HDB Financial Services Limited**

1. We have reviewed the accompanying Statement of unaudited standalone financial results of HDB Financial Services Limited (the 'Company') for the half year ended results for the period from 1 April 2020 to 30 September 2020 ('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 Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Limited review report on unaudited standalone financial results of HDB Financial Services Limited for the half year ended under Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)

HDB Financial Services Limited

5. As described in Note 9 to the Statement, in respect of overdue but standard accounts where moratorium benefit was granted, the staging of those accounts at 30 September 2020 is based on the days past due status considering the benefit of moratorium period in accordance with the Covid-19 Regulatory Package announced by the Reserve Bank of India vide notifications dated 27 March 2020, 17 April 2020 and 23 May 2020. Further no additional borrower accounts have been classified as impaired (non-performing assets) after 31 August 2020, in view of the Supreme Court order dated 3 September 2020.

Further, the extent to which the Covid-19 pandemic will impact the Company's financial performance is dependent on future developments, which are highly uncertain.

Our conclusion is not modified in respect of the above matters.

For B S R & Co. LLP

Chartered Accountants

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

**AKEEL
ABBAS
MASTER**

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MASTER
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Akeel Master

Partner

Membership No: 046768

UDIN: 20046768AAABBN6866

Mumbai

17 October 2020

Standalone Statement of Profit and Loss
for the half year ended 30 September 2020

(Rupees in million)

Particulars	Half Year ended 30 Sep 2020	Half Year ended 30 Sep 2019	Year ended 31 Mar 2020
	Reviewed	Reviewed	Audited
I Revenue from operations			
Interest income	42,384	40,020	82,335
Sale of services	9,773	10,116	21,132
Other financial charges	1,358	1,916	4,083
Net gain on fair value changes	250	105	188
Net loss on derecognised financial instruments	(52)	(106)	(173)
Total Revenue from operations	53,713	52,051	1,07,565
II Expenses			
Finance costs	20,184	20,176	40,814
Impairment on financial instruments	16,159	6,787	14,416
Employee benefits expenses	14,762	15,364	31,956
Depreciation, amortization and impairment	549	528	1,097
Others expenses	1,712	2,101	4,637
Total expenses	53,366	44,956	92,920
III Profit before tax (I-II)	347	7,095	14,645
IV Tax expense:			
a. Current tax	1,018	2,051	4,718
b. Deferred tax	(931)	769	(121)
Total tax expense	87	2,820	4,597
V Net profit for the period (III-IV)	260	4,275	10,048
VI Other comprehensive income (net of tax)	(401)	(159)	(550)
VII Total comprehensive income (after tax) (V-VI)	(141)	4,116	9,498
VIII Earnings per equity share (Refer Note 6)			
a. Basic (in Rupees)	0.33	5.44	12.78
b. Diluted (in Rupees)	0.33	5.43	12.77
Face value per share (in Rupees)	10	10	10

Standalone Balance Sheet
as at 30 September 2020

(Rupees in million)

Particulars	As at 30 Sep 2020	As at 31 Mar 2020
	Reviewed	Audited
ASSETS		
1 Financial Assets		
(a) Cash and cash equivalents	2,131	3,560
(b) Bank balances other than cash and cash equivalents	6,498	2,072
(c) Derivative financial instruments	-	813
(d) Trade receivables	1,849	1,812
(e) Loans	5,75,280	5,71,459
(f) Investments	13,417	17,458
(g) Other financial assets	1,772	1,180
	6,00,947	5,98,354
2 Non-financial Assets		
(a) Current tax assets (Net)	832	774
(b) Deferred tax assets (Net)	5,222	4,156
(c) Property, plant and equipment	1,078	1,245
(d) Capital work-in-progress	-	1
(e) Other intangible assets	87	91
(f) Right of Use Assets	2,264	2,524
	9,483	8,791
TOTAL ASSETS	6,10,430	6,07,145
EQUITY AND LIABILITIES		
3 Financial Liabilities		
(a) Derivative financial instruments	556	-
(b) Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,932	1,500
(c) Debt securities	2,25,376	2,25,934
(d) Borrowings (other than debt securities)	2,36,712	2,35,802
(e) Subordinated liabilities	36,315	36,305
(f) Other financial liabilities	25,509	22,544
	5,26,400	5,22,085
4 Non-Financial Liabilities		
(a) Current tax liabilities (net)	254	746
(b) Provisions	2,671	2,869
(c) Other non-financial liabilities	1,031	1,267
	3,956	4,882
5 Equity		
(a) Equity share capital	7,876	7,876
(b) Other equity	72,198	72,302
	80,074	80,178
TOTAL EQUITY AND LIABILITIES	6,10,430	6,07,145

