



HDB Financial Services Limited  
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Keshavrao Khadye Marg,  
Opp. Race Course, Mahalaxmi,  
Mumbai - 400034.  
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Web : www.hdbfs.com  
CIN : U65993GJ2007PLC051028  
Email ID : compliance@hdbfs.com

**HDB/TROPS/2020/459**

**October 17, 2020**

To,  
National Stock Exchange of India Limited  
Exchange Plaza,  
Bandra Kurla Complex, Bandra (East),  
Mumbai- 400051

**K.A.: Listing Compliance Department**

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

Dear Sir / Madam,

Pursuant to the provisions of Para 1.2 of Continuous obligations and disclosure requirements for listed CPs as per SEBI Circular SEBI/HO/DDHS/DDHS/CIR/P/2019/115 dated October 22, 2019 and amendments thereof, please find enclosed the unaudited financial results along with Limited Review Report for the quarter & 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 quarter & half year ended September 30, 2020 with unmodified opinion.

Kindly take the same on records for the information of the Commercial Paper holders of the Company.

Thanking you,

**For HDB Financial Services Limited**

**Dipti Khandelwal**  
**(Company Secretary)**  
**Membership No.:A25592**

Encl: a/a

**Limited review report on unaudited standalone financial results of HDB Financial Services Limited for the quarter and year to date results under Regulation 33 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 quarter ended and year to date 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 33 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 33 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 quarter and year to date results under Regulation 33 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 12 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

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MASTER

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**Akeel Master**

*Partner*

Mumbai  
17 October 2020

Membership No: 046768  
UDIN: 20046768AAABBO5856

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

(Rupees in million)

| Particulars  | Quarter ended<br>30 Sep 2020 | Quarter ended<br>30 Jun 2020 | Quarter ended<br>30 Sep 2019 | Half Year ended<br>30 Sep 2020 | Half Year ended<br>30 Sep 2019 | Year ended<br>31 Mar 2020 |
|--|------------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|---------------------------|
|  | Reviewed                     | Reviewed                     | Reviewed                     | Reviewed                       | Reviewed                       | Audited                   |
| <b>I Revenue from operations</b>                         |                              |                              |                              |                                |                                |                           |
| Interest income  | 20,846                       | 21,538                       | 20,509                       | 42,384                         | 40,020                         | 82,335                    |
| Sale of services   | 5,078                        | 4,695                        | 5,253                        | 9,773                          | 10,116                         | 21,132                    |
| Other financial charges                                  | 992                          | 366                          | 983                          | 1,358                          | 1,916                          | 4,083                     |
| Net gain on fair value changes                           | 25                           | 225                          | 45                           | 250                            | 105                            | 188                       |
| Net loss on derecognised financial instruments           | (25)                         | (27)                         | (37)                         | (52)                           | (106)                          | (173)                     |
| <b>Total Revenue from operations</b>                     | <b>26,916</b>                | <b>26,797</b>                | <b>26,753</b>                | <b>53,713</b>                  | <b>52,051</b>                  | <b>1,07,565</b>           |
| <b>II Expenses</b>                                       |                              |                              |                              |                                |                                |                           |
| Finance costs  | 9,879                        | 10,305                       | 10,292                       | 20,184                         | 20,176                         | 40,814                    |
| Impairment on financial instruments                      | 9,298                        | 6,861                        | 3,413                        | 16,159                         | 6,787                          | 14,416                    |
| Employee benefits expenses                               | 7,440                        | 7,322                        | 7,949                        | 14,762                         | 15,364                         | 31,956                    |
| Depreciation, amortization and impairment                | 272                          | 277                          | 270                          | 549                            | 528                            | 1,097                     |
| Others expenses  | 1,165                        | 547                          | 1,161                        | 1,712                          | 2,101                          | 4,637                     |
| <b>Total expenses</b>                                    | <b>28,054</b>                | <b>25,312</b>                | <b>23,086</b>                | <b>53,366</b>                  | <b>44,956</b>                  | <b>92,920</b>             |
| <b>III Profit before tax (I-II)</b>                      | <b>(1,137)</b>               | <b>1,485</b>                 | <b>3,668</b>                 | <b>347</b>                     | <b>7,095</b>                   | <b>14,645</b>             |
| <b>IV Tax expense:</b>                                   |                              |                              |                              |                                |                                |                           |
| a. Current tax   | 116                          | 902                          | 561                          | 1,018                          | 2,051                          | 4,718                     |
| b. Deferred tax  | (404)                        | (527)                        | 1,050                        | (931)                          | 769                            | (121)                     |
| <b>Total tax expense</b>                                 | <b>(288)</b>                 | <b>375</b>                   | <b>1,611</b>                 | <b>87</b>                      | <b>2,820</b>                   | <b>4,597</b>              |
| <b>V Net profit for the period (III-IV)</b>              | <b>(850)</b>                 | <b>1,110</b>                 | <b>2,057</b>                 | <b>260</b>                     | <b>4,275</b>                   | <b>10,048</b>             |
| <b>VI Other comprehensive income (net of tax)</b>        | <b>(2)</b>                   | <b>(399)</b>                 | <b>(40)</b>                  | <b>(401)</b>                   | <b>(159)</b>                   | <b>(550)</b>              |
| <b>VII Total comprehensive income (after tax) (V-VI)</b> | <b>(852)</b>                 | <b>711</b>                   | <b>2,017</b>                 | <b>(141)</b>                   | <b>4,116</b>                   | <b>9,498</b>              |
| <b>VIII Earnings per equity share (Refer Note 7)</b>     |                              |                              |                              |                                |                                |                           |
| a. Basic (in Rupees)                                     | (1.08)                       | 1.41                         | 2.62                         | 0.33                           | 5.44                           | 12.78                     |
| b. Diluted (in Rupees)                                   | (1.08)                       | 1.41                         | 2.61                         | 0.33                           | 5.43                           | 12.77                     |
| Face value per share (in Rupees)                         | 10                           | 10                           | 10                           | 10                             | 10                             | 10                        |

**Standalone Balance Sheet**  
*as at 30 September 2020*

(Rupees in million)

| Particulars   | As at<br>30 Sep 2020 | As at<br>31 Mar 2020 |
|---|----------------------|----------------------|
|   | Reviewed             | Audited              |
| <b>ASSETS</b>   |                      |                      |
| <b>1 Financial Assets</b>   |                      |                      |
| (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                |
|   | <b>6,00,947</b>      | <b>5,98,354</b>      |
| <b>2 Non-financial Assets</b>   |                      |                      |
| (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                |
|   | <b>9,483</b>         | <b>8,791</b>         |
| <b>TOTAL ASSETS</b>   | <b>6,10,430</b>      | <b>6,07,145</b>      |
| <b>EQUITY AND LIABILITIES</b>   |                      |                      |
| <b>3 Financial Liabilities</b>  |                      |                      |
| (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               |
|   | <b>5,26,400</b>      | <b>5,22,085</b>      |
| <b>4 Non-Financial Liabilities</b>  |                      |                      |
| (a) Current tax liabilities (net)   | 254                  | 746                  |
| (b) Provisions  | 2,671                | 2,869                |
| (c) Other non-financial liabilities   | 1,031                | 1,267                |
|   | <b>3,956</b>         | <b>4,882</b>         |
| <b>5 Equity</b>   |                      |                      |
| (a) Equity share capital  | 7,876                | 7,876                |
| (b) Other equity  | 72,198               | 72,302               |
|   | <b>80,074</b>        | <b>80,178</b>        |
| <b>TOTAL EQUITY AND LIABILITIES</b>   | <b>6,10,430</b>      | <b>6,07,145</b>      |

