

HDB/TROPS/2021/237

July 16, 2021

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

K.A.: Listing Compliance Department

Subject: Submission of Unaudited Financial Results along with Limited Review Report for the quarter ended June 30, 2021

Dear Sir / Madam,

Pursuant to the provisions of Para 1.2 of Continuous obligations and disclosure requirements for listed CPs as per SEBI Circular SEBI/HO/DDHS/DDHS/CIR/P/2019/115 dated October 22, 2019 and amendments thereof, please find enclosed the unaudited financial results along with Limited Review Report for the quarter ended June 30, 2021 as reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held on July 16, 2021.

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

Thanking you,

For HDB Financial Services Limited


Dipti Khandelwal
(Company Secretary)
Membership No.:A25592



Encl: a/a

B S R & Co. LLP

Chartered Accountants

14th Floor, Central B Wing and North C Wing,
Nesco IT Park 4, Nesco Center,
Western Express Highway,
Goregaon (East), Mumbai - 400 063

Telephone: +91 22 6257 1000
Fax: +91 22 6257 1010

Limited review report on unaudited quarterly standalone financial results of HDB Financial Services Limited under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of HDB Financial Services Limited

1. We have reviewed the accompanying Statement of unaudited standalone financial results of HDB Financial Services Limited (the 'Company') for the quarter ended 30 June 2021 (the 'Statement').
2. This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 '*Interim Financial Reporting*' ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the 'Listing Regulations'). Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 '*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Attention is drawn to the fact that the figures for the three months ended 31 March 2021 as reported in the statement are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.
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 applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

Registered Office:

Limited review report on unaudited quarterly standalone financial results of HDB Financial Services Limited under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (*Continued*)

HDB Financial Services Limited

6. As more fully described in Note 6 to the standalone financial results, the extent to which the COVID-19 pandemic will have impact on the Company's financial performance is dependent on future developments, which are highly uncertain.

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

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

RITESH
KALYANMAL
GOYAL

Digitally signed by RITESH
KALYANMAL GOYAL
Date: 2021.07.16 16:19:07
+05'30'

Ritesh Goyal
Partner

Mumbai
16 July 2021

Membership No: 115007
UDIN: 21115007AAAABK8566

Unaudited Standalone Financial Results for the quarter ended June 30, 2021

(Rupees in million)

Particulars	Quarter ended			Year ended
	June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
	Reviewed	Audited	Reviewed	Audited
I Revenue from operations				
Interest income	21,637	22,025	21,538	84,879
Sale of services	5,556	5,509	4,695	20,204
Other financial charges	893	1,366	366	4,051
Net gain on fair value changes	67	3	225	400
Net loss on derecognised financial instruments	(9)	(15)	(27)	(86)
Total revenue from operations	28,144	28,888	26,797	109,448
II Expenses				
Finance costs	8,733	9,035	10,305	38,829
Impairment on financial instruments	8,696	4,290	6,861	30,688
Employee benefits expenses	8,222	7,073	7,322	29,556
Depreciation, amortization and impairment	249	257	277	1,078
Others expenses	1,080	1,445	547	4,290
Total expenses	26,980	22,100	25,312	104,441
III Profit before tax (I-II)	1,164	6,788	1,485	5,007
IV Tax expense:				
a. Current tax	648	2,356	902	4,191
b. Deferred tax	(370)	(685)	(527)	(3,099)
Total tax expense	278	1,671	375	1,092
V Net profit for the period (III-IV)	886	5,117	1,110	3,915
VI Other comprehensive income (net of tax)	(190)	-	(399)	(135)
VII Total comprehensive income (after tax) (V-VI)	696	5,117	711	3,780
VIII Earnings per equity share (Refer Note 8)				
a. Basic (in Rupees)	1.12	6.49	1.41	4.97
b. Diluted (in Rupees)	1.12	6.49	1.41	4.97
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, 2021 have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on July 16, 2021, in terms of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 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.
- The standalone financial results for the quarter ended June 30, 2021 and June 30, 2020 have been subjected to a 'Limited Review' by the statutory auditors of the Company.
- The figures for the preceeding quarter ended March 31, 2021 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.
- The Company holds provisions as at June 30, 2021 against the potential impact of COVID-19 based on the information available at this point in time. The extent to which the COVID-19 pandemic will impact the Company's financial performance is dependent on future developments, which are highly uncertain. The impact of the global health pandemic may be different from that estimated at the date of approval of these standalone financial results and the Company will continue to closely monitor any material changes to future economic conditions.
- The Company has restructured loan accounts vide Reserve Bank of India circulars on Resolution Framework for COVID-19 related Stress and restructuring of advances for MSME Sector dated August 6, 2020 during the year ended March 31, 2021 and vide Policy on Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses dated May 5, 2021 during the quarter ended June 30, 2021. The Company has recognized provision on such restructured accounts in accordance with its Expected Credit Loss policy. In addition, the Company holds a management overlay provision to recognize any significant increase in credit risk basis their credit risk assessment of the portfolio.
- Earnings per share for the quarter ended June 30, 2021, June 30, 2020 and March 31, 2021 have not been annualised.
- 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 1.