Notes:

- 1 HDB Financial Services Limited ('the Company') is a Non-Banking Financial Company ('NBFC') registered with the Reserve Bank of India.
- 2 The standalone financial results for the half year ended 30 September 2020 have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 16 October 2020 respectively.
- 3 The standalone financial results has been prepared in accordance with recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ('Ind AS 34') as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and other accounting principles generally accepted in India.
- 4 In compliance with Regulation 52 of the Securities Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015, a 'Limited Review' of standalone financial results for the half year ended 30 September 2020 and 30 September 2019 have been carried out by the Statutory Auditors of the Company.
- 5 Information as required by Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as per 'Annexure 1' attached.
- 6 Earnings per equity share for the half year ended 30 September 2020 and 30 September 2019 have not been annualised.
- 7 Other equity include Statutory Reserve as per Section 451C of Reserve Bank of India Act, 1934, balance in securities premium and retained earnings.
- 8 The Indian Parliament has approved the Code on Social Security, 2020 which may impact the contributions by the Company towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the rules for quantifying the financial impact are yet to be determined. The Company will complete their evaluation and will give appropriate impact in the financial statements in the year in which, the Code becomes effective and the related rules to determine the financial impact are notified.
- 9 The Honourable Supreme Court of India in a public interest litigation, vide an interim order dated 3 September 2020, has directed that accounts which were not declared Non-Performing Assets ('NPA') till 31 August 2020 shall not be declared as NPA till further orders. Basis the said interim order, the Company has not classified any standard account as of 31 August 2020 as per the Indian Accounting Standards, as impaired after 31 August 2020. Pending disposal of the case, the Company as a matter of prudence has created additional general asset provision had the Company impaired accounts after 31 August 2020.

Further, the Company holds provisions as at 30 September 2020 against the potential impact of COVID-19 based on the information available at this point in time. The extent to which the COVID-19 pandemic will impact the Company's financial performance is dependent on future developments, which are highly uncertain. The Company has been duly servicing its debt obligations, maintains a healthy capital adequacy ratio and has adequate capital and financial resources to run its business. The impact of the global health pandemic may be different from that estimated at the date of approval of these standalone financial results and the Company will continue to closely monitor any material changes to future economic conditions.
- 10 The Secured listed Non-Convertible Debentures of the Company are secured by first pari passu mortgage of immovable property situated at "Heera Panna Commercial Complex", 3rd Floor, Dr. Yagnik Road, Rajkot and first and exclusive charge on receivables of the Company by way of hypothecation to the extent of minimum 1.1 times of the amount outstanding.
- 11 Previous year figures have been regrouped/rearranged, where necessary.

In terms of our report attached

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

Chartered Accountants

ICAI Firms' Registration No: 101248W/W-100022

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AKEEL ABBAS
MASTER
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Akeel Master

Partner

Membership No: 046768

Date : 17 October 2020

Place : Mumbai

By Order of the Board
For **HDB Financial Services Limited**

Digitally signed
by **RAMESH**
GANESA
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Date: 2020.10.17
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Ramesh G.
Managing Director
DIN : 05291597

HDB Financial Services Limited

Annexure 1

Disclosures in compliance with Regulations 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the half year ended 30 September 2020

a) **Credit rating**

The Credit Analysis & Research Limited (CARE) and CRISIL Limited (CRISIL) have assigned following ratings to the Company:

Facility	CARE	CRISIL
Bank facilities	AAA/Stable	AAA/Stable
Non-convertible debentures	AAA/Stable	AAA/Stable
Short term debt program	A1+	A1+
Subordinated bond issue	AAA/Stable	AAA/Stable
Perpetual bond issue	AAA/Stable	AAA/Stable
Market Linked Debentures	PP-MLD AAA/Stable	PP-MLD AAAr/Stable

b) **Asset cover available**

Not applicable

c) **Debt-Equity ratio***

The debt-equity ratio of the Company as per the reviewed standalone financial results by statutory auditors for the half year ended 30 September 2020 is 6.66

d) **Previous due date for the payment of interest/dividend for non-convertible redeemable preference shares / repayment of principal of non-convertible preference shares / non-convertible debt securities and whether the same has been paid or not.**

The Company has paid interest and principal on non-convertible debentures on due dates and the said details of previous six months are provided at Appendix A. The Company has not issued any non-convertible redeemable preference shares.

e) **Next due date for the payment of interest/dividend of non-convertible preference shares / principal along with the amount of interest / dividend of non-convertible preference shares payable and the redemption amount.**

The due dates of interest and principal payment on non-convertible debentures during next six months along with the amount are provided at Appendix B. The Company has not issued any non-convertible redeemable preference shares.