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 quarter and 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 33 of the Securities Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015, a 'Limited Review' of standalone financial results for the quarter and 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 The figures for the quarter ended 30 September 2020 and 30 September 2019 are the balancing figures between reviewed figures in respect of the half year ended 30 September 2020 and 30 September 2019 and the reviewed figures for the quarter ended 30 June 2020 and 30 June 2019 respectively.
- 7 Earnings per equity share for the quarter and half year ended 30 September 2020 and 30 September 2019 and for quarter ended 30 June 2020 have not been annualised.
- 8 Other equity include Statutory Reserve as per Section 45IC of Reserve Bank of India Act, 1934, balance in securities premium and retained earnings.
- 9 The statement of standalone cash flow is attached as Annexure 2.
- 10 The disclosure in terms of Ind-AS 108 dealing with 'Operating Segment' as specified under Section 133 of the Companies Act, 2013 is attached as Annexure 3.
- 11 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.
- 12 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.
- 13 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.
- 14 Pursuant to SEBI Circular No. SEBI/HO/DDHS/DDHS/CIR/P/2019/115 dated October 22, 2019, the Company has listed Commercial Papers on National Stock Exchange (NSE).
- 15 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

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**

**RAMESH  
GANESAN**

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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              | INE756I07DA3 | 17-Apr-20         | -         | Paid           |
| 2       | NCD Series 151 A            | INE756I07DA3 | 17-Apr-20         | -         | Paid           |
| 3       | NCD Series 103              | INE756I07BC3 | 27-Apr-20         | -         | Paid           |
| 4       | NCD Series 131              | INE756I07CK4 | 4-May-20          | -         | Paid           |
| 5       | NCD Series 104 B            | INE756I07BE9 | 11-May-20         | -         | Paid           |
| 6       | NCD Series 135 B            | INE756I07CQ1 | 18-May-20         | -         | Paid           |
| 7       | NCD Series 136              | INE756I07CQ1 | 18-May-20         | -         | Paid           |
| 8       | NCD Series 105              | INE756I07BG4 | 18-May-20         | -         | Paid           |
| 9       | NCD Series 103              | INE756I07BC3 | 26-May-20         | 26-May-20 | Paid           |
| 10      | NCD Series 106              | INE756I07BH2 | 29-May-20         | -         | Paid           |
| 11      | NCD Series 151 B            | INE756I07DB1 | 3-Jun-20          | -         | Paid           |
| 12      | NCD Series 151 B            | INE756I07DB1 | 3-Jun-20          | -         | Paid           |
| 13      | NCD Series 104 B            | INE756I07BE9 | 11-Jun-20         | 11-Jun-20 | Paid           |
| 14      | NCD Series 107              | INE756I07BJ8 | 12-Jun-20         | 12-Jun-20 | Paid           |
| 15      | NCD Series 126              | INE756I07CF4 | 15-Jun-20         | 15-Jun-20 | Paid           |
| 16      | NCD Series 134              | INE756I07CP3 | 17-Jun-20         | -         | Paid           |
| 17      | NCD Series 137              | INE756I07CP3 | 17-Jun-20         | -         | Paid           |
| 18      | NCD Series 140 B            | INE756I07CP3 | 17-Jun-20         | -         | Paid           |
| 19      | NCD Series 105              | INE756I07BG4 | 18-Jun-20         | 18-Jun-20 | Paid           |
| 20      | NCD Series 108              | INE756I07BK6 | 19-Jun-20         | 19-Jun-20 | Paid           |
| 21      | NCD Series 129 B            | INE756I07BK6 | 19-Jun-20         | 19-Jun-20 | Paid           |
| 22      | NCD Series 120              | INE756I07BY7 | 29-Jun-20         | -         | Paid           |
| 23      | NCD Series 140 A            | INE756I07BY7 | 29-Jun-20         | -         | Paid           |
| 24      | NCD Series 149 A            | INE756I07BY7 | 29-Jun-20         | -         | Paid           |
| 25      | NCD Series 106              | INE756I07BH2 | 29-Jun-20         | 29-Jun-20 | Paid           |
| 26      | NCD Series 152              | INE756I07DC9 | 29-Jun-20         | -         | Paid           |
| 27      | NCD Series 104 C            | INE756I07BF6 | 8-Jul-20          | 8-Jul-20  | Paid           |
| 28      | NCD Series 129 A            | INE756I07BF6 | 8-Jul-20          | 8-Jul-20  | Paid           |
| 29      | NCD Series 130 A            | INE756I07BF6 | 8-Jul-20          | 8-Jul-20  | Paid           |
| 30      | NCD Series 121              | INE756I07CA5 | 11-Jul-20         | -         | Paid           |
| 31      | NCD Series 109              | INE756I07BL4 | 17-Jul-20         | -         | Paid           |
| 32      | NCD Series 110              | INE756I07BM2 | 27-Jul-20         | -         | Paid           |
| 33      | NCD Series 153 A            | INE756I07DE5 | 27-Jul-20         | -         | Paid           |
| 34      | NCD Series 139              | INE756I07CT5 | 7-Aug-20          | -         | Paid           |
| 35      | NCD Series 130 B            | INE756I07CJ6 | 10-Aug-20         | 10-Aug-20 | Paid           |
| 36      | NCD Series 122              | INE756I07CB3 | 14-Aug-20         | 14-Aug-20 | Paid           |
| 37      | NCD Series 109              | INE756I07BL4 | 17-Aug-20         | 17-Aug-20 | Paid           |
| 38      | NCD Series 153 B            | INE756I07DD7 | 24-Aug-20         | -         | Paid           |
| 39      | NCD Series 138              | INE756I07CS7 | 25-Aug-20         | -         | Paid           |
| 40      | NCD Series 143              | INE756I07CS7 | 25-Aug-20         | -         | Paid           |
| 41      | NCD Series 144              | INE756I07CS7 | 25-Aug-20         | -         | Paid           |
| 42      | NCD Series 141              | INE756I07CU3 | 28-Aug-20         | -         | Paid           |
| 43      | NCD Series 112              | INE756I07BP5 | 8-Sep-20          | 8-Sep-20  | Paid           |
| 44      | NCD Series 123              | INE756I07CC1 | 9-Sep-20          | -         | Paid           |
| 45      | NCD Series 110              | INE756I07BM2 | 28-Sep-20         | 28-Sep-20 | Paid           |
| 46      | Sub Debt Series 16          | INE756I08181 | 8-Jun-20          | -         | Paid           |
| 47      | Sub Debt Series 17          | INE756I08181 | 8-Jun-20          | -         | Paid           |
| 48      | Sub Debt Series 7           | INE756I08074 | 20-Jun-20         | -         | Paid           |
| 49      | Sub Debt Series 10          | INE756I08108 | 22-Jul-20         | -         | Paid           |
| 50      | Sub Debt Series 14          | INE756I08140 | 27-Jul-20         | -         | Paid           |
| 51      | Sub Debt Series 1           | INE756I08017 | 10-Aug-20         | -         | Paid           |
| 52      | MLD Series 1                | INE756I07CL2 | 31-Jul-20         | 31-Jul-20 | Paid           |
| 53      | Perpetual Debt Series 1     | INE756I08157 | 6-Aug-20          | -         | Paid           |
| 54      | Perpetual Debt Series 3     | INE756I08199 | 17-Aug-20         | -         | Paid           |
| 55      | Perpetual Debt Series 2     | INE756I08165 | 7-Sep-20          | -         | Paid           |
| 56      | Commercial Paper Series 190 | INE756I14CO2 | -                 | 6-May-20  | Paid           |
| 57      | Commercial Paper Series 191 | INE756I14CP9 | -                 | 30-Apr-20 | Paid           |
| 58      | Commercial Paper Series 192 | INE756I14CQ7 | -                 | 4-May-20  | Paid           |
| 59      | Commercial Paper Series 193 | INE756I14CR5 | -                 | 4-Jun-20  | Paid           |
| 60      | Commercial Paper Series 195 | INE756I14CT1 | -                 | 22-Jul-20 | Paid           |
| 61      | Commercial Paper Series 196 | INE756I14CU9 | -                 | 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               | INE756I07BT7 | 7-Dec-20                        | 612.06          | 8,000.00         |
| 11      | NCD Series 131 (FI of 116)   | INE756I07BT7 | 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           | -                |

