

HDB/SLC/2022/1019

July 16, 2022

To,

Listing Compliance Department BSE Limited P J Towers, Dalal Street, Mumbai - 400 001	Listing Compliance Department National Stock Exchange of India Limited Exchange Plaza, BKC, Bandra (East), Mumbai- 400051
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Sub: Submission of Unaudited Financial Results along with Limited Review Report for the quarter ended June 30, 2022

Dear Sir / Madam,

Pursuant to the provisions of Regulation 51(2) read with Part B of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, please note that, the Board of Directors at its meeting held on July 16, 2022, have inter-alia, approved the Standalone and Consolidated Unaudited Financial Results for the quarter ended June 30, 2022, duly reviewed by the Audit Committee.

Further, please note that the joint Statutory Auditors of the Company, M/s. B. K. Khare & Co. and M/s. KKC & Associates LLP has submitted Limited Review Report for the quarter ended June 30, 2022 with unmodified opinion.


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

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

You are requested to kindly take the same on record.

This is for your information and appropriate dissemination.

For HDB Financial Services Limited


Dipti Khandelwal
(Company Secretary)
Membership No. F11340



Encl: a/a

B. K. Khare & Co.
Chartered Accountants
706-708, Sharda Chambers
New Marine Lines
Mumbai 400020

KKC & Associates LLP
Chartered Accountants
Level-19, Sunshine Tower,
Senapati Bapat Marg,
Elphinstone Road,
Mumbai, Maharashtra 400013

Limited review report on unaudited standalone quarterly financial results of HDB Financial Services Limited under Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors of
HDB Financial Services Limited

Introduction

1. We have reviewed the accompanying statement of unaudited standalone financial results of HDB Financial Services Limited ("the Company") for the quarter ended 30 June 2022 ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors of the Company, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard ("Ind AS") 34 "Interim Financial Reporting" specified in section 133 of the Companies Act, 2013, the circulars, guidelines and directions issued by Reserve Bank of India ("RBI") from time to time ("RBI guidelines") and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.

Scope of 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.

Conclusion

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 the applicable Ind AS and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.



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Chartered Accountants
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New Marine Lines
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Elphinstone Road,
Mumbai, Maharashtra 400013

Other Matter

5. Attention is drawn to the fact that the unaudited standalone financial results of the Company for the corresponding quarter ended 30 June 2021 were reviewed by predecessor auditors whose report dated 16 July 2021, expressed an unmodified conclusion on those unaudited standalone financial results. Our conclusion is not modified in respect of this matter.

For B. K. Khare & Co
Chartered Accountants
Firm Registration Number - 105102W

Padmini Khare Kaicker
Partner
Membership No. 044784
UDIN: 22044784AMZGKO6794
Place: Mumbai
Date: 16 July 2022



For KKC & Associates LLP
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration Number -105146W/W10062

Hasmukh B Dedhia
Partner
Membership No. 033494
UDIN: 22033494AMZGFE4730
Place: Mumbai
Date: 16 July 2022



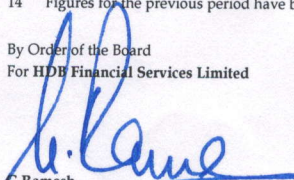
Statement of Standalone Financial Results
 for the quarter ended June 30, 2022

