

HDB/SLC/2022/973

April 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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Subject: Submission of Audited Financial Results along with Audit Report for the quarter and year ended March 31, 2022 and declaration of final dividend

Dear Sir / Madam,

Pursuant to the provisions of Regulation 33 & 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, please find enclosed the Standalone and Consolidated Audited Financial Results for the quarter and year ended March 31, 2022, duly reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on April 16, 2022.

Further, please note that the joint Statutory Auditors of the Company, M/s. B. K. Khare & Co. and M/s. Khimji Kunverji & Co LLP has submitted Audit Report for the quarter and year ended March 31, 2022 with unmodified opinion.

The disclosures in compliance with Regulations 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Large Corporate disclosures as per Chapter XII of SEBI Operational Circular dated August 10, 2021 for March 31, 2022 are disclosed along with the financial results.

Further the Board of Directors of the Company has recommended a final dividend of Rs.1.00 (Rupee One Only) per equity share for the financial year ended March 31, 2022, subject to the approval of the shareholders of the Company.

You are requested to kindly take the same on record.

This is for your information and appropriate dissemination.

Thanking you,

For **HDB Financial Services Limited**


Dipti Khandelwal
Company Secretary
M. No. F11340



Encl: a/a

Independent auditor's report

To
The Board of Directors of
HDB Financial Services Limited

Report on the audit of the Standalone Financial Results

Opinion

1. We have audited the accompanying statement of standalone financial results of HDB Financial Services Limited ("the Company") for the quarter ended 31 March 2022 and the year to date results for the period from 1 April 2021 to 31 March 2022 ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Statement:
 - 2.1. are presented in accordance with the requirements of the Listing Regulations in this regard; and
 - 2.2. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian accounting standards ("Ind AS"), RBI guidelines and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the quarter ended 31 March 2022 and the year to date results for the period from 1 April 2021 to 31 March 2022.

Basis for Opinion

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

Management's and Board's Responsibilities for the Standalone Financial Results

4. The Statement has been prepared on the basis of the standalone annual financial statements. The Company's Management and Board of Directors are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Ind AS 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and



presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Results

7. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.
8. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - 8.1. Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - 8.2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of standalone financial statements on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
 - 8.3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
 - 8.4. Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
 - 8.5. Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
 - 8.6. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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

Other matters

9. Attention is drawn to the fact that the audited standalone financial results of the Company for the quarter and year ended 31 March 2021 were audited by erstwhile auditors whose report dated 17 April 2021, expressed an unmodified opinion on those audited standalone financial results and the standalone financial statements. Our opinion is not modified in respect of these matters.
10. The Statement includes the results for the quarter ended 31 March 2022 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

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

Padmini Khare Kaicker
Partner
Membership Number: 044784
UDIN: 22044784AHELIH2401
Place: Mumbai
Date: 16 April, 2022



For Khimji Kunverji & Co LLP
Chartered Accountants
Firm Registration Number - 105146W/W-100621

Hasmukh B Dedhia
Partner
Membership Number: 033494
UDIN: 22033494AHEKXC7896
Place: Mumbai
Date: 16 April, 2022



Audited Standalone Annual Financial Results
for the quarter and year ended 31 March 2022

(Rupees in million)

Particulars	Quarter ended 31 Mar 2022 Audited	Quarter ended 31 Dec 2021 Unaudited	Quarter ended 31 Mar 2021 Audited	Year ended 31 Mar 2022 Audited	Year ended 31 Mar 2021 Audited
I Revenue from operations					
Interest income	20,944	20,454	22,025	83,630	84,879
Sale of services	6,492	5,829	5,509	23,634	20,204
Other financial charges	1,806	1,700	1,366	5,690	4,051
Net gain on fair value changes	(65)	76	3	165	400
Net gain/(loss) on derecognised financial instruments	(13)	(14)	(15)	(56)	(86)
Total Revenue from operations	29,164	28,045	28,888	1,13,063	1,09,448
II Expenses					
Finance Costs	7,750	8,229	9,035	33,255	38,829
Impairment on financial instruments	4,218	5,404	4,290	24,657	30,688
Employee benefits expenses	9,644	8,482	7,073	35,004	29,556
Depreciation, amortization and impairment	245	247	257	989	1,078
Others expenses	1,554	1,644	1,445	5,682	4,290
Total expenses	23,411	24,006	22,100	99,587	1,04,441
III Profit before tax (I-II)	5,753	4,039	6,788	13,476	5,007
IV Tax expense:					
a. Current tax	2,344	2,238	2,356	6,634	4,191
b. Deferred tax	(861)	(1,240)	(685)	(3,272)	(3,099)
Total tax expense	1,483	998	1,671	3,362	1,092
V Net Profit for the period (III-IV)	4,270	3,041	5,117	10,114	3,915
VI Other Comprehensive Income (net of tax)	134	200	-	138	(135)
VII Total Comprehensive Income (after tax) (V-VI)	4,404	3,241	5,117	10,252	3,780
VIII Earnings per equity share (Refer Note 8)					
a. Basic (in Rupees)	5.41	3.85	6.49	12.81	4.97
b. Diluted (in Rupees)	5.41	3.85	6.49	12.80	4.97
Face value per share (in Rupees)	10	10	10	10	10