# HDB Financial Services Limited

## Annexure 2

### Statement of Standalone Cash Flow

for the half year ended 30 September 2020

(Rupees in million)

| Particulars   | Half Year ended<br>30 Sep 2020 | Half Year ended<br>30 Sep 2019 | Year ended<br>31 Mar 2020 |
|---|--------------------------------|--------------------------------|---------------------------|
|   | Reviewed                       | Reviewed                       | Audited                   |
| <b>Cash flow from operating activities</b>                          |                                |                                |                           |
| Profit before tax   | 347                            | 7,095                          | 14,627                    |
| <b>Adjustments for</b>  |                                |                                |                           |
| (Profit)/loss on sale of asset                                      | 17                             | (1)                            | (2)                       |
| Interest expenses   | 20,132                         | 18,547                         | 37,967                    |
| Interest income   | (42,384)                       | (40,020)                       | (82,335)                  |
| Realised net (gain)/ loss on investments                            | (405)                          | (100)                          | (439)                     |
| Unrealised (gain)/loss on investments                               | (107)                          | (5)                            | (19)                      |
| Discount on commercial paper  | 194                            | 1,743                          | 2,847                     |
| Impairment on financial instruments                                 | 16,159                         | 6,787                          | 14,416                    |
| Provision for compensated absence and gratuity                      | 369                            | 471                            | 162                       |
| Employee share based payment expenses                               | 29                             | 65                             | 112                       |
| Rent expenses reversal  | (294)                          | (274)                          | (558)                     |
| Depreciation, amortization and impairment                           | 548                            | 528                            | 1,097                     |
| <b>Operating cash flow before working capital changes</b>           | <b>(5,395)</b>                 | <b>(5,164)</b>                 | <b>(12,125)</b>           |
| <b>Adjustments for working capital changes:</b>                     |                                |                                |                           |
| (Increase)/ decrease in trade receivables                           | (37)                           | (1,274)                        | (668)                     |
| (Increase)/ decrease in other financial assets and others           | (4,482)                        | (2,342)                        | (2,073)                   |
| (Increase)/ decrease in Loans                                       | (3,658)                        | (25,544)                       | (46,083)                  |
| Increase/ (decrease) in other liabilities and provisions            | (15,593)                       | (18,061)                       | (17,667)                  |
| Increase/ (decrease) in trade payables                              | 433                            | (1,800)                        | (2,449)                   |
| Interest paid   | (20,243)                       | (16,618)                       | (32,968)                  |
| Interest received   | 42,186                         | 39,007                         | 81,343                    |
| Cash generated from operations                                      | <b>(6,788)</b>                 | <b>(31,796)</b>                | <b>(32,690)</b>           |
| Direct taxes paid (net of refunds)                                  | 750                            | 2,370                          | 2,370                     |
| <b>Net cash flow generated from/(used in) operating activities</b>  | <b>(6,038)</b>                 | <b>(29,426)</b>                | <b>(30,320)</b>           |
| <b>Cash flow from investing activities</b>                          |                                |                                |                           |
| Purchase of fixed assets  | (141)                          | (261)                          | (728)                     |
| Proceeds from sale of fixed assets                                  | 2                              | 3                              | 5                         |
| Purchase of investments mutual fund                                 | (86,250)                       | (79,500)                       | (1,66,786)                |
| Proceeds of investments mutual fund                                 | 90,803                         | 74,869                         | 1,55,471                  |
| <b>Net cash generated from/(used in) investing activities</b>       | <b>4,414</b>                   | <b>(4,889)</b>                 | <b>(12,038)</b>           |
| <b>Cash flow from financing activities</b>                          |                                |                                |                           |
| Proceeds from issue of shares and security premium                  | -                              | 28                             | 335                       |
| Increase/ (Decrease) in Debt securities (Net)                       | (789)                          | 6,910                          | (17,270)                  |
| Increase/ (Decrease) in Borrowings other than debt securities (Net) | 984                            | 25,948                         | 53,776                    |
| Increase/ (Decrease) in Subordinated debt (Net)                     | -                              | 4,150                          | 7,435                     |
| Dividend and tax paid on dividend                                   | -                              | (1,705)                        | (1,705)                   |
| <b>Net cash generated from/(used in) financing activities</b>       | <b>195</b>                     | <b>35,331</b>                  | <b>42,571</b>             |
| <b>Net increase/(decrease) in cash and cash equivalents</b>         | <b>(1,429)</b>                 | <b>1,016</b>                   | <b>213</b>                |
| Add : Cash and cash equivalents as at the beginning of the year     | 3,560                          | 3,347                          | 3,347                     |
| Cash and cash equivalents as at the end of the year*                | <b>2,131</b>                   | <b>4,363</b>                   | <b>3,560</b>              |
| <b>*Components of cash and cash equivalents</b>                     |                                |                                |                           |
| Balances with banks   | 1,764                          | 3,817                          | 3,477                     |
| Demand drafts on hand   | 54                             | 109                            | 24                        |
| Cash on hand  | 313                            | 437                            | 59                        |
|   | <b>2,131</b>                   | <b>4,363</b>                   | <b>3,560</b>              |