Particulars	(Rupees in million)			
	Quarter ended 30-06-2022	Quarter ended 31-03-2022	Quarter ended 30-06-2021	Year ended 31-03-2022
	Reviewed	Audited	Reviewed	Audited
I Revenue from operations				
Interest income	21,127	20,944	21,637	83,630
Sale of services	6,721	6,492	5,556	23,634
Other financial charges	1,860	1,806	893	5,690
Net gain on fair value changes	101	(65)	67	165
Net gain/(loss) on derecognised financial instruments	(7)	(13)	(9)	(56)
Total Revenue from operations	29,802	29,164	28,144	1,13,063
II Expenses				
Finance Costs	7,864	7,750	8,733	33,255
Impairment on financial instruments	3,983	4,218	8,696	24,657
Employee benefits expenses	10,054	9,644	8,222	35,004
Depreciation, amortization and impairment	249	245	249	989
Others expenses	1,738	1,554	1,080	5,682
Total expenses	23,888	23,411	26,980	99,587
III Profit before tax (I-II)	5,914	5,753	1,164	13,476
IV Tax expense:				
a. Current tax	1,888	2,344	648	6,634
b. Deferred tax	(387)	(861)	(370)	(3,272)
Total tax expense	1,501	1,483	278	3,362
V Net Profit for the period (III-IV)	4,413	4,270	886	10,114
VI Other Comprehensive Income (net of tax)	59	134	(190)	138
VII Total Comprehensive Income (after tax) (V-VI)	4,472	4,404	696	10,252
VIII Earnings per equity share (Refer Note 6)				
a. Basic (in Rupees)	5.58	5.41	1.12	12.81
b. Diluted (in Rupees)	5.58	5.41	1.12	12.80
Face value per share (in Rupees)	10	10	10	10

Notes:

- HDB Financial Services Limited ('the Company') is a Non-Banking Financial Company registered with the Reserve Bank of India.
- The standalone financial results for the quarter ended June 30, 2022 have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on July 16, 2022.
- 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.
- In compliance with Regulation 33 and 52 of the Securities Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015, a 'Limited Review' of standalone financial results for the quarter ended June 30 2022 has been carried out by the Statutory Auditors of the Company.
- The figures for the preceeding quarter ended March 31, 2022 are the balancing figures between audited figures in respect of the full previous financial year and the unpublished reviewed year-to-date figures upto third quarter of the previous financial year.
- Earnings per share for the quarter ended June 30, 2022, June 30, 2021 and March 31, 2022 have not been annualised.
- Pursuant to Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Operational Circular dated August 10, 2021, the Company has listed Commercial Papers on National Stock Exchange (NSE).
- Other equity include Statutory Reserve as per Section 45IC of Reserve Bank of India Act, 1934, balance in securities premium, retained earnings, ESOP reserve and Cash flow hedge.
- The Secured listed non-convertible debt securities 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/or first and exclusive charge on receivables of the Company by way of hypothecation to the extent of minimum 1.1 times of the outstanding principal and interest there on.
- As on June 30, 2022, the security cover available in respect of secured non convertible debt securities is 1.10 and asset cover available in respect of unsecured non convertible debt securities is 2.87.
- The Company has implemented the requirements pertaining to day-end-processing and allied matters vide RBI circular dated November 12, 2021. Accordingly, the Gross Stage 3 as at June 30, 2022 is 4.95% (If the company had availed relaxation thereof referred to in RBI circular dated February 15, 2022, the Gross Stage 3 would have been 3.77%).
- Information as required by Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached as Annexure 1.
- 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 2.
- Figures for the previous period have been regrouped wherever necessary, in order to make them comparable.

By Order of the Board
 For HDB Financial Services Limited


 G. Ramesh
 Managing Director & CEO
 DIN : 05291597
 Date : July 16, 2022
 Place : Mumbai



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 quarter ended June 30, 2022

- a) **Debt-Equity ratio***
Debt-equity ratio of the Company as per the reviewed standalone financial results by statutory auditors as at June 30, 2022 is 5.67
- b) **Debt service coverage ratio**
Not applicable
- c) **Interest service coverage ratio**
Not applicable
- d) **Outstanding redeemable preference shares (quantity and value)**
Not applicable
- e) **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.
- f) **Net worth****
Rs. 88,291 millions
- g) **Net profit after tax**
Rs.4413 millions
- h) **Earnings per share**
a. Basic - Rs.5.58
b. Diluted - Rs.5.58
- i) **Current ratio**
Current ratio is 1.10
- j) **Long term debt to working capital ratio**
Long term debt to working capital ratio is 13.16
- k) **Bad debts to account receivable ratio**
Not applicable
- l) **Current liability ratio**
Current liability ratio is 43.38%
- m) **Total debts to total assets**
Total debts to total assets ratio is 79.39%
- n) **Debtors turnover**
Not applicable
- o) **Inventory turnover**
Not applicable
- p) **Operating margin (%)**
Not applicable
- q) **Net profit margin (%)**
Net profit margin for the three months ended June 30, 2022 is 14.81%
- r) **Sector specific equivalent ratios such as (i) NPA/ECL ratio, (ii) PCR ratio, (iii) LCR ratio, etc**
a. Stage 3 ratio as at June 30, 2022 is 4.95%
b. Provision coverage ratio as at June 30, 2022 is 56.74%
c. Liquidity coverage ratio as at June 30, 2022 is 164%