Notes:

1 Statement of Standalone Assets and Liabilities

(Rupees in million)

Particulars	As at 31 Mar 2022	As at 31 Mar 2021
	Audited	Audited
ASSETS		
1 Financial Assets		
(a) Cash and cash equivalents	5,078	7,535
(b) Bank balances other than cash and cash equivalents	1,762	2,229
(c) Derivative financial instruments	1,324	-
(d) Trade receivables	1,418	1,173
(e) Loans	5,71,625	5,86,014
(f) Investments	22,335	15,929
(g) Other financial assets	3,146	2,492
	6,06,688	6,15,372
2 Non-financial Assets		
(a) Current tax assets (Net)	133	569
(b) Deferred tax assets (Net)	10,512	7,300
(c) Property, plant and equipment	781	915
(d) Capital work-in-progress	-	-
(e) Other intangible assets	120	80
(f) Right of Use Assets	2,025	2,174
	13,571	11,038
TOTAL ASSETS	6,20,259	6,26,410
EQUITY AND LIABILITIES		
3 Financial Liabilities		
(a) Derivative financial instruments	-	427
(b) Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises	-	0
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	2,469	3,342
(c) Debt securities	2,53,323	2,38,021
(d) Borrowings (other than debt securities)	1,95,017	2,25,691
(e) Subordinated liabilities	41,391	39,876
(f) Other financial liabilities	27,087	28,449
	5,19,287	5,35,806
4 Non-Financial Liabilities		
(a) Current tax liabilities (net)	597	1,731
(b) Provisions	3,148	3,198
(c) Other non-financial liabilities	1,830	1,213
	5,575	6,142
5 Equity		
(a) Equity share capital	7,904	7,892
(b) Other equity	87,493	76,570
	95,397	84,462
TOTAL EQUITY AND LIABILITIES	6,20,259	6,26,410



2 Standalone Statement of Cash Flows

Particulars	(Rupees in million)	
	Year ended 31 Mar 2022	Year ended 31 Mar 2021
	Audited	Audited
Cash flow from operating activities		
Profit before tax	13,476	5,007
Adjustments for		
Interest income	(83,630)	(84,879)
Interest expenses	33,166	38,572
(Profit)/loss on sale of asset	(1)	19
Realised net (gain)/ loss on FVTPL investments	393	(798)
Unrealised (gain)/loss on FVTPL investments	(228)	(51)
Discount on commercial paper	89	257
Provision for compensated absence and gratuity	35	158
Employee share based payment expenses	304	136
Depreciation, amortization and impairment	989	1,078
Impairment on financial instruments	24,657	30,655
Operating cash flow before working capital changes	(10,750)	(9,846)
Adjustments for working capital changes:		
Interest paid	(36,995)	(36,953)
Interest received	83,531	84,475
(Increase)/ decrease in Loans	(10,165)	(44,822)
(Increase)/ decrease in trade receivables	(245)	661
(Increase)/ decrease in other financial assets and others	(477)	(654)
Increase/ (decrease) in other financial and non financial liabilities & provisions	(9,600)	78
Increase/ (decrease) in trade payables	(873)	1,842
Cash generated from operations	14,426	(5,219)
Direct taxes paid (net of refunds)	5,144	1,800
Net cash flow generated from/(used in) operating activities	A 19,570	(3,419)
Cash flow from investing activities		
Purchase of investments	(2,45,836)	(1,55,575)
Proceeds of investments	2,39,202	1,57,132
Purchase of fixed assets	(411)	(246)
Proceeds from sale of fixed assets	13	4
Net cash generated from/(used in) investing activities	B (7,032)	1,315
Cash flow from financing activities		
Debt securities issued	88,760	1,05,411
Debt securities repaid	(72,745)	(93,789)
Borrowings other than debt securities issued	88,004	93,093
Borrowings other than debt securities repaid	(1,20,264)	(1,01,952)
Subordinated debt issued	1,500	3,565
Subordinated debt repaid	-	-
Proceeds from issue of shares and security premium	379	369
Repayment of lease liabilities	(629)	(618)
Dividend and tax paid on dividend	-	-
Net cash generated from/(used in) financing activities	C (14,995)	6,079
Net increase/(decrease) in cash and cash equivalents	A+B+C (2,457)	3,975
Add : Cash and cash equivalents as at the beginning of the year	7,535	3,560
Cash and cash equivalents as at the end of the year*	5,078	7,535
*Components of cash and cash equivalents		
Balances with banks	4,308	6,504
Demand drafts on hand	113	129
Cash on hand	351	296
Collateral with banks for derivative	306	606
	5,078	7,535