## HDB Financial Services Limited

### Annexure 3

#### Standalone Segment Reporting

for the quarter and half year ended 30 September 2020

(Rupees in million)

| S.N. | Particulars                               | Quarter ended<br>30 Sep 2020 | Quarter ended<br>30 Jun 2020 | Quarter ended<br>30 Sep 2019 | Half Year ended<br>30 Sep 2020 | Half Year ended<br>30 Sep 2019 | Year ended<br>31 Mar 2020 |
|------|---|------------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|---------------------------|
|      |   | Reviewed                     | Reviewed                     | Unaudited                    | Reviewed                       | Unaudited                      | Audited                   |
| 1    | <b>Segment Revenue</b>                    |                              |                              |                              |                                |                                |                           |
|      | Lending business                          | 21,838                       | 22,102                       | 21,501                       | 43,940                         | 41,935                         | 86,433                    |
|      | BPO Services                              | 5,078                        | 4,695                        | 5,252                        | 9,773                          | 10,116                         | 21,132                    |
|      | Unallocated                               | -                            | -                            | -                            | -                              | -                              | -                         |
|      | <b>Income from Operations</b>             | <b>26,916</b>                | <b>26,797</b>                | <b>26,753</b>                | <b>53,713</b>                  | <b>52,051</b>                  | <b>1,07,565</b>           |
| 2    | <b>Segment Results</b>                    |                              |                              |                              |                                |                                |                           |
|      | Lending business                          | (1,190)                      | 1,318                        | 3,725                        | 127                            | 6,741                          | 13,670                    |
|      | BPO Services                              | 419                          | 223                          | 198                          | 642                            | 626                            | 1,043                     |
|      | Unallocated                               | (366)                        | (56)                         | (256)                        | (422)                          | (272)                          | (68)                      |
|      | <b>Profit before tax</b>                  | <b>(1,137)</b>               | <b>1,485</b>                 | <b>3,667</b>                 | <b>347</b>                     | <b>7,095</b>                   | <b>14,645</b>             |
| 3    | <b>Capital Employed</b>                   |                              |                              |                              |                                |                                |                           |
|      | <b>Segment assets</b>                     |                              |                              |                              |                                |                                |                           |
|      | Lending business                          | 6,01,586                     | 6,19,594                     | 5,84,172                     | 6,01,586                       | 5,84,172                       | 5,99,890                  |
|      | BPO Services                              | 2,265                        | 1,723                        | 2,210                        | 2,265                          | 2,210                          | 2,167                     |
|      | Unallocated                               | 6,578                        | 5,886                        | 7,567                        | 6,578                          | 7,567                          | 5,088                     |
|      | <b>Total Assets</b>                       | <b>6,10,430</b>              | <b>6,27,203</b>              | <b>5,93,949</b>              | <b>6,10,430</b>                | <b>5,93,949</b>                | <b>6,07,145</b>           |
|      | <b>Segment Liabilities</b>                |                              |                              |                              |                                |                                |                           |
|      | Lending business                          | 5,28,270                     | 5,41,812                     | 5,15,384                     | 5,28,270                       | 5,15,384                       | 5,22,811                  |
|      | BPO Services                              | 1,062                        | 2,480                        | 843                          | 1,062                          | 843                            | 2,161                     |
|      | Unallocated                               | 1,024                        | 2,007                        | 3,281                        | 1,024                          | 3,281                          | 1,995                     |
|      | <b>Total Liabilities</b>                  | <b>5,30,356</b>              | <b>5,46,299</b>              | <b>5,19,507</b>              | <b>5,30,356</b>                | <b>5,19,507</b>                | <b>5,26,967</b>           |
|      | <b>Net Segment assets / (liabilities)</b> | <b>80,074</b>                | <b>80,904</b>                | <b>74,441</b>                | <b>80,074</b>                  | <b>74,441</b>                  | <b>80,178</b>             |

#### a) Chief Operating Decision Maker

Operating segments are reported in a manner consistent with the internal reporting to the Chief Operating Decision Maker (CODM). The Managing Director ('MD') of the Company has been identified as the CODM as defined by Ind AS 108 Operating Segments, who assesses the financial performance and position of the Company and makes strategic decisions.

#### b) Operating Segment

##### Primary Segment (Business Segment)

The Company is organised primarily into two operating segments, i.e. Lending business and BPO services. Lending business includes providing finance to retail customers for a variety of purposes like purchase of commercial equipment and commercial vehicles, personal purposes, enterprise loans, etc. Revenue from lending business includes (i) interest income and processing fees net of loan origination costs, (ii) collection-related charges like cheque bouncing charges, late payment charges and foreclosure charges, and (iii) insurance commission. BPO services comprises of sales support services, back office, operations, processing support, running collection call centres and collecting overdue amounts from borrowers.

##### Secondary Segment (Geographical Segment)

Since the business operations of the Company are primarily concentrated in India, the Company is considered to operate only in the domestic segment and therefore there is no reportable geographic segment.

#### c) Segment Revenue and Expense

Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on a reasonable basis have been disclosed as 'Unallocated'.

#### d) Segment Assets and Liabilities

Segment assets and segment liabilities represent assets and liabilities in respective segments. Tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as 'Unallocated'.

#### e) Accounting Policies

The accounting policies consistently used in the preparation of the financial statements are also applied to items of revenue and expenditure in individual segments.

#### f) The segment reporting for the quarter and half year ended 30 September 2020 and quarter ended 30 June 2020 have been subject to a 'Limited Review' by the Statutory Auditors of the Company, however the segment reporting for the quarter and half year ended 30 September 2019 and quarter ended 30 June 2019 have been approved by the Board of Directors but have not been subjected to review.

**Limited review report on unaudited consolidated financial results of HDB Financial Services Limited for the quarter and year to date results under Regulation 33 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 consolidated financial results of HDB Financial Services Limited (“the Parent”) and its controlled structured entities (the Parent and its controlled structured entities together referred to as “the Group”), for the quarter ended 30 September 2020 and year to date results for the period from 1 April 2020 to 30 September 2020 (“the Statement”), being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”).
2. This Statement, which is the responsibility of the Parent’s management and approved by the Parent’s 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 33 of the Listing Regulations. Our responsibility is to express a conclusion 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. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

4. Based on our review conducted and procedures 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 aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**Limited review report on unaudited consolidated financial results of HDB Financial Services Limited for the quarter and year to date results under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (*Continued*)**

**HDB Financial Services Limited**

5. The Statement includes the financial results of six controlled entities which have not been subject to review or audit. According to the information and explanations given to us by the management, these financial results are not material to the Group. Our conclusion on the Statement is not modified in respect of the above matter.