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) **Capital redemption reserve / Debenture redemption reserve**

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.

j) **Net worth****

Rs. 74,852 millions

k) **Net profit after tax**

Rs. 260 millions

l) **Earnings per share**

a. Basic - Rs. 0.33

b. Diluted - Rs. 0.33

* Debt equity ratio is (Debt securities + Borrowings + Subordinated liabilities) / Networth

** Networth is equal to paid up equity share capital plus other equity less deferred tax

HDB Financial Services Limited

Appendix A

Details of payment of interest/principal of the secured listed non-convertible debentures in accordance with Regulation 52(4)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

(Rupees in million)

Sr. no.	Series Id	ISIN no.	Previous due date		Payment status
			Interest	Principle	
1	NCD Series 150	INE756107DA3	17-Apr-20	-	Paid
2	NCD Series 151 A	INE756107DA3	17-Apr-20	-	Paid
3	NCD Series 103	INE756107BC3	27-Apr-20	-	Paid
4	NCD Series 131	INE756107CK4	4-May-20	-	Paid
5	NCD Series 104 B	INE756107BE9	11-May-20	-	Paid
6	NCD Series 135 B	INE756107CQ1	18-May-20	-	Paid
7	NCD Series 136	INE756107CQ1	18-May-20	-	Paid
8	NCD Series 105	INE756107BG4	18-May-20	-	Paid
9	NCD Series 103	INE756107BC3	26-May-20	26-May-20	Paid
10	NCD Series 106	INE756107BH2	29-May-20	-	Paid
11	NCD Series 151 B	INE756107DB1	3-Jun-20	-	Paid
12	NCD Series 151 B	INE756107DB1	3-Jun-20	-	Paid
13	NCD Series 104 B	INE756107BE9	11-Jun-20	11-Jun-20	Paid
14	NCD Series 107	INE756107BJ8	12-Jun-20	12-Jun-20	Paid
15	NCD Series 126	INE756107CF4	15-Jun-20	15-Jun-20	Paid
16	NCD Series 134	INE756107CP3	17-Jun-20	-	Paid
17	NCD Series 137	INE756107CP3	17-Jun-20	-	Paid
18	NCD Series 140 B	INE756107CP3	17-Jun-20	-	Paid
19	NCD Series 105	INE756107BG4	18-Jun-20	18-Jun-20	Paid
20	NCD Series 108	INE756107BK6	19-Jun-20	19-Jun-20	Paid
21	NCD Series 129 B	INE756107BK6	19-Jun-20	19-Jun-20	Paid
22	NCD Series 120	INE756107BY7	29-Jun-20	-	Paid
23	NCD Series 140 A	INE756107BY7	29-Jun-20	-	Paid
24	NCD Series 149 A	INE756107BY7	29-Jun-20	-	Paid
25	NCD Series 106	INE756107BH2	29-Jun-20	29-Jun-20	Paid
26	NCD Series 152	INE756107DC9	29-Jun-20	-	Paid
27	NCD Series 104 C	INE756107BF6	8-Jul-20	8-Jul-20	Paid
28	NCD Series 129 A	INE756107BF6	8-Jul-20	8-Jul-20	Paid
29	NCD Series 130 A	INE756107BF6	8-Jul-20	8-Jul-20	Paid
30	NCD Series 121	INE756107CA5	11-Jul-20	-	Paid
31	NCD Series 109	INE756107BL4	17-Jul-20	-	Paid
32	NCD Series 110	INE756107BM2	27-Jul-20	-	Paid
33	NCD Series 153 A	INE756107DE5	27-Jul-20	-	Paid
34	NCD Series 139	INE756107CF5	7-Aug-20	-	Paid
35	NCD Series 130 B	INE756107CJ6	10-Aug-20	10-Aug-20	Paid
36	NCD Series 122	INE756107CB3	14-Aug-20	14-Aug-20	Paid
37	NCD Series 109	INE756107BL4	17-Aug-20	17-Aug-20	Paid
38	NCD Series 153 B	INE756107DD7	24-Aug-20	-	Paid
39	NCD Series 138	INE756107CS7	25-Aug-20	-	Paid
40	NCD Series 143	INE756107CS7	25-Aug-20	-	Paid
41	NCD Series 144	INE756107CS7	25-Aug-20	-	Paid
42	NCD Series 141	INE756107CU3	28-Aug-20	-	Paid
43	NCD Series 112	INE756107BP5	8-Sep-20	8-Sep-20	Paid
44	NCD Series 123	INE756107CC1	9-Sep-20	-	Paid
45	NCD Series 110	INE756107BM2	28-Sep-20	28-Sep-20	Paid
46	Sub Debt Series 16	INE756108181	8-Jun-20	-	Paid
47	Sub Debt Series 17	INE756108181	8-Jun-20	-	Paid
48	Sub Debt Series 7	INE756108074	20-Jun-20	-	Paid
49	Sub Debt Series 10	INE756108108	22-Jul-20	-	Paid
50	Sub Debt Series 14	INE756108140	27-Jul-20	-	Paid
51	Sub Debt Series 1	INE756108017	10-Aug-20	-	Paid
52	MLD Series 1	INE756107CL2	31-Jul-20	31-Jul-20	Paid
53	Perpetual Debt Series 1	INE756108157	6-Aug-20	-	Paid
54	Perpetual Debt Series 3	INE756108199	17-Aug-20	-	Paid
55	Perpetual Debt Series 2	INE756108165	7-Sep-20	-	Paid
56	Commercial Paper Series 190	INE756114CO2	-	6-May-20	Paid
57	Commercial Paper Series 191	INE756114CP9	-	30-Apr-20	Paid
58	Commercial Paper Series 192	INE756114CQ7	-	4-May-20	Paid
59	Commercial Paper Series 193	INE756114CR5	-	4-Jun-20	Paid
60	Commercial Paper Series 195	INE756114CT1	-	22-Jul-20	Paid
61	Commercial Paper Series 196	INE756114CU9	-	20-Jul-20	Paid

