

HDB/SLC/2018/735

October 16, 2018

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

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

Subject: Submission of unaudited Financial Results along with Limited Review Report for the Half year ended September 30, 2018

Dear Sir / Madam,

Pursuant to the provisions of Regulation 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, enclosed please find the unaudited financial results along with Limited Review Report for the Half year ended September 30, 2018 as reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held today i.e. October 16, 2018.

Further, please note that the Statutory Auditor of the Company, M/s. B.S.R. & Co. LLP has submitted Limited Review Report for the half year ended September 30, 2018 with unmodified opinion.

Kindly take the same on records for the information of the Non-Convertible Debenture holders and Subordinate Bond holders of the Company.

Thanking you,

For HDB Financial Services Limited


Haren Parekh
Chief Financial Officer



Encl: a/a

BSR & Co. LLP

Chartered Accountants

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

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Review report

To the Board of Directors of HDB Financial Services Limited

We have reviewed the accompanying Statement of Unaudited Financial Results of HDB Financial Services Limited (the 'Company') for the half year ended 30 September 2018 ('the Statement') attached herewith, bring submitted by the Company pursuant to requirements of Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 ('Listing Regulations'). Attention is drawn to the fact that the figures for the corresponding half year ended 30 September 2017 including the reconciliation of profit under Indian Accounting Standards ('Ind AS') of the corresponding half year with profit reported under previous Generally Accepted Accounting Principles ('GAAP'), as reported in the Statement have been approved by Company's Board of Directors but have not been subjected to review or audit.

This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* specified under section 143(10) of the Companies Act, 2013. 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.

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 i.e. Ind AS prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies has not disclosed the information required to be disclosed in term of Regulation 52 of the Listing Regulations and SEBI Circular dated 10 August 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For BSR & Co. LLP
Chartered Accountants

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



Manoj Kumar Vijai
Partner

Membership No: 046882

Mumbai
16 October 2018

BSR & Co (a partnership firm with
Registration No. BA61223) converted into
BSR & Co. LLP (a Limited Liability Partnership
with LLP Registration No. AAB-8181)
with effect from October 14, 2013

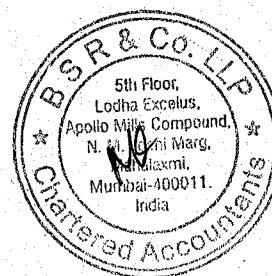
Registered Office:
5th Floor, Lodha Excelus
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011, India

HDB FINANCIAL SERVICES LIMITED
Regd. Office: Radhika, 2nd Floor, Law Garden Road, Navrangpura, Ahmedabad- 380 009
 CIN: U65993GJ2007PLC051028 | www.hdbfs.com
 Tel: +912239586368 | Fax: +912239586666 | Email: compliance@hdbfs.com

Standalone Statement of Profit and Loss
for the half year ended 30 September 2018

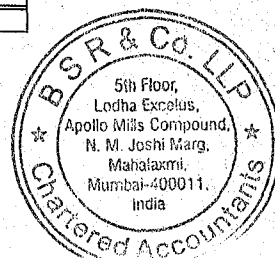
(Rupees in lakhs)

Particulars	Half Year Ended 30/09/2018	Half Year Ended 30/09/2017
	Unaudited	Unaudited
I Revenue from operations	407,134	333,787
II Other income	689	93
III Total Income (I+II)	407,823	333,880
IV Expenses		
Employee benefits expense	123,798	110,307
Finance costs	150,165	111,120
Depreciation and amortization	2,526	2,218
Provisions and write offs	32,662	33,207
Other expenses	17,467	15,137
Total expenses	326,618	271,989
V Profit before tax (III-IV)	81,205	61,891
VI Tax expense:		
a. Current tax	28,760	23,674
b. Deferred tax	(115)	(2,060)
Total tax expense	28,645	21,614
VII Net Profit for the period from continuing operations (V-VI)	52,560	40,277
VIII Other Comprehensive Income (net of tax)	-	-
IX Total Comprehensive Income (after tax) (VII-VIII)	52,560	40,277
X Earnings per equity share for continuing operations (Refer Note 6):		
a. Basic (in Rupees)	6.71	5.16
b. Diluted (in Rupees)	6.70	5.14
Face Value per share (in Rupees)	10	10