As described in Note 12 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

Digitally signed by  
AKEEL ABBAS MASTER  
Date: 2020.10.17  
19:39:43 +05'30'

**Akeel Master**

*Partner*

Mumbai  
17 October 2020

Membership No: 046768  
UDIN: 20046768AAABBM4988

**Consolidated Statement of Profit and Loss**  
*for the quarter and half year ended 30 September 2020*

(Rupees in million)

| Particulars  | Quarter ended<br>30 Sep 2020 | Quarter ended<br>30 Jun 2020 | Quarter ended<br>30 Sep 2019 | Half Year ended<br>30 Sep 2020 | Half Year ended<br>30 Sep 2019 | Year ended<br>31 Mar 2020 |
|--|------------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|---------------------------|
|  | Reviewed                     | Reviewed                     | Reviewed                     | Reviewed                       | Reviewed                       | Audited                   |
| <b>I Revenue from operations</b>                         |                              |                              |                              |                                |                                |                           |
| Interest income  | 20,846                       | 21,538                       | 20,509                       | 42,384                         | 40,020                         | 82,335                    |
| Sale of services   | 5,078                        | 4,695                        | 5,253                        | 9,773                          | 10,116                         | 21,132                    |
| Other financial charges                                  | 992                          | 366                          | 983                          | 1,358                          | 1,916                          | 4,083                     |
| Net gain on fair value changes                           | 25                           | 225                          | 45                           | 250                            | 105                            | 188                       |
| Net loss on derecognised financial instruments           | (25)                         | (27)                         | (37)                         | (52)                           | (106)                          | (173)                     |
| <b>Total Revenue from operations</b>                     | <b>26,916</b>                | <b>26,797</b>                | <b>26,753</b>                | <b>53,713</b>                  | <b>52,051</b>                  | <b>1,07,565</b>           |
| <b>II Expenses</b>                                       |                              |                              |                              |                                |                                |                           |
| Finance costs  | 9,879                        | 10,305                       | 10,292                       | 20,184                         | 20,176                         | 40,814                    |
| Impairment on financial instruments                      | 9,298                        | 6,861                        | 3,413                        | 16,159                         | 6,787                          | 14,416                    |
| Employee benefits expenses                               | 7,440                        | 7,322                        | 7,949                        | 14,762                         | 15,364                         | 31,956                    |
| Depreciation, amortization and impairment                | 272                          | 277                          | 270                          | 549                            | 528                            | 1,097                     |
| Others expenses  | 1,165                        | 547                          | 1,161                        | 1,712                          | 2,101                          | 4,637                     |
| <b>Total expenses</b>                                    | <b>28,054</b>                | <b>25,312</b>                | <b>23,086</b>                | <b>53,366</b>                  | <b>44,956</b>                  | <b>92,920</b>             |
| <b>III Profit before tax (I-II)</b>                      | <b>(1,137)</b>               | <b>1,485</b>                 | <b>3,668</b>                 | <b>347</b>                     | <b>7,095</b>                   | <b>14,645</b>             |
| <b>IV Tax expense:</b>                                   |                              |                              |                              |                                |                                |                           |
| a. Current tax   | 116                          | 902                          | 561                          | 1,018                          | 2,051                          | 4,718                     |
| b. Deferred tax  | (404)                        | (527)                        | 1,050                        | (931)                          | 769                            | (121)                     |
| <b>Total tax expense</b>                                 | <b>(288)</b>                 | <b>375</b>                   | <b>1,611</b>                 | <b>87</b>                      | <b>2,820</b>                   | <b>4,597</b>              |
| <b>V Net profit for the period (III-IV)</b>              | <b>(850)</b>                 | <b>1,110</b>                 | <b>2,057</b>                 | <b>260</b>                     | <b>4,275</b>                   | <b>10,048</b>             |
| <b>VI Other comprehensive income (net of tax)</b>        | <b>(2)</b>                   | <b>(399)</b>                 | <b>(40)</b>                  | <b>(401)</b>                   | <b>(159)</b>                   | <b>(550)</b>              |
| <b>VII Total comprehensive income (after tax) (V-VI)</b> | <b>(852)</b>                 | <b>711</b>                   | <b>2,017</b>                 | <b>(141)</b>                   | <b>4,116</b>                   | <b>9,498</b>              |
| <b>VIII Net profit for the period attributable to:</b>   |                              |                              |                              |                                |                                |                           |
| a. Owners of the Company                                 | (850)                        | 1,110                        | 2,057                        | 260                            | 4,275                          | 10,048                    |
| b. Non-controlling interests                             | -                            | -                            | -                            | -                              | -                              | -                         |
|  | <b>(850)</b>                 | <b>1,110</b>                 | <b>2,057</b>                 | <b>260</b>                     | <b>4,275</b>                   | <b>10,048</b>             |
| <b>IX Total comprehensive income attributable to</b>     |                              |                              |                              |                                |                                |                           |
| a. Owners of the Company                                 | (852)                        | 711                          | 2,017                        | (141)                          | 4,116                          | 9,498                     |
| b. Non-controlling interests                             | -                            | -                            | -                            | -                              | -                              | -                         |
|  | <b>(852)</b>                 | <b>711</b>                   | <b>2,017</b>                 | <b>(141)</b>                   | <b>4,116</b>                   | <b>9,498</b>              |
| <b>X Earnings per equity share (Refer Note 7)</b>        |                              |                              |                              |                                |                                |                           |
| a. Basic (in Rupees)                                     | (1.08)                       | 1.41                         | 2.62                         | 0.33                           | 5.44                           | 12.78                     |
| b. Diluted (in Rupees)                                   | (1.08)                       | 1.41                         | 2.61                         | 0.33                           | 5.43                           | 12.77                     |
| Face value per share (in Rupees)                         | 10                           | 10                           | 10                           | 10                             | 10                             | 10                        |