* 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

Annexure 2 Standalone Segment Reporting for the quarter ended June 30 2022

(Rupees in million)

S.N.	Particulars	Quarter ended 30-06-2022	Quarter ended 31-03-2022	Quarter ended 30-06-2021	Year ended 31-03-2022
		Reviewed	Audited	Reviewed	Audited
1	Segment Revenue				
	Lending business	23,081	22,672	22,588	89,429
	BPO Services	6,721	6,492	5,556	23,634
	Unallocated	-	-	-	-
	Income from Operations	29,802	29,164	28,144	1,13,063
2	Segment Results				
	Lending business	5,598	5,051	1,098	12,387
	BPO Services	368	553	222	1,347
	Unallocated	(52)	149	(156)	(258)
	Profit before tax	5,914	5,753	1,164	13,476
	Income Tax expenses				
	Current tax	1888	2344	649	6,634
	Deferred tax Asset	(387)	(861)	(370)	(3,272)
	Net Profit	4,413	4,270	886	10,114
3	Capital Employed				
	Segment assets				
	Lending business	6,17,330	6,08,127	5,91,225	6,08,127
	BPO Services	2,124	1,487	1,555	1,487
	Unallocated	11,015	10,645	8,724	10,645
	Total Assets	6,30,469	6,20,259	6,01,504	6,20,259
	Segment Liabilities				
	Lending business	5,25,297	5,20,093	5,11,760	5,20,093
	BPO Services	2,671	956	3,208	956
	Unallocated	3,330	3,813	1,319	3,813
	Total Liabilities	5,31,298	5,24,862	5,16,286	5,24,862
	Net Segment assets/ (liabilities)	99,171	95,397	85,218	95,397

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 & CEO 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.



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Limited review report on unaudited consolidated quarterly financial results of HDB Financial Services Limited under Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors of
HDB Financial Services Limited

Introduction

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 June 2022 ("the Statement"), being submitted by the Parent pursuant to the requirements of Regulation 33 and Regulation 52 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 of the Company, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard ("Ind AS") 34 "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013, the circulars, guidelines and directions issued by Reserve Bank of India ("RBI") from time to time ("RBI guidelines") and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.

Scope of 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.

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

4. The Statement includes the result of the following entities:

#	Name of the entity (Controlled Structure Entity)
1	Venus Trust March 2020
2	Venus Trust September 2020
3	Venus Trust March 2021
4	Venus Trust March 2022



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Elphinstone Road,
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Conclusion

5. 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 the applicable Ind AS and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

Other Matters

6. The Statement includes the financial information of 4 controlled structure entities, which have not been reviewed by their auditors, whose financial information reflect total revenue Nil, total net profit after tax Nil and total comprehensive income Nil for the quarter ended 30 June 2022, as considered in the Statement. According to the information and explanations given to us by the Management, the financial information is not material to the Group. Our conclusion on the Statement is not modified in respect of the above matter.
7. Attention is drawn to the fact that the unaudited consolidated financial results of the Company for the corresponding quarter ended 30 June 2021 were reviewed by predecessor auditors whose report dated 16 July 2021, expressed an unmodified conclusion on those unaudited consolidated financial results. Our conclusion is not modified in respect of this matter.