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firms' Registration No: 101248W/W-100022

RITESH KALYANMAL GOYAL
Digitally signed by RITESH KALYANMAL GOYAL
Date: 2021.07.16 16:19:29 +05'30'

Ritesh Goyal
Partner
Membership No: 115007
Mumbai, July 16, 2021

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

RAMESH GANESAN
Digitally signed by RAMESH GANESAN
DN: c=IN, o=Personal, postalCode=400015, st=MAHARASHTRA, serialNumber=08c0488a291a1e7059a
c084470f6037842277016460c0f58a2b1
ec9162c8, cn=RAMESH GANESAN
Date: 2021.07.16 15:07:13 +05'30'

Ramesh G.
Managing Director
DIN : 05291597

HDB Financial Services Limited

Annexure 1

Standalone Segment Reporting

(Rupees in million)

S.N.	Particulars	Quarter ended			Year ended
		June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
		Reviewed	Audited	Reviewed	Audited
1	Segment Revenue				
	Lending business	22,588	23,379	22,102	89,244
	BPO Services	5,556	5,509	4,695	20,204
	Unallocated	-	-	-	-
	Income from Operations	28,144	28,888	26,797	109,448
2	Segment Results				
	Lending business	1,098	6,891	1,318	4,460
	BPO Services	222	147	223	1,037
	Unallocated	(156)	(250)	(56)	(490)
	Profit before tax	1,164	6,788	1,485	5,007
3	Capital Employed				
	Segment assets				
	Lending business	591,225	616,945	619,594	616,945
	BPO Services	1,555	1,475	1,723	1,475
	Unallocated	8,724	7,991	5,886	7,991
	Total Assets	601,504	626,411	627,203	626,411
	Segment Liabilities				
	Lending business	511,760	538,863	541,812	538,863
	BPO Services	3,208	504	2,480	504
	Unallocated	1,319	2,582	2,007	2,582
	Total Liabilities	516,286	541,949	546,299	541,949
	Net Segment assets / (liabilities)	85,218	84,462	80,904	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.

B S R & Co. LLP

Chartered Accountants

14th Floor, Central B Wing and North C Wing,
Nesco IT Park 4, Nesco Center,
Western Express Highway,
Goregaon (East), Mumbai - 400 063

Telephone: +91 22 6257 1000
Fax: +91 22 6257 1010

Limited review report on unaudited quarterly consolidated financial results of HDB Financial Services Limited under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of HDB Financial Services Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of HDB Financial Services Limited (the 'Parent') and its controlled structured entities (the Parent and its controlled structured entities together referred to as the 'Group'), for the quarter ended 30 June 2021 (the 'Statement'), being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the 'Listing Regulations').
2. This Statement, which is the responsibility of the Parent's management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 '*Interim Financial Reporting*' ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

4. Attention is drawn to the fact that the figures for the 3 months ended 31 March 2021 as reported in these financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.

Registered Office:

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

HDB Financial Services Limited

5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. The Statement includes the financial results of eight controlled structured entities which have not been subject to review or audit. According to the information and explanations given to us by the management, these financial results are not material to the Group. Our conclusion on the Statement is not modified in respect of the above matter.
7. As more fully described in Note 6 to the consolidated financial results, the extent to which the COVID-19 pandemic will have impact on the Company's financial performance is dependent on future developments, which are highly uncertain. Our conclusion is not modified in respect of the above matter.