**Consolidated Balance Sheet**  
as at 30 September 2020

(Rupees in million)

| Particulars   | As at<br>30 Sep 2020 | As at<br>31 Mar 2020 |
|---|----------------------|----------------------|
|   | Reviewed             | Audited              |
| <b>ASSETS</b>   |                      |                      |
| <b>1 Financial Assets</b>   |                      |                      |
| (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                |
|   | <b>6,00,947</b>      | <b>5,98,354</b>      |
| <b>2 Non-financial Assets</b>   |                      |                      |
| (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                |
|   | <b>9,483</b>         | <b>8,791</b>         |
| <b>TOTAL ASSETS</b>   | <b>6,10,430</b>      | <b>6,07,145</b>      |
| <b>EQUITY AND LIABILITIES</b>   |                      |                      |
| <b>3 Financial Liabilities</b>  |                      |                      |
| (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               |
|   | <b>5,26,400</b>      | <b>5,22,085</b>      |
| <b>4 Non-Financial Liabilities</b>  |                      |                      |
| (a) Current tax liabilities (net)   | 254                  | 746                  |
| (b) Provisions  | 2,671                | 2,869                |
| (c) Other non-financial liabilities   | 1,031                | 1,267                |
|   | <b>3,956</b>         | <b>4,882</b>         |
| <b>5 Equity</b>   |                      |                      |
| (a) Equity share capital  | 7,876                | 7,876                |
| (b) Other equity  | 72,198               | 72,302               |
|   | <b>80,074</b>        | <b>80,178</b>        |
| <b>TOTAL EQUITY AND LIABILITIES</b>   | <b>6,10,430</b>      | <b>6,07,145</b>      |

Notes:

- 1 HDB Financial Services Limited ('the Company') is a Non-Banking Financial Company ('NBFC') registered with the Reserve Bank of India.
- 2 The consolidated financial results for the quarter and 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 consolidated 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 33 of the Securities Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015, a 'Limited Review' of consolidated financial results for the quarter and 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 The figures for the quarter ended 30 September 2020 and 30 September 2019 are the balancing figures between reviewed figures in respect of the half year ended 30 September 2020 and 30 September 2019 and the reviewed figures for the quarter ended 30 June 2020 and 30 June 2019 respectively.
- 7 Earnings per equity share for the quarter and half year ended 30 September 2020 and 30 September 2019 and for quarter ended 30 June 2020 have not been annualised.
- 8 Other equity include Statutory Reserve as per Section 45IC of Reserve Bank of India Act, 1934, balance in securities premium and retained earnings.
- 9 The statement of consolidated cash flow is attached as Annexure 2.
- 10 The disclosure in terms of Ind-AS 108 dealing with 'Operating Segment' as specified under Section 133 of the Companies Act, 2013 is attached as Annexure 3.
- 11 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.
- 12 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.
- 13 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.
- 14 Pursuant to SEBI Circular No. SEBI/HO/DDHS/DDHS/CIR/P/2019/115 dated October 22, 2019, the Company has listed Commercial Papers on National Stock Exchange (NSE).
- 15 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

**AKEEL ABBAS** Digitally signed by AKEEL  
MASTER ABBAS MASTER  
Date: 2020.10.17 19:40:10  
+05'30'

**Akeel Master**

Partner

Membership No: 046768

Date : 17 October 2020

Place : Mumbai

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

**RAMESH** Digitally signed  
**GANESAN** by RAMESH  
GANESAN  
Date: 2020.10.17  
19:17:31 +05'30'

**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              | INE756I07DA3 | 17-Apr-20         | -         | Paid           |
| 2       | NCD Series 151 A            | INE756I07DA3 | 17-Apr-20         | -         | Paid           |
| 3       | NCD Series 103              | INE756I07BC3 | 27-Apr-20         | -         | Paid           |
| 4       | NCD Series 131              | INE756I07CK4 | 4-May-20          | -         | Paid           |
| 5       | NCD Series 104 B            | INE756I07BE9 | 11-May-20         | -         | Paid           |
| 6       | NCD Series 135 B            | INE756I07CQ1 | 18-May-20         | -         | Paid           |
| 7       | NCD Series 136              | INE756I07CQ1 | 18-May-20         | -         | Paid           |
| 8       | NCD Series 105              | INE756I07BG4 | 18-May-20         | -         | Paid           |
| 9       | NCD Series 103              | INE756I07BC3 | 26-May-20         | 26-May-20 | Paid           |
| 10      | NCD Series 106              | INE756I07BH2 | 29-May-20         | -         | Paid           |
| 11      | NCD Series 151 B            | INE756I07DB1 | 3-Jun-20          | -         | Paid           |
| 12      | NCD Series 151 B            | INE756I07DB1 | 3-Jun-20          | -         | Paid           |
| 13      | NCD Series 104 B            | INE756I07BE9 | 11-Jun-20         | 11-Jun-20 | Paid           |
| 14      | NCD Series 107              | INE756I07BJ8 | 12-Jun-20         | 12-Jun-20 | Paid           |
| 15      | NCD Series 126              | INE756I07CF4 | 15-Jun-20         | 15-Jun-20 | Paid           |
| 16      | NCD Series 134              | INE756I07CP3 | 17-Jun-20         | -         | Paid           |
| 17      | NCD Series 137              | INE756I07CP3 | 17-Jun-20         | -         | Paid           |
| 18      | NCD Series 140 B            | INE756I07CP3 | 17-Jun-20         | -         | Paid           |
| 19      | NCD Series 105              | INE756I07BG4 | 18-Jun-20         | 18-Jun-20 | Paid           |
| 20      | NCD Series 108              | INE756I07BK6 | 19-Jun-20         | 19-Jun-20 | Paid           |
| 21      | NCD Series 129 B            | INE756I07BK6 | 19-Jun-20         | 19-Jun-20 | Paid           |
| 22      | NCD Series 120              | INE756I07BY7 | 29-Jun-20         | -         | Paid           |
| 23      | NCD Series 140 A            | INE756I07BY7 | 29-Jun-20         | -         | Paid           |
| 24      | NCD Series 149 A            | INE756I07BY7 | 29-Jun-20         | -         | Paid           |
| 25      | NCD Series 106              | INE756I07BH2 | 29-Jun-20         | 29-Jun-20 | Paid           |
| 26      | NCD Series 152              | INE756I07DC9 | 29-Jun-20         | -         | Paid           |
| 27      | NCD Series 104 C            | INE756I07BF6 | 8-Jul-20          | 8-Jul-20  | Paid           |
| 28      | NCD Series 129 A            | INE756I07BF6 | 8-Jul-20          | 8-Jul-20  | Paid           |
| 29      | NCD Series 130 A            | INE756I07BF6 | 8-Jul-20          | 8-Jul-20  | Paid           |
| 30      | NCD Series 121              | INE756I07CA5 | 11-Jul-20         | -         | Paid           |
| 31      | NCD Series 109              | INE756I07BL4 | 17-Jul-20         | -         | Paid           |
| 32      | NCD Series 110              | INE756I07BM2 | 27-Jul-20         | -         | Paid           |
| 33      | NCD Series 153 A            | INE756I07DE5 | 27-Jul-20         | -         | Paid           |
| 34      | NCD Series 139              | INE756I07CT5 | 7-Aug-20          | -         | Paid           |
| 35      | NCD Series 130 B            | INE756I07CJ6 | 10-Aug-20         | 10-Aug-20 | Paid           |
| 36      | NCD Series 122              | INE756I07CB3 | 14-Aug-20         | 14-Aug-20 | Paid           |
| 37      | NCD Series 109              | INE756I07BL4 | 17-Aug-20         | 17-Aug-20 | Paid           |
| 38      | NCD Series 153 B            | INE756I07DD7 | 24-Aug-20         | -         | Paid           |
| 39      | NCD Series 138              | INE756I07CS7 | 25-Aug-20         | -         | Paid           |
| 40      | NCD Series 143              | INE756I07CS7 | 25-Aug-20         | -         | Paid           |
| 41      | NCD Series 144              | INE756I07CS7 | 25-Aug-20         | -         | Paid           |
| 42      | NCD Series 141              | INE756I07CU3 | 28-Aug-20         | -         | Paid           |
| 43      | NCD Series 112              | INE756I07BP5 | 8-Sep-20          | 8-Sep-20  | Paid           |
| 44      | NCD Series 123              | INE756I07CC1 | 9-Sep-20          | -         | Paid           |
| 45      | NCD Series 110              | INE756I07BM2 | 28-Sep-20         | 28-Sep-20 | Paid           |
| 46      | Sub Debt Series 16          | INE756I08181 | 8-Jun-20          | -         | Paid           |
| 47      | Sub Debt Series 17          | INE756I08181 | 8-Jun-20          | -         | Paid           |
| 48      | Sub Debt Series 7           | INE756I08074 | 20-Jun-20         | -         | Paid           |
| 49      | Sub Debt Series 10          | INE756I08108 | 22-Jul-20         | -         | Paid           |
| 50      | Sub Debt Series 14          | INE756I08140 | 27-Jul-20         | -         | Paid           |
| 51      | Sub Debt Series 1           | INE756I08017 | 10-Aug-20         | -         | Paid           |
| 52      | MLD Series 1                | INE756I07CL2 | 31-Jul-20         | 31-Jul-20 | Paid           |
| 53      | Perpetual Debt Series 1     | INE756I08157 | 6-Aug-20          | -         | Paid           |
| 54      | Perpetual Debt Series 3     | INE756I08199 | 17-Aug-20         | -         | Paid           |
| 55      | Perpetual Debt Series 2     | INE756I08165 | 7-Sep-20          | -         | Paid           |
| 56      | Commercial Paper Series 190 | INE756I14CO2 | -                 | 6-May-20  | Paid           |
| 57      | Commercial Paper Series 191 | INE756I14CP9 | -                 | 30-Apr-20 | Paid           |
| 58      | Commercial Paper Series 192 | INE756I14CQ7 | -                 | 4-May-20  | Paid           |
| 59      | Commercial Paper Series 193 | INE756I14CR5 | -                 | 4-Jun-20  | Paid           |
| 60      | Commercial Paper Series 195 | INE756I14CT1 | -                 | 22-Jul-20 | Paid           |
| 61      | Commercial Paper Series 196 | INE756I14CU9 | -                 | 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               | INE756I07BT7 | 7-Dec-20                        | 612.06          | 8,000.00         |
| 11      | NCD Series 131 (FI of 116)   | INE756I07BT7 | 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           | -                |