- 3 HDB Financial Services Limited ('the Company') is a Non-Banking Financial Company registered with the Reserve Bank of India.
- 4 The standalone annual financial results for the quarter and year ended 31 March 2022, which have been subjected to audit by the Statutory Auditors of the Company, have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 16 April 2022, in terms of Regulations 33 and 52 of the Securities and Exchange Board of India (Listing and Other Disclosure Requirements) Regulations, 2015.
- 5 The standalone annual financial results have been prepared in accordance with and comply in all material aspects with Indian Accounting Standards ('Ind AS') notified 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 relevant provisions of the Act. The standalone annual financial statements, used to prepare the standalone annual financial results, are based on the notified Schedule III of the Act, as amended from time to time, for Non-Banking Financial Companies that are required to comply with Ind AS.
- 6 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 March 31, 2022 is 4.99% (If the company had availed relaxation thereof referred to in RBI circular dated February 15, 2022, the Gross Stage 3 would have been 3.72%)
- 7 The figures for the quarter ended 31 March 2022 and 31 March 2021 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of third quarter of the respective financial year, which were subject to Limited Review.
- 8 Earnings per equity share for the quarter ended 31 March 2022, 31 December 2021 and 31 March 2021 have not been annualised.
- 9 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.
- 10 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 principle and interest there on .
- 11 The asset cover available as on March 31, 2022 in respect of secured non convertible debt securities is 1.10 and unsecured non convertible debt securities is 2.65
- 12 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.
- 13 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.
- 14 The Company is a 'Large Corporate' as per criteria under SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with Chapter XII of SEBI Operational Circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 and the disclosure in terms of the said SEBI circular is attached as Annexure 3.
- 15 Information as required by Reserve Bank of India Circular on Resolution Framework for COVID-19 related Stress dated 6 August 2020 and on Resolution Framework - 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses dated 5 May 2021 is attached as Annexure 4.
- 16 The board has recommended a final dividend of Rs. 1 per equity share for financial year ended 31 March 2022 in the Borad of Directors meeting held on 16 April 2022.
- 17 Pursuant to SEBI Circular No. SEBI/HO/DDHS/DDHS/CIR/P/2019/115 dated October 22, 2019, as amended, the Company had listed Commercial Papers on National Stock Exchange (NSE).
- 18 Details of loans transferred / acquired during the quarter ended March 31, 2022 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:

(i) Details of non-performing assets (NPAs) transferred are given below:

Particulars	(Rupees in million)		
	To Asset Reconstruction	To permitted transferees	To other transferees
Number of accounts	80	-	-
Aggregate principal outstanding of loans transferred	144	-	-
Weighted average residual tenor of the loans transferred (in years)	7	-	-
Net book value of loans transferred	78	-	-
Aggregate consideration	75	-	-
Additional consideration realised in respect of accounts transferred in earlier years	-	-	-

(ii) The company has not acquired any Special Mention Account.

(iii) The company has not acquired any stressed loan and loan not in default.

19 The Board of Directors, on the recommendation of Nomination and Remuneration Committee, appointed Ms. Arundhati Mech (DIN: 09177619) as an Independent Director of the Company effective from 11 February 2022 for a period of five consecutive years. Further, the shareholders have approved her appointment through postal ballot passed on March 27, 2022.

20 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

Ramesh G.
Managing Director & CEO
DIN : 05291597



Date : 16 April 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 year ended 31 March 2022

- a) **Debt-Equity ratio***
Debt-equity ratio of the Company as per the audited standalone financial results by statutory auditors as at 31 March 2022 is 5.77
- 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. 84,886 millions
- g) **Net profit after tax**
Rs.10,114 millions
- h) **Earnings per share**
a. Basic - Rs.12.81
b. Diluted - Rs.12.80
- i) **Current ratio**
Current ratio is 1.19
- j) **Long term debt to working capital ratio**
Long term debt to working capital ratio is 8.09
- k) **Bad debts to account receivable ratio**
Not applicable
- l) **Current liability ratio**
Current liability ratio is 38.97%
- m) **Total debts to total assets**
Total debts to total assets ratio is 78.96%
- n) **Debtors turnover**
Not applicable
- o) **Inventory turnover**
Not applicable
- p) **Operating margin (%)**
Not applicable
- q) **Net profit margin (%)**
Net profit margin for the year ended 31 March 2022 is 8.95%
- r) **Sector specific equivalent ratios such as (i) NPA/ECL ratio, (ii) PCR ratio, (iii) LCR ratio, etc**
a. Stage 3 ratio as at 31 March 2022 is 4.99%
b. Provision coverage ratio as at 31 March 2022 is 54.13%
c. Liquidity coverage ratio as at 31 March 2022 is 102%

* 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 and year ended 31 March 2022

(Rupees in million)