Standalone Balance Sheet
 as at 30 September 2018

		(Rupees in lakhs)
Particulars		As at 30/09/2018
		Unaudited
ASSETS		
1 Non-current assets		
(a) Property, Plant and Equipment		11,929
(b) Capital work-in-progress		-
(c) Other Intangible assets		870
(d) Financial assets		
(i) Investments		1,651
(ii) Trade receivables		-
(iii) Receivables under financing activity		3,247,914
(e) Deferred tax assets (net)		22,727
(f) Other non-current assets		4,515
		3,289,606
2 Current assets		
(a) Financial assets		
(i) Investments		15,005
(ii) Trade receivables		6,490
(iii) Cash and cash equivalents		24,901
(iv) Receivables under financing activity		1,477,535
(b) Other current assets		3,731
		1,527,662
TOTAL ASSETS		4,817,268
EQUITY AND LIABILITIES		
3 Equity		
(a) Equity share capital		78,294
(b) Other Equity		581,127
		659,421
4 Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings		2,543,575
(ii) Other financial liabilities		2,213
(b) Provisions		2,219
(c) Other non-current liabilities		-
		2,548,007
5 Current liabilities		
(a) Financial liabilities		
(i) Borrowings		1,453,149
(ii) Trade payables		35,893
(iii) Other payables		6,914
(iv) Other financial liabilities		88,225
(b) Provisions		25,133
(c) Other current liabilities		526
		1,609,840
TOTAL EQUITY AND LIABILITIES		4,817,268



Notes:

- 1 The Company is a Non-Banking Finance Company registered with the Reserve Bank of India.
- 2 The financial results for the half year ended 30 September 2018 have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 16 October 2018.
- 3 The financial results of the Company have been prepared in accordance with Indian Accounting Standards ('Ind-AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016. The Company has adopted Ind-AS from 1 April 2018 with effective transition date of 1 April 2017 and accordingly, these financial results together with the results for the comparative reporting period have been prepared in accordance with the recognition and measurement principles as laid down in Ind-AS prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with relevant rules issued thereunder and the other accounting principles generally accepted in India.

The transition to Ind-AS has been carried out from the erstwhile Accounting Standards notified under the Act read with Rule 7 of Companies (Accounts) Rules 2014 (as amended), guidelines issued by the Reserve Bank of India ('the RBI') and other generally accepted accounting principles in India (collectively referred to as 'the Previous GAAP'). Accordingly, the impact of transition has been recorded in the opening reserves as at 1 April 2017 and the corresponding adjustments pertaining to comparative previous period / half year as presented in these financial results have been restated / reclassified in order to conform to current period presentation.

These financial results have been drawn up on the basis of Ind-AS that are applicable to the Company as at 30 September 2018 based on the Press Release issued by the Ministry of Corporate Affairs on 18 January 2016. Any application guidance / clarifications / directions issued by RBI or other regulators are implemented as and when they are issued / applicable.

- 4 In compliance with Regulation 52 of the Securities Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015, a limited review of financial results for the half year ended 30 September 2018 has been carried out by the Statutory Auditors.

As permitted under Circular No. CIR/IMD/DF1/69/2016 dated 10 August 2016 issued by SEBI, the Company has opted to avail exemption for submission of Ind-AS compliant financial results for the previous year ended 31 March 2018. Further, the financial results under Ind-AS for the half year ended 30 September 2017 including the reconciliation of net profit under the Ind-AS as stated at point no. 5 have not been subjected to a 'Limited Review'.

However, a limited review of financial results under previous GAAP for the half year ended 30 September 2017 was carried out by the Statutory Auditors.