# HDB Financial Services Limited

## Annexure 2

### Statement of Consolidated Cash Flow

for the half year ended 30 September 2020

(Rupees in million)

| Particulars   | Half Year ended<br>30 Sep 2020 | Half Year ended<br>30 Sep 2019 | Year ended<br>31 Mar 2020 |
|---|--------------------------------|--------------------------------|---------------------------|
|   | Reviewed                       | Reviewed                       | Audited                   |
| <b>Cash flow from operating activities</b>                          |                                |                                |                           |
| Profit before tax   | 347                            | 7,095                          | 14,627                    |
| <b>Adjustments for</b>  |                                |                                |                           |
| (Profit)/loss on sale of asset                                      | 17                             | (1)                            | (2)                       |
| Interest expenses   | 20,132                         | 18,547                         | 37,967                    |
| Interest income   | (42,384)                       | (40,020)                       | (82,335)                  |
| Realised net (gain)/ loss on investments                            | (405)                          | (100)                          | (439)                     |
| Unrealised (gain)/loss on investments                               | (107)                          | (5)                            | (19)                      |
| Discount on commercial paper  | 194                            | 1,743                          | 2,847                     |
| Impairment on financial instruments                                 | 16,159                         | 6,787                          | 14,416                    |
| Provision for compensated absence and gratuity                      | 369                            | 471                            | 162                       |
| Employee share based payment expenses                               | 29                             | 65                             | 112                       |
| Rent expenses reversal  | (294)                          | (274)                          | (558)                     |
| Depreciation, amortization and impairment                           | 548                            | 528                            | 1,097                     |
| <b>Operating cash flow before working capital changes</b>           | <b>(5,395)</b>                 | <b>(5,164)</b>                 | <b>(12,125)</b>           |
| <b>Adjustments for working capital changes:</b>                     |                                |                                |                           |
| (Increase)/ decrease in trade receivables                           | (37)                           | (1,274)                        | (668)                     |
| (Increase)/ decrease in other financial assets and others           | (4,482)                        | (2,342)                        | (2,073)                   |
| (Increase)/ decrease in Loans                                       | (3,658)                        | (25,544)                       | (46,083)                  |
| Increase/ (decrease) in other liabilities and provisions            | (15,593)                       | (18,061)                       | (17,667)                  |
| Increase/ (decrease) in trade payables                              | 433                            | (1,800)                        | (2,449)                   |
| Interest paid   | (20,243)                       | (16,618)                       | (32,968)                  |
| Interest received   | 42,186                         | 39,007                         | 81,343                    |
| Cash generated from operations                                      | <b>(6,788)</b>                 | <b>(31,796)</b>                | <b>(32,690)</b>           |
| Direct taxes paid (net of refunds)                                  | 750                            | 2,370                          | 2,370                     |
| <b>Net cash flow generated from/(used in) operating activities</b>  | <b>(6,038)</b>                 | <b>(29,426)</b>                | <b>(30,320)</b>           |
| <b>Cash flow from investing activities</b>                          |                                |                                |                           |
| Purchase of fixed assets  | (141)                          | (261)                          | (728)                     |
| Proceeds from sale of fixed assets                                  | 2                              | 3                              | 5                         |
| Purchase of investments mutual fund                                 | (86,250)                       | (79,500)                       | (1,66,786)                |
| Proceeds of investments mutual fund                                 | 90,803                         | 74,869                         | 1,55,471                  |
| <b>Net cash generated from/(used in) investing activities</b>       | <b>4,414</b>                   | <b>(4,889)</b>                 | <b>(12,038)</b>           |
| <b>Cash flow from financing activities</b>                          |                                |                                |                           |
| Proceeds from issue of shares and security premium                  | -                              | 28                             | 335                       |
| Increase/ (Decrease) in Debt securities (Net)                       | (789)                          | 6,910                          | (17,270)                  |
| Increase/ (Decrease) in Borrowings other than debt securities (Net) | 984                            | 25,948                         | 53,776                    |
| Increase/ (Decrease) in Subordinated debt (Net)                     | -                              | 4,150                          | 7,435                     |
| Dividend and tax paid on dividend                                   | -                              | (1,705)                        | (1,705)                   |
| <b>Net cash generated from/(used in) financing activities</b>       | <b>195</b>                     | <b>35,331</b>                  | <b>42,571</b>             |
| <b>Net increase/(decrease) in cash and cash equivalents</b>         | <b>(1,429)</b>                 | <b>1,016</b>                   | <b>213</b>                |
| Add : Cash and cash equivalents as at the beginning of the year     | 3,560                          | 3,347                          | 3,347                     |
| Cash and cash equivalents as at the end of the year*                | <b>2,131</b>                   | <b>4,363</b>                   | <b>3,560</b>              |
| <b>*Components of cash and cash equivalents</b>                     |                                |                                |                           |
| Balances with banks   | 1,764                          | 3,817                          | 3,477                     |
| Demand drafts on hand   | 54                             | 109                            | 24                        |
| Cash on hand  | 313                            | 437                            | 59                        |
|   | <b>2,131</b>                   | <b>4,363</b>                   | <b>3,560</b>              |