S.N.	Particulars	Quarter ended 31 Mar 2022 Audited	Quarter ended 31 Dec 2021 Reviewed	Quarter ended 31 Mar 2021 Audited	Year ended 31 Mar 2022 Audited	Year ended 31 Mar 2021 Audited
i.	Segment Revenue					
	Lending business	22,672	22,216	23,379	89,429	89,244
	BPO Services	6,492	5,829	5,509	23,634	20,204
	Unallocated	-	-	-	-	-
	Income from Operations	29,164	28,045	28,888	1,13,063	1,09,448
ii.	Segment Results					
	Lending business	5,051	3,817	6,891	12,387	4,460
	BPO Services	553	380	147	1,347	1,037
	Unallocated	149	(158)	(250)	(258)	(490)
	Profit before tax	5,753	4,039	6,788	13,476	5,007
	Income Tax expenses					
	Current tax	2,344	2,238	2,356	6,634	4,191
	Deferred tax Asset	(861)	(1,240)	(685)	(3,272)	(3,099)
	Net Profit	4,270	3,041	5,117	10,114	3,915
iii.	Capital Employed					
	Segment assets					
	Lending business	6,08,127	5,90,666	6,16,945	6,08,127	6,16,945
	BPO Services	1,487	1,133	1,475	1,487	1,475
	Unallocated	10,645	10,759	7,991	10,645	7,991
	Total Assets	6,20,259	6,02,558	6,26,411	6,20,259	6,26,411
	Segment Liabilities					
	Lending business	5,20,093	5,08,208	5,38,863	5,20,093	5,38,863
	BPO Services	956	1,714	504	956	504
	Unallocated	3,813	1,886	2,582	3,813	2,582
	Total Liabilities	5,24,862	5,11,808	5,41,949	5,24,862	5,41,949
	Net Segment assets / (liabilities)	95,397	90,750	84,462	95,397	84,462

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.



HDB Financial Services Limited

Annexure 3

Disclosure pursuant to Chapter XII of SEBI Operational Circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021

for the year ended 31 March 2022

Annexure A

S. No.	Particulars	Details
1	Name of the Company	HDB Financial Services Limited
2	CIN	U65993GJ2007PLC051028
3	Outstanding borrowing of Company as on 31st March ((Rupees in million)	4,37,504
4	Highest Credit Rating during the previous FY along with name of the Credit Rating Agency	CRISIL AAA/Stable and CARE AAA/Stable
5	Name of Stock Exchange in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	BSE

We confirm that we are a Large Corporate as per the applicability criteria given under SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with Chapter XII of SEBI Operational Circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021.

Annexure B2

- | | |
|----------------------------------|--------------------------------|
| 1. Name of the Company: | HDB Financial Services Limited |
| 2. CIN: | U65993GJ2007PLC051028 |
| 3. Report filed for FY: | 2021-22 |
| 4. Details of the current block: | 2021-22/2022-23 |

(Rupees in million)

S. No.	Particulars	Details
i.	2-Year block period	FY22 & FY23
ii.	Incremental borrowing done in FY (a)	1,67,577
iii.	Mandatory borrowing to be done through debt securities in FY (b) = (25% of a)	41,894
iv.	Actual borrowings done through debt securities in FY (c)	88,327
v.	Shortfall in the borrowing through debt securities, if any, for FY carry forward to FY (d)	NA
vi.	Quantum of (d), which has met from (c) (e)	Nil
vii.	Shortfall, if any, in the mandatory borrowing through debt securities for FY (f) = b - [(c) - (e)]	Nil

(Rupees in million)

S. No.	Details of penalty to be paid, if any, in respect of previous block	Details
i.	2-Year block period	FY21 & FY22
ii.	Amount of the fine to be paid for the block, if applicable Fine = 0.2% ((d) - (e))	Nil


Dipti Khandelwal
Company Secretary
Tel: +912249116368




Jaykumar P. Shah
Chief Financial Officer
Tel: +912249116300



Date : 16 April 2022



HDB Financial Services Limited

Annexure 4

Disclosure pursuant to Reserve Bank of India Circular DOR.No.BP.BC/3/21.04.048/2020-21 dated 6 August 2020 pertaining to Resolution Framework for COVID-19-related Stress read with RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021 pursuant to Resolution Framework 2.0 - Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs) and Disclosure pursuant to Reserve Bank of India Circular RBI/2021-22/31 DOR.STR.REC. 11/21.04.048/2021-22 dated 5 May 2021 pertaining to Resolution Framework - 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses

Format-B For Resolutioin framework

(Rupees in million)					
Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of 30th Sep 2021 (A)	Of (A), aggregate debt that slipped into NPA during six month period ended 31st Mar 2022	Of (A) amount written off during six month ended 31st Mar 2022	Of (A) amount Paid by the borrowers during the six month ended 31st Mar 2022	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of 31st March 2022
Personal Loans	3,271	491	-	218	2,563
Corporate persons*	534	-	-	76	459
Of which, MSMEs	534	-	-	76	459
Others	3	-	-	0	3
Total	3,809	491	-	293	3,025



Independent auditor's report

To
The Board of Directors of
HDB Financial Services Limited

Report on the audit of the Consolidated Financial Results

Opinion

1. We have audited the accompanying statement of consolidated financial results of HDB Financial Services Limited ("the Parent" or "the Company") and its controlled structure entities (the parent and its controlled structured entities together referred to as "the Group"), for the quarter ended 31 March 2022 and the year to date results for the period from 1 April 2021 to 31 March 2022 ("the Statement"), being submitted by the Parent pursuant to the requirements of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").
2. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the financial information provided to us by the management of the Company, the Statement:
 - 2.1. includes the results of the following entities:

#	Name of the entity (controlled structure entities)
1	Venus Trust December 2019
2	Venus Trust March 2020
3	Venus Trust September 2020
4	Venus Trust March 2021
5	Venus Trust March 2022