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

Chartered Accountants

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

RITESH
KALYANMAL
GOYAL

Digitally signed by RITESH
KALYANMAL GOYAL
Date: 2021.07.16 16:17:41
+05'30'

Ritesh Goyal

Partner

Membership No: 115007

UDIN: 21115007AAAABL3630

Mumbai

16 July 2021

Unaudited Consolidated Financial Results for the quarter ended June 30, 2021

(Rupees in million)

Particulars	Quarter ended			Year ended
	June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
	Reviewed	Audited	Reviewed	Audited
I Revenue from operations				
Interest income	21,637	22,025	21,538	84,879
Sale of services	5,556	5,509	4,695	20,204
Other financial charges	893	1,366	366	4,051
Net gain on fair value changes	67	3	225	400
Net loss on derecognised financial instruments	(9)	(15)	(27)	(86)
Total revenue from operations	28,144	28,888	26,797	109,448
II Expenses				
Finance costs	8,733	9,035	10,305	38,829
Impairment on financial instruments	8,696	4,290	6,861	30,688
Employee benefits expenses	8,222	7,073	7,322	29,556
Depreciation, amortization and impairment	249	257	277	1,078
Others expenses	1,080	1,445	547	4,290
Total expenses	26,980	22,100	25,312	104,441
III Profit before tax (I-II)	1,164	6,788	1,485	5,007
IV Tax expense:				
a. Current tax	648	2,356	902	4,191
b. Deferred tax	(370)	(685)	(527)	(3,099)
Total tax expense	278	1,671	375	1,092
V Net profit for the period (III-IV)	886	5,117	1,110	3,915
VI Other comprehensive income (net of tax)	(190)	-	(399)	(135)
VII Total comprehensive income (after tax) (V-VI)	696	5,117	711	3,780
VIII Earnings per equity share (Refer Note 8)				
a. Basic (in Rupees)	1.12	6.49	1.41	4.97
b. Diluted (in Rupees)	1.12	6.49	1.41	4.97
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 consolidated financial results for the quarter ended June 30, 2021 have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on July 16, 2021, in terms of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 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.
- The consolidated financial results for the quarter ended June 30, 2021 and June 30, 2020 have been subjected to a 'Limited Review' by the statutory auditors of the Company.
- The figures for the preceeding quarter ended March 31, 2021 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.
- The Company holds provisions as at June 30, 2021 against the potential impact of COVID-19 based on the information available at this point in time. The extent to which the COVID-19 pandemic will impact the Company's financial performance is dependent on future developments, which are highly uncertain. The impact of the global health pandemic may be different from that estimated at the date of approval of these consolidated financial results and the Company will continue to closely monitor any material changes to future economic conditions.
- The Company has restructured loan accounts vide Reserve Bank of India circulars on Resolution Framework for COVID-19 related Stress and restructuring of advances for MSME Sector dated August 6, 2020 during the year ended March 31, 2021 and vide Policy on Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses dated May 5, 2021 during the quarter ended June 30, 2021. The Company has recognized provision on such restructured accounts in accordance with its Expected Credit Loss policy. In addition, the Company holds a management overlay provision to recognize any significant increase in credit risk basis their credit risk assessment of the portfolio.
- Earnings per share for the quarter ended June 30, 2021, June 30, 2020 and March 31, 2021 have not been annualised.
- 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 1.

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
ICAI Firms' Registration No: 101248W/W-100022

Ritesh Goyal
Partner
Membership No: 115007

Mumbai, July 16, 2021

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

Digitally signed by RAMESH GANESAN
DN: c=IN, o=Personal,
postalCode=400015,
st=MAHARASHTRA,
serialNumber=08c4b48b62f1a1a7059
a4b84f70f6b875a427191646b4a29b
1e916f2c8, cn=RAMESH GANESAN
Date: 2021.07.16 15:08:58 +05'30'

Ramesh G.
Managing Director
DIN : 05291597

HDB Financial Services Limited

Annexure 1

Consolidated Segment Reporting

(Rupees in million)

S.N.	Particulars	Quarter ended			Year ended
		June 30, 2021	March 31, 2021	June 30, 2020	March 31, 2021
		Reviewed	Audited	Reviewed	Audited
1	Segment Revenue				
	Lending business	22,588	23,379	22,102	89,244
	BPO Services	5,556	5,509	4,695	20,204
	Unallocated	-	-	-	-
	Income from Operations	28,144	28,888	26,797	109,448
2	Segment Results				
	Lending business	1,098	6,891	1,318	4,460
	BPO Services	222	147	223	1,037
	Unallocated	(156)	(250)	(56)	(490)
	Profit before tax	1,164	6,788	1,485	5,007
3	Capital Employed				
	Segment assets				
	Lending business	591,225	616,945	619,594	616,945
	BPO Services	1,555	1,475	1,723	1,475
	Unallocated	8,724	7,991	5,886	7,991
	Total Assets	601,504	626,411	627,203	626,411
	Segment Liabilities				
	Lending business	511,760	538,863	541,812	538,863
	BPO Services	3,208	504	2,480	504
	Unallocated	1,319	2,582	2,007	2,582
	Total Liabilities	516,286	541,949	546,299	541,949
	Net Segment assets / (liabilities)	85,218	84,462	80,904	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.