## HDB Financial Services Limited

### Annexure 3

#### Consolidated Segment Reporting

for the quarter and half year ended 30 September 2020

(Rupees in million)

| S.N. | Particulars                               | Quarter ended<br>30 Sep 2020 | Quarter ended<br>30 Jun 2020 | Quarter ended<br>30 Sep 2019 | Half Year ended<br>30 Sep 2020 | Half Year ended<br>30 Sep 2019 | Year ended<br>31 Mar 2020 |
|------|---|------------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|---------------------------|
|      |   | Reviewed                     | Reviewed                     | Unaudited                    | Reviewed                       | Unaudited                      | Audited                   |
| 1    | <b>Segment Revenue</b>                    |                              |                              |                              |                                |                                |                           |
|      | Lending business                          | 21,838                       | 22,102                       | 21,501                       | 43,940                         | 41,935                         | 86,433                    |
|      | BPO Services                              | 5,078                        | 4,695                        | 5,252                        | 9,773                          | 10,116                         | 21,132                    |
|      | Unallocated                               | -                            | -                            | -                            | -                              | -                              | -                         |
|      | <b>Income from Operations</b>             | <b>26,916</b>                | <b>26,797</b>                | <b>26,753</b>                | <b>53,713</b>                  | <b>52,051</b>                  | <b>1,07,565</b>           |
| 2    | <b>Segment Results</b>                    |                              |                              |                              |                                |                                |                           |
|      | Lending business                          | (1,190)                      | 1,318                        | 3,725                        | 127                            | 6,741                          | 13,670                    |
|      | BPO Services                              | 419                          | 223                          | 198                          | 642                            | 626                            | 1,043                     |
|      | Unallocated                               | (366)                        | (56)                         | (256)                        | (422)                          | (272)                          | (68)                      |
|      | <b>Profit before tax</b>                  | <b>(1,137)</b>               | <b>1,485</b>                 | <b>3,667</b>                 | <b>347</b>                     | <b>7,095</b>                   | <b>14,645</b>             |
| 3    | <b>Capital Employed</b>                   |                              |                              |                              |                                |                                |                           |
|      | <b>Segment assets</b>                     |                              |                              |                              |                                |                                |                           |
|      | Lending business                          | 6,01,586                     | 6,19,594                     | 5,84,172                     | 6,01,586                       | 5,84,172                       | 5,99,890                  |
|      | BPO Services                              | 2,265                        | 1,723                        | 2,210                        | 2,265                          | 2,210                          | 2,167                     |
|      | Unallocated                               | 6,578                        | 5,886                        | 7,567                        | 6,578                          | 7,567                          | 5,088                     |
|      | <b>Total Assets</b>                       | <b>6,10,430</b>              | <b>6,27,203</b>              | <b>5,93,949</b>              | <b>6,10,430</b>                | <b>5,93,949</b>                | <b>6,07,145</b>           |
|      | <b>Segment Liabilities</b>                |                              |                              |                              |                                |                                |                           |
|      | Lending business                          | 5,28,270                     | 5,41,812                     | 5,15,384                     | 5,28,270                       | 5,15,384                       | 5,22,811                  |
|      | BPO Services                              | 1,062                        | 2,480                        | 843                          | 1,062                          | 843                            | 2,161                     |
|      | Unallocated                               | 1,024                        | 2,007                        | 3,281                        | 1,024                          | 3,281                          | 1,995                     |
|      | <b>Total Liabilities</b>                  | <b>5,30,356</b>              | <b>5,46,299</b>              | <b>5,19,507</b>              | <b>5,30,356</b>                | <b>5,19,507</b>                | <b>5,26,967</b>           |
|      | <b>Net Segment assets / (liabilities)</b> | <b>80,074</b>                | <b>80,904</b>                | <b>74,441</b>                | <b>80,074</b>                  | <b>74,441</b>                  | <b>80,178</b>             |

#### a) Chief Operating Decision Maker

Operating segments are reported in a manner consistent with the internal reporting to the Chief Operating Decision Maker (CODM). The Managing Director ('MD') of the Company has been identified as the CODM as defined by Ind AS 108 Operating Segments, who assesses the financial performance and position of the Company and makes strategic decisions.

#### b) Operating Segment

##### Primary Segment (Business Segment)

The Company is organised primarily into two operating segments, i.e. Lending business and BPO services. Lending business includes providing finance to retail customers for a variety of purposes like purchase of commercial equipment and commercial vehicles, personal purposes, enterprise loans, etc. Revenue from lending business includes (i) interest income and processing fees net of loan origination costs, (ii) collection-related charges like cheque bouncing charges, late payment charges and foreclosure charges, and (iii) insurance commission. BPO services comprises of sales support services, back office, operations, processing support, running collection call centres and collecting overdue amounts from borrowers.

##### Secondary Segment (Geographical Segment)

Since the business operations of the Company are primarily concentrated in India, the Company is considered to operate only in the domestic segment and therefore there is no reportable geographic segment.

#### c) Segment Revenue and Expense

Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on a reasonable basis have been disclosed as 'Unallocated'.

#### d) Segment Assets and Liabilities

Segment assets and segment liabilities represent assets and liabilities in respective segments. Tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as 'Unallocated'.

#### e) Accounting Policies

The accounting policies consistently used in the preparation of the financial statements are also applied to items of revenue and expenditure in individual segments.

#### f) The segment reporting for the quarter and half year ended 30 September 2020 and quarter ended 30 June 2020 have been subject to a 'Limited Review' by the Statutory Auditors of the Company, however the segment reporting for the quarter and half year ended 30 September 2019 and quarter ended 30 June 2019 have been approved by the Board of Directors but have not been subjected to review.