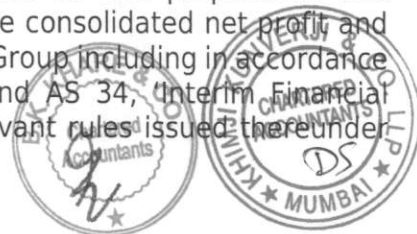
- 2.2. is presented in accordance with the requirements of Listing Regulations; and
- 2.3. gives a true and fair view, in conformity with the applicable Indian Accounting Standards ("Ind AS"), and other accounting principles generally accepted in India, of the consolidated net profit and other comprehensive income and other financial information of the Group for the quarter ended 31 March 2022 and the year-to-date results for the period from 1 April 2021 to 31 March 2022.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Management's and Board of Director's Responsibilities for the Consolidated Financial Results

4. The Statement has been prepared on the basis of the consolidated annual financial statements. The Parent's Management and Board of Directors are responsible for the preparation and presentation of the Statement that gives a true and fair view of the consolidated net profit and other comprehensive income and other financial information of the Group including in accordance with the recognition and measurement principles laid down in Ind AS 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued thereunder.



and other accounting principles generally accepted in India and in compliance with the Listing Regulations. The respective management of the controlled structured entities included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Management and the Directors of the Parent, as aforesaid.

5. In preparing the Statement, the Board of Directors of the Parent are responsible for assessing the ability of each structurally controlled entity and the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company and the Group or to cease operations, or has no realistic alternative but to do so.
6. The Board of Directors of the Parent are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

7. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.
8. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - 8.1. Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - 8.2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of consolidated financial statements on whether the Group has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
 - 8.3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Parent.
 - 8.4. Conclude on the appropriateness of the said Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.



- 8.5. Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
- 8.6. Obtain sufficient appropriate audit evidence regarding the structurally controlled entities within the Group to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
- 8.7. We communicate with those charged with governance of the Parent Company and such other entities included in the Statement of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit
- 8.8. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- 8.9. 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.

Other Matters

9. The Statement includes the unaudited Financial Results of 5 controlled structure entities, whose financial information reflect Group's share of total assets of Rs. Nil as at 31 March 2022, Group's share of total revenue of Rs. Nil and Rs. Nil and Group's share of total net profit after tax of Rs. Nil and Rs. Nil for the quarter ended 31 March 2022 and for the period from 1 April 2021 to 31 March 2022 respectively, as considered in the Statement. This unaudited financial information has been furnished to us by the Board of Directors and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these controlled structure entities is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, the said financial information are not material to the Group.

Our opinion on the Statement is not modified in respect of our reliance on the financial information certified by the Board of Directors.

10. Attention is drawn to the fact that the audited consolidated financial results of the Company for the quarter and year ended 31 March 2021 were audited by erstwhile auditors whose report dated 17 April 2021, expressed an unmodified opinion on those audited consolidated financial results and the consolidated financial statements. Our opinion is not modified in respect of this matter.



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

Khimji Kunverji & Co LLP
Level-19, Sunshine Tower,
Senapati Bapat Marg,
Elphinstone Road,
Mumbai, Maharashtra 400013

11. The Statement includes the results for the quarter ended 31 March 2022 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by the auditors.

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



Padmini Khare Kaicker
Partner

Membership Number: 044784

UDIN: 22044784AHELKB9556

Place: Mumbai

Date: 16 April, 2022



For Khimji Kunverji & Co LLP
Chartered Accountants
Firm Registration Number - 105146W/W-100621



Hasmukh B Dedhia
Partner

Membership Number: 033494

UDIN: 22033494AHEKXT7323

Place: Mumbai

Date: 16 April, 2022



Audited Consolidated Annual Financial Results
for the quarter and year ended 31 March 2022

(Rupees in million)

Particulars	Quarter ended 31 Mar 2022 Audited	Quarter ended 31 Dec 2021 Unaudited	Quarter ended 31 Mar 2021 Audited	Year ended 31 Mar 2022 Audited	Year ended 31 Mar 2021 Audited
I Revenue from operations					
Interest income	20,944	20,454	22,025	83,630	84,879
Sale of services	6,492	5,829	5,509	23,634	20,204
Other financial charges	1,806	1,700	1,366	5,690	4,051
Net gain on fair value changes	(65)	76	3	165	400
Net gain/(loss) on derecognised financial instruments	(13)	(14)	(15)	(56)	(86)
Total Revenue from operations	29,164	28,045	28,888	1,13,063	1,09,448
II Expenses					
Finance Costs	7,750	8,229	9,035	33,255	38,829
Impairment on financial instruments	4,218	5,404	4,290	24,657	30,688
Employee benefits expenses	9,644	8,482	7,073	35,004	29,556
Depreciation, amortization and impairment	245	247	257	989	1,078
Others expenses	1,554	1,644	1,445	5,682	4,290
Total expenses	23,411	24,006	22,100	99,587	1,04,441
III Profit before tax (I-II)	5,753	4,039	6,788	13,476	5,007
IV Tax expense:					
a. Current tax	2,344	2,238	2,356	6,634	4,191
b. Deferred tax	(861)	(1,240)	(685)	(3,272)	(3,099)
Total tax expense	1,483	998	1,671	3,362	1,092
V Net Profit for the period (III-IV)	4,270	3,041	5,117	10,114	3,915
VI Other Comprehensive Income (net of tax)	134	200	-	138	(135)
VII Total Comprehensive Income (after tax) (V-VI)	4,404	3,241	5,117	10,252	3,780
VIII Earnings per equity share (Refer Note 8)					
a. Basic (in Rupees)	5.41	3.85	6.49	12.81	4.97
b. Diluted (in Rupees)	5.41	3.85	6.49	12.80	4.97
Face value per share (in Rupees)	10	10	10	10	10