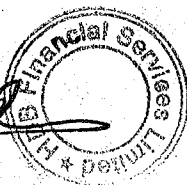
- 5 As required by Paragraph 32 of Ind- AS 101, the reconciliation of Net Profit, as previously reported and as restated under Ind-AS, for the half year ended 30 September 2017 is as under:

Particulars	(Rupees in lakhs)
	Half year ended 30 Sep 2017 Unaudited
Net Profit after tax for the period under previous Indian GAAP	39,200
a) On account of measuring effect of expected credit loss	2,152
b) On account of interest income to record loans at their amortised cost	318
c) On account of deferment of borrowing cost	30
d) On account of provisions for stock-based compensation to records ESOPs at fair value	(556)
e) Deferred tax impact on above adjustments	(867)
Net Profit after tax for the period under Ind-AS	40,277
Other Comprehensive Income (net of tax)	-
Total Comprehensive Income (after tax) under Ind-AS	40,277

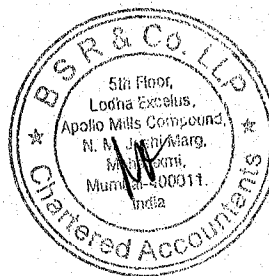
- 6 Earnings per equity share for the half year ended 30 September 2018 and 30 September 2017 have not been annualised.
- 7 Information as required by Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as per 'Annexure 1' attached.
- 8 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.
- 9 Reserves include Statutory Reserve as per Section 45IC of Reserve Bank of India Act, 1934, balance in securities premium and retained earnings.
- 10 The previous period figures have been regrouped / reclassified wherever necessary.

By Order of the Board
For HPS Financial Services Limited

Ramkish G.
Managing Director
DIN : 05291597



Date : 16 October 2018
Place : Mumbai



HDB Financial Services Limited

Annexure 1

Additional Information

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	AAA/Stable
Non-convertible debentures	AAA	AAA/Stable
Short term debt program	A1+	A1+
Subordinated bond issue	AAA	AAA/Stable
Perpetual bond issue	AAA	AAA/Stable

b) **Asset cover available**

Not applicable

c) **Debt-Equity ratio***

The debt-equity ratio of the Company as per the reviewed financial results by statutory auditors for the half year ended 30 September 2018 is 6.28

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.**

All previous dues with respect to debentures were paid on due date (Refer 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 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. 636,695 lakhs

k) **Net profit after tax**

Rs. 52,560 lakhs

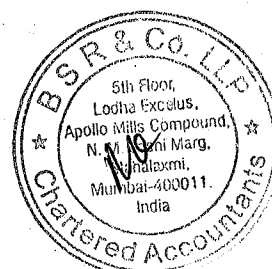
l) **Earnings per share (Refer Note 6)**

a. Basic - Rs. 6.71

b. Diluted - Rs. 6.70

* Debt equity ratio is (non current borrowings + current borrowings) / Networth

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



Appendix A - Statement of interest and principle on non convertible debentures falling due and paid during FY 2018-19 till 30.09.2018