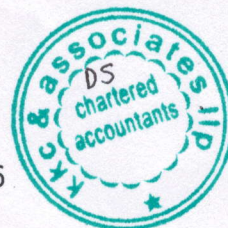
For B. K. Khare & Co
Chartered Accountants
Firm Registration Number - 105102W

Padmini Khare Kaicker
Partner
Membership No. 044784
UDIN: 22044784AMZGLP1508
Place: Mumbai
Date: 16 July 2022



For KKC & Associates LLP
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
Firm Registration Number -105146W/W100621

Hasmukh B Dedhia
Partner
Membership No. 033494
UDIN: 22033494AMZGFN9246
Place: Mumbai
Date: 16 July 2022



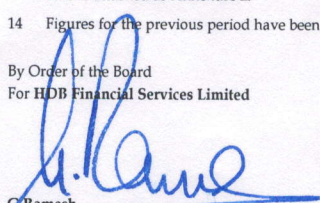
Statement of Consolidated Financial Results
 for the quarter ended June 30, 2022

Particulars	(Rupees in million)			
	Quarter ended 30-06-2022	Quarter ended 31-03-2022	Quarter ended 30-06-2021	Year ended 31-03-2022
	Reviewed	Audited	Reviewed	Audited
I Revenue from operations				
Interest income	21,127	20,944	21,637	83,630
Sale of services	6,721	6,492	5,556	23,634
Other financial charges	1,860	1,806	893	5,690
Net gain on fair value changes	101	(65)	67	165
Net gain/(loss) on derecognised financial instruments	(7)	(13)	(9)	(56)
Total Revenue from operations	29,802	29,164	28,144	1,13,063
II Expenses				
Finance Costs	7,864	7,750	8,733	33,255
Impairment on financial instruments	3,983	4,218	8,696	24,657
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Total expenses	23,888	23,411	26,980	99,587
III Profit before tax (I-II)	5,914	5,753	1,164	13,476
IV Tax expense:				
a. Current tax	1,888	2,344	648	6,634
b. Deferred tax	(387)	(861)	(370)	(3,272)
Total tax expense	1,501	1,483	278	3,362
V Net Profit for the period (III-IV)	4,413	4,270	886	10,114
VI Other Comprehensive Income (net of tax)	59	134	(190)	138
VII Total Comprehensive Income (after tax) (V-VI)	4,472	4,404	696	10,252
VIII Earnings per equity share (Refer Note 6)				
a. Basic (in Rupees)	5.58	5.41	1.12	12.81
b. Diluted (in Rupees)	5.58	5.41	1.12	12.80
Face value per share (in Rupees)	10	10	10	10

Notes:

- HDB Financial Services Limited ('the Group') is a Non-Banking Financial Company registered with the Reserve Bank of India.
- The consolidated financial results for the quarter ended June 30, 2022 have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on July 16, 2022.
- 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.
- In compliance with Regulation 33 and 52 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 ended June 30 2022 has been carried out by the Statutory Auditors of the Group.
- The figures for the preceeding quarter ended March 31, 2022 are the balancing figures between audited figures in respect of the full previous financial year and the unpublished reviewed year-to-date figures upto third quarter of the previous financial year.
- Earnings per share for the quarter ended June 30, 2022, June 30, 2021 and March 31, 2022 have not been annualised.
- Pursuant to Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Operational Circular dated August 10, 2021, the Group has listed Commercial Papers on National Stock Exchange (NSE).
- Other equity include Statutory Reserve as per Section 45IC of Reserve Bank of India Act, 1934, balance in securities premium, retained earnings, ESOP reserve and Cash flow hedge.
- The Secured listed non-convertible debt securities of the Group are secured by first pari passu mortgage of immovable property situated at "Heera Panna Commercial Complex", 3rd Floor, Dr. Yagnik Road, Rajkot and/or first and exclusive charge on receivables of the Group by way of hypothecation to the extent of minimum 1.1 times of the outstanding principal and interest there on.
- As on June 30, 2022, the security cover available in respect of secured non convertible debt securities is 1.10 and asset cover available in respect of unsecured non convertible debt securities is 2.87.
- The Group has implemented the requirements pertaining to day-end-processing and allied matters vide RBI circular dated November 12, 2021. Accordingly, the Gross Stage 3 as at June 30, 2022 is 4.95% (If the Group had availed relaxation thereof referred to in RBI circular dated February 15, 2022, the Gross Stage 3 would have been 3.77%).
- Information as required by Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached as Annexure 1.
- 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 2.
- Figures for the previous period have been regrouped wherever necessary, in order to make them comparable.