Notes:

1 Statement of Consolidated Assets and Liabilities

(Rupees in million)

Particulars	As at 31 Mar 2022	As at 31 Mar 2021
	Audited	Audited
ASSETS		
1 Financial Assets		
(a) Cash and cash equivalents	5,078	7,535
(b) Bank balances other than cash and cash equivalents	1,762	2,229
(c) Derivative financial instruments	1,324	-
(d) Trade receivables	1,418	1,173
(e) Loans	5,71,625	5,86,014
(f) Investments	22,335	15,929
(g) Other financial assets	3,146	2,492
	6,06,688	6,15,372
2 Non-financial Assets		
(a) Current tax assets (Net)	133	569
(b) Deferred tax assets (Net)	10,512	7,300
(c) Property, plant and equipment	781	915
(d) Capital work-in-progress	-	-
(e) Other intangible assets	120	80
(f) Right of Use Assets	2,025	2,174
	13,571	11,038
TOTAL ASSETS	6,20,259	6,26,410
EQUITY AND LIABILITIES		
3 Financial Liabilities		
(a) Derivative financial instruments	-	427
(b) Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises	-	0
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	2,469	3,342
(c) Debt securities	2,53,323	2,38,021
(d) Borrowings (other than debt securities)	1,95,017	2,25,691
(e) Subordinated liabilities	41,391	39,876
(f) Other financial liabilities	27,087	28,449
	5,19,287	5,35,806
4 Non-Financial Liabilities		
(a) Current tax liabilities (net)	597	1,731
(b) Provisions	3,148	3,198
(c) Other non-financial liabilities	1,830	1,213
	5,575	6,142
5 Equity		
(a) Equity share capital	7,904	7,892
(b) Other equity	87,493	76,570
	95,397	84,462
TOTAL EQUITY AND LIABILITIES	6,20,259	6,26,410



2 Statement of Consolidated Cash Flow

Particulars	(Rupees in million)	
	Year ended 31 Mar 2022	Year ended 31 Mar 2021
	Audited	Audited
Cash flow from operating activities		
Profit before tax	13,476	5,007
Adjustments for		
Interest income	(83,630)	(84,879)
Interest expenses	33,166	38,572
(Profit)/loss on sale of asset	(1)	19
Realised net (gain)/ loss on FVTPL investments	393	(798)
Unrealised (gain)/loss on FVTPL investments	(228)	(51)
Discount on commercial paper	89	257
Provision for compensated absence and gratuity	35	158
Employee share based payment expenses	304	136
Depreciation, amortization and impairment	989	1,078
Impairment on financial instruments	24,657	30,655
Operating cash flow before working capital changes	(10,750)	(9,846)
Adjustments for working capital changes:		
Interest paid	(36,995)	(36,953)
Interest received	83,531	84,475
(Increase)/ decrease in Loans	(10,165)	(44,822)
(Increase)/ decrease in trade receivables	(245)	661
(Increase)/ decrease in other financial assets and others	(477)	(654)
Increase/(decrease) in other financial and non financial liabilities & provisions	(9,600)	78
Increase/(decrease) in trade payables	(873)	1,842
Cash generated from operations	14,426	(5,219)
Direct taxes paid (net of refunds)	5,144	1,800
Net cash flow generated from/(used in) operating activities	A 19,570	(3,419)
Cash flow from investing activities		
Purchase of investments	(2,45,836)	(1,55,575)
Proceeds of investments	2,39,202	1,57,132
Purchase of fixed assets	(411)	(246)
Proceeds from sale of fixed assets	13	4
Net cash generated from/(used in) investing activities	B (7,032)	1,315
Cash flow from financing activities		
Debt securities issued	88,760	1,05,411
Debt securities repaid	(72,745)	(93,789)
Borrowings other than debt securities issued	88,004	93,093
Borrowings other than debt securities repaid	(1,20,264)	(1,01,952)
Subordinated debt issued	1,500	3,565
Subordinated debt repaid	-	-
Proceeds from issue of shares and security premium	379	369
Repayment of lease liabilities	(629)	(618)
Dividend and tax paid on dividend	-	-
Net cash generated from/(used in) financing activities	C (14,995)	6,079
Net increase/(decrease) in cash and cash equivalents	A+B+C (2,457)	3,975
Add : Cash and cash equivalents as at the beginning of the year	7,535	3,560
Cash and cash equivalents as at the end of the year*	5,078	7,535
*Components of cash and cash equivalents		
Balances with banks	4,308	6,504
Demand drafts on hand	113	129
Cash on hand	351	296
Collateral with banks for derivative	306	606
	5,078	7,535