Non Convertible Debenture Series	Interest Redemption Date	Principle Redemption Date	Total Amount Rs. In lakhs	Payment Status
NCD Series 38	18-Jun-2018	18-Jun-2019	946	Paid
NCD Series 41	31-Jul-2018	31-Jul-2019	1,434	Paid
NCD Series 54	16-May-2018	16-May-2018	7,615	Paid
NCD Series 54	16-May-2018	16-May-2018	25,000	Paid
NCD Series 55	20-Jun-2018	20-Jun-2018	2,995	Paid
NCD Series 55	20-Jun-2018	20-Jun-2018	10,000	Paid
NCD Series 56	2-May-2018	8-Jun-2018	959	Paid
NCD Series 56	8-Jun-2018	8-Jun-2018	102	Paid
NCD Series 56	8-Jun-2018	8-Jun-2018	11,000	Paid
NCD Series 57	28-May-2018	27-Jul-2018	994	Paid
NCD Series 57	27-Jul-2018	27-Jul-2018	169	Paid
NCD Series 57	27-Jul-2018	27-Jul-2018	11,300	Paid
NCD Series 58	2-Jun-2018	2-Jun-2018	877	Paid
NCD Series 58	2-Jun-2018	2-Jun-2018	10,000	Paid
NCD Series 61	27-Jul-2018	27-Jul-2018	969	Paid
NCD Series 61	27-Jul-2018	27-Jul-2018	11,000	Paid
NCD Series 62 A	30-Jul-2018	30-Jul-2018	1,443	Paid
NCD Series 62 A	30-Jul-2018	30-Jul-2018	5,000	Paid
NCD Series 62 B	20-Jul-2018	20-Jul-2018	1,199	Paid
NCD Series 62 B	20-Jul-2018	20-Jul-2018	4,200	Paid
NCD Series 63	20-Aug-2018	20-Oct-2018	1,737	Paid
NCD Series 65	25-Sep-2018	25-Sep-2018	1,673	Paid
NCD Series 65	25-Sep-2018	25-Sep-2018	20,000	Paid
NCD Series 74	4-Jun-2018	2-Mar-2019	1,061	Paid
NCD Series 74	3-Sep-2018	2-Mar-2019	1,087	Paid
NCD Series 77	14-May-2018	13-May-2019	2,791	Paid
NCD Series 78	2-May-2018	12-Jun-2019	1,495	Paid
NCD Series 79	18-Jun-2018	17-Jun-2019	1,738	Paid
NCD Series 80	2-Jun-2018	3-Jul-2019	1,127	Paid
NCD Series 82 A	14-Jun-2018	13-Mar-2020	866	Paid
NCD Series 82 B	14-Jun-2018	13-Sep-2019	1,731	Paid
NCD Series 83	9-Jul-2018	8-Mar-2019	856	Paid
NCD Series 84	27-Jul-2018	27-Jul-2018	2,931	Paid
NCD Series 84	27-Jul-2018	27-Jul-2018	17,500	Paid
NCD Series 85	3-Aug-2018	3-Aug-2018	1,654	Paid
NCD Series 85	3-Aug-2018	3-Aug-2018	20,000	Paid
NCD Series 86	10-Aug-2018	9-Aug-2019	1,660	Paid
NCD Series 87	23-Aug-2018	23-Aug-2018	3,328	Paid
NCD Series 87	23-Aug-2018	23-Aug-2018	20,000	Paid
NCD Series 88	1-Sep-2018	2-Mar-2020	2,106	Paid
NCD Series 89	15-Sep-2018	17-Sep-2019	811	Paid
NCD Series 90	24-Sep-2018	24-Sep-2018	2,114	Paid
NCD Series 90	24-Sep-2018	24-Sep-2018	27,000	Paid
NCD Series 91	28-Sep-2018	27-Sep-2019	790	Paid
NCD Series 101	31-Jul-2018	31-Jul-2018	377	Paid
NCD Series 101	31-Jul-2018	31-Jul-2018	10,000	Paid
NCD Series 103	26-Apr-2018	26-May-2020	1,048	Paid
NCD Series 104	11-May-2018	11-Jun-2020	2,536	Paid
NCD Series 105	18-May-2018	18-Jun-2020	780	Paid
NCD Series 106	29-May-2018	29-Jun-2020	2,340	Paid
NCD Series 107	13-Jun-2018	28-Jun-2019	2,685	Paid
NCD Series 108	19-Jun-2018	19-Jun-2020	2,831	Paid
NCD Series 109	18-Jul-2018	17-Aug-2020	3,760	Paid
NCD Series 110	27-Jul-2018	28-Sep-2020	2,972	Paid
NCD Series 111	28-Aug-2018	28-Aug-2019	2,912	Paid
NCD Series 112	10-Sep-2018	8-Sep-2020	2,936	Paid