HDB Financial Services Limited

Appendix B

Details of payment of interest/principal of the secured listed non-convertible debentures in accordance with Regulation 52(4)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

(Rupees in million)

Sr. no.	Series Id	ISIN no.	Next due date along with amount		
			Due date	Interest amount	Principal amount
1	NCD Series 113	INE756I07BQ3	20-Oct-20	978.31	4,000.00
2	NCD Series 131 (FI of 113)	INE756I07BQ3	20-Oct-20	489.16	2,000.00
3	NCD Series 154	INE756I07DG0	26-Oct-20	206.68	-
4	NCD Series 114	INE756I07BR1	18-Nov-20	375.00	5,000.00
5	NCD Series 142	INE756I07CV1	18-Nov-20	524.30	-
6	NCD Series 146 A	INE756I07CV1	18-Nov-20	224.70	-
7	NCD Series 145	INE756I07CW9	19-Nov-20	191.25	-
8	NCD Series 147 A	INE756I07CW9	19-Nov-20	180.00	-
9	NCD Series 151 B	INE756I07DB1	3-Dec-20	65.61	-
10	NCD Series 116	INE756I07B17	7-Dec-20	612.06	8,000.00
11	NCD Series 131 (FI of 116)	INE756I07B17	7-Dec-20	229.52	3,000.00
12	NCD Series 146 B	INE756I07CX7	25-Dec-20	195.00	-
13	NCD Series 147 B	INE756I07CX7	25-Dec-20	195.00	-
14	NCD Series 117	INE756I07BU5	15-Jan-21	115.14	-
15	NCD Series 149 B	INE756I07CZ2	20-Jan-21	587.88	-
16	MLD Sr 2	INE756I07CN8	4-Feb-21	568.74	3,389.00
17	NCD Series 148	INE756I07CY5	16-Feb-21	194.55	-
18	NCD Series 132	INE756I07CM0	18-Feb-21	215.99	2,500.00
19	NCD Series 133 (FI I of 132)	INE756I07CM0	18-Feb-21	431.98	5,000.00
20	NCD Series 151 B	INE756I07DB1	3-Mar-21	65.61	-
21	NCD Series 133	INE756I07CO6	12-Mar-21	254.50	-
22	NCD Series 125	INE756I07CE7	26-Mar-21	420.43	-
23	Sub Debt Series 4	INE756I08041	18-Oct-20	102.00	-
24	Sub Debt Series 8	INE756I08082	13-Nov-20	95.50	-
25	Sub Debt Series 15	INE756I08173	15-Nov-20	339.50	-
26	Sub Debt Series 9	INE756I08090	17-Nov-20	190.48	-
27	Sub Debt Series 2	INE756I08025	30-Nov-20	145.50	-
28	Sub Debt Series 11	INE756I08116	7-Dec-20	137.22	-
29	Sub Debt Series 5	INE756I08058	21-Dec-20	50.39	-
30	Sub Debt Series 12	INE756I08124	1-Feb-21	126.30	-
31	Sub Debt Series 13	INE756I08132	21-Feb-21	109.85	-
32	Sub Debt Series 6	INE756I08066	18-Mar-21	81.52	-
33	Sub Debt Series 3	INE756I08033	22-Mar-21	192.00	-
34	Perpetual Debt Series 4	INE756I08207	29-Nov-20	87.00	-