- 3 HDB Financial Services Limited ('the Group') is a Non-Banking Financial Company registered with the Reserve Bank of India.
- 4 The consolidated annual financial results for the quarter and year ended 31 March 2022, which have been subjected to audit by the Statutory Auditors of the Group, have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 16 April 2022, in terms of Regulations 33 and 52 of the Securities and Exchange Board of India (Listing and Other Disclosure Requirements) Regulations, 2015.
- 5 The consolidated annual financial results have been prepared in accordance with and comply in all material aspects with Indian Accounting Standards ('Ind AS') notified 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 relevant provisions of the Act. The consolidated annual financial statements, used to prepare the consolidated annual financial results, are based on the notified Schedule III of the Act, as amended from time to time, for Non-Banking Financial Companies that are required to comply with Ind AS.
- 6 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 March 31, 2022 is 4.99% (If the Group had availed relaxation thereof referred to in RBI circular dated February 15, 2022, the Gross Stage 3 would have been 3.72%)
- 7 The figures for the quarter ended 31 March 2022 and 31 March 2021 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of third quarter of the respective financial year, which were subject to Limited Review.
- 8 Earnings per equity share for the quarter ended 31 March 2022, 31 December 2021 and 31 March 2021 have not been annualised.
- 9 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.
- 10 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 principle and interest there on.
- 11 The asset cover available as on March 31, 2022 in respect of secured non convertible debt securities is 1.10 and unsecured non convertible debt securities is 2.65
- 12 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.
- 13 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.
- 14 The Group is a 'Large Corporate' as per criteria under SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with Chapter XII of SEBI Operational Circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 and the disclosure in terms of the said SEBI circular is attached as Annexure 3.
- 15 Information as required by Reserve Bank of India Circular on Resolution Framework for COVID-19 related Stress dated 6 August 2020 and on Resolution Framework - 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses dated 5 May 2021 is attached as Annexure 4.
- 16 The board has recommended a final dividend of Rs. 1 per equity share for financial year ended 31 March 2022 in the Borad of Directors meeting held on 16 April 2022.
- 17 Pursuant to SEBI Circular No. SEBI/HO/DDHS/DDHS/CIR/P/2019/115 dated October 22, 2019, as amended, the Group had listed Commercial Papers on National Stock Exchange (NSE).
- 18 Details of loans transferred / acquired during the quarter ended March 31, 2022 under the RBI Master Direction on Transfer of Loan Exposures dated September 24, 2021 are given below:

(i) Details of non-performing assets (NPAs) transferred are given below:

Particulars	(Rupees in million)		
	To Asset Reconstruction	To permitted transferees	To other transferees
Number of accounts	80	-	-
Aggregate principal outstanding of loans transferred	144	-	-
Weighted average residual tenor of the loans transferred (in years)	7	-	-
Net book value of loans transferred	78	-	-
Aggregate consideration	75	-	-
Additional consideration realised in respect of accounts transferred in earlier years	-	-	-

(ii) The Group has not acquired any Special Mention Account.

(iii) The Group has not acquired any stressed loan and loan not in default.

19 The Board of Directors, on the recommendation of Nomination and Remuneration Committee, appointed Ms. Arundhati Mech (DIN: 09177619) as an Independent Director of the Group effective from 11 February 2022 for a period of five consecutive years. Further, the shareholders have approved her appointment through postal ballot passed on March 27, 2022.

20 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

Ramesh G.
Managing Director & CEO
DIN : 05291597



Date : 16 April 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 year ended 31 March 2022

- a) **Debt-Equity ratio***
Debt-equity ratio of the Group as per the audited consolidated financial results by statutory auditors as at 31 March 2022 is 5.77
- 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. 84,886 millions
- g) **Net profit after tax**
Rs.10,114 millions
- h) **Earnings per share**
a. Basic - Rs.12.81
b. Diluted - Rs.12.80
- i) **Current ratio**
Current ratio is 1.19
- j) **Long term debt to working capital ratio**
Long term debt to working capital ratio is 8.09
- k) **Bad debts to account receivable ratio**
Not applicable
- l) **Current liability ratio**
Current liability ratio is 38.97%
- m) **Total debts to total assets**
Total debts to total assets ratio is 78.96%
- n) **Debtors turnover**
Not applicable
- o) **Inventory turnover**
Not applicable
- p) **Operating margin (%)**
Not applicable
- q) **Net profit margin (%)**
Net profit margin for the year ended 31 March 2022 is 8.95%
- r) **Sector specific equivalent ratios such as (i) NPA/ECL ratio, (ii) PCR ratio, (iii) LCR ratio, etc**
a. Stage 3 ratio as at 31 March 2022 is 4.99%
b. Provision coverage ratio as at 31 March 2022 is 54.13%
c. Liquidity coverage ratio as at 31 March 2022 is 102%

* 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 and year ended 31 March 2022

(Rupees in million)