By Order of the Board
 For HDB Financial Services Limited


 C. Ramesh
 Managing Director & CEO
 DIN : 05291597

Date : July 16, 2022
 Place : Mumbai



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 quarter ended June 30, 2022

- a) **Debt-Equity ratio***
Debt-equity ratio of the Group as per the reviewed consolidated financial results by statutory auditors as at June 30, 2022 is 5.67
- b) **Debt service coverage ratio**
Not applicable
- c) **Interest service coverage ratio**
Not applicable
- d) **Outstanding redeemable preference shares (quantity and value)**
Not applicable
- e) **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.
- f) **Net worth****
Rs. 88,291 millions
- g) **Net profit after tax**
Rs. 4413 millions
- h) **Earnings per share**
 - a. Basic - Rs. 5.58
 - b. Diluted - Rs. 5.58
- i) **Current ratio**
Current ratio is 1.10
- j) **Long term debt to working capital ratio**
Long term debt to working capital ratio is 13.16
- k) **Bad debts to account receivable ratio**
Not applicable
- l) **Current liability ratio**
Current liability ratio is 43.38%
- m) **Total debts to total assets**
Total debts to total assets ratio is 79.39%
- n) **Debtors turnover**
Not applicable
- o) **Inventory turnover**
Not applicable
- p) **Operating margin (%)**
Not applicable
- q) **Net profit margin (%)**
Net profit margin for the three months ended June 30, 2022 is 14.81%
- r) **Sector specific equivalent ratios such as (i) NPA/ECL ratio, (ii) PCR ratio, (iii) LCR ratio, etc**
 - a. Stage 3 ratio as at June 30, 2022 is 4.95%
 - b. Provision coverage ratio as at June 30, 2022 is 56.74%
 - c. Liquidity coverage ratio as at June 30, 2022 is 164%

* 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

Annexure 2 Consolidated Segment Reporting for the quarter ended June 30 2022

(Rupees in million)

S.N.	Particulars	Quarter ended 30-06-2022	Quarter ended 31-03-2022	Quarter ended 30-06-2021	Year ended 31-03-2022
		Reviewed	Audited	Reviewed	Audited
1	Segment Revenue				
	Lending business	23,081	22,672	22,588	89,429
	BPO Services	6,721	6,492	5,556	23,634
	Unallocated	-	-	-	-
	Income from Operations	29,802	29,164	28,144	1,13,063
2	Segment Results				
	Lending business	5,598	5,051	1,098	12,387
	BPO Services	368	553	222	1,347
	Unallocated	(52)	149	(156)	(258)
	Profit before tax	5,914	5,753	1,164	13,476
	Income Tax expenses				
	Current tax	1888	2344	649	6,634
	Deferred tax Asset	(387)	(861)	(370)	(3,272)
	Net Profit	4,413	4,270	886	10,114
3	Capital Employed				
	Segment assets				
	Lending business	6,17,330	6,08,127	5,91,225	6,08,127
	BPO Services	2,124	1,487	1,555	1,487
	Unallocated	11,015	10,645	8,724	10,645
	Total Assets	6,30,469	6,20,259	6,01,504	6,20,259
	Segment Liabilities				
	Lending business	5,25,297	5,20,093	5,11,760	5,20,093
	BPO Services	2,671	956	3,208	956
	Unallocated	3,330	3,813	1,319	3,813
	Total Liabilities	5,31,298	5,24,862	5,16,286	5,24,862
	Net Segment assets / (liabilities)	99,171	95,397	85,218	95,397

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 & CEO of the Group has been identified as the CODM as defined by Ind AS 108 Operating Segments, who assesses the financial performance and position of the Group and makes strategic decisions.

b) Operating Segment

Primary Segment (Business Segment)

The Group 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 Group are primarily concentrated in India, the Group 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.