S.N.	Particulars	Quarter ended 31 Mar 2022 Audited	Quarter ended 31 Dec 2021 Reviewed	Quarter ended 31 Mar 2021 Audited	Year ended 31 Mar 2022 Audited	Year ended 31 Mar 2021 Audited
i.	Segment Revenue					
	Lending business	22,672	22,216	23,379	89,429	89,244
	BPO Services	6,492	5,829	5,509	23,634	20,204
	Unallocated	-	-	-	-	-
	Income from Operations	29,164	28,045	28,888	1,13,063	1,09,448
ii.	Segment Results					
	Lending business	5,051	3,817	6,891	12,387	4,460
	BPO Services	553	380	147	1,347	1,037
	Unallocated	149	(158)	(250)	(258)	(490)
	Profit before tax	5,753	4,039	6,788	13,476	5,007
	Income Tax expenses					
	Current tax	2,344	2,238	2,356	6,634	4,191
	Deferred tax Asset	(861)	(1,240)	(685)	(3,272)	(3,099)
	Net Profit	4,270	3,041	5,117	10,114	3,915
iii.	Capital Employed					
	Segment assets					
	Lending business	6,08,127	5,90,666	6,16,945	6,08,127	6,16,945
	BPO Services	1,487	1,133	1,475	1,487	1,475
	Unallocated	10,645	10,759	7,991	10,645	7,991
	Total Assets	6,20,259	6,02,558	6,26,411	6,20,259	6,26,411
	Segment Liabilities					
	Lending business	5,20,093	5,08,208	5,38,863	5,20,093	5,38,863
	BPO Services	956	1,714	504	956	504
	Unallocated	3,813	1,886	2,582	3,813	2,582
	Total Liabilities	5,24,862	5,11,808	5,41,949	5,24,862	5,41,949
	Net Segment assets / (liabilities)	95,397	90,750	84,462	95,397	84,462

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 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.



HDB Financial Services Limited

Annexure 3

Disclosure pursuant to Chapter XII of SEBI Operational Circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021

for the year ended 31 March 2022

Annexure A

S. No.	Particulars	Details
1	Name of the Group	HDB Financial Services Limited
2	CIN	U65993GJ2007PLC051028
3	Outstanding borrowing of Group as on 31st March ((Rupees in million)	4,37,504
4	Highest Credit Rating during the previous FY along with name of the Credit Rating Agency	CRISIL AAA/Stable and CARE AAA/Stable
5	Name of Stock Exchange in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	BSE

We confirm that we are a Large Corporate as per the applicability criteria given under SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with Chapter XII of SEBI Operational Circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021.

Annexure B2


- | | |
|----------------------------------|--------------------------------|
| 1. Name of the Group: | HDB Financial Services Limited |
| 2. CIN: | U65993GJ2007PLC051028 |
| 3. Report filed for FY: | 2021-22 |
| 4. Details of the current block: | 2021-22/2022-23 |

S. No.	Particulars	(Rupees in million)
i.	2-Year block period	FY22 & FY23
ii.	Incremental borrowing done in FY (a)	1,67,577
iii.	Mandatory borrowing to be done through debt securities in FY (b) = (25% of a)	41,894
iv.	Actual borrowings done through debt securities in FY (c)	88,327
v.	Shortfall in the borrowing through debt securities, if any, for FY carry forward to FY (d)	NA
vi.	Quantum of (d), which has met from (c) (e)	Nil
vii.	Shortfall, if any, in the mandatory borrowing through debt securities for FY (f) = b - [(c) - (e)]	Nil

S. No.	Details of penalty to be paid, if any, in respect of previous block	(Rupees in million)
i.	2-Year block period	FY21 & FY22
ii.	Amount of the fine to be paid for the block, if applicable Fine = 0.2% ((d) - (e))	Nil


Dipti Khandelwal
Company Secretary
Tel: +912249116368

Date : 16 April 2022


Jaykumar P. Shah
Chief Financial Officer
Tel: +912249116300



HDB Financial Services Limited

Annexure 4

Disclosure pursuant to Reserve Bank of India Circular DOR.No.BP.BC/3/21.04.048/2020-21 dated 6 August 2020 pertaining to Resolution Framework for COVID-19-related Stress read with RBI/2021-22/31 DOR.STR.REC.11/21.04.048/2021-22 dated May 5, 2021 pursuant to Resolution Framework 2.0 - Resolution of Covid-19 related stress of Micro, Small and Medium Enterprises (MSMEs) and Disclosure pursuant to Reserve Bank of India Circular RBI/2021-22/31 DOR.STR.REC. 11/21.04.048 /2021-22 dated 5 May 2021 pertaining to Resolution Framework - 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses

Format-B For Resoulution framework

(Rupees in million)					
Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of 30th Sep 2021 (A)	Of (A), aggregate debt that slipped into NPA during six month period ended 31st Mar 2022	Of (A) amount written off during six month ended 31st Mar 2022	Of (A) amount Paid by the borrowers during the six month ended 31st Mar 2022	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of 31st March 2022
Personal Loans	3,271	491	-	218	2,563
Corporate persons*	534	-	-	76	459
Of which, MSMEs	534	-	-	76	459
Others	3	-	-	0	3
Total	3,809	491	-	293	3,025

