

HDB/SLC/2020/869

October 17, 2020

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

Subject: Submission of Segment Reporting for the half year ended September 30, 2020

Dear Sir / Madam,

Please find enclosed herewith the Segment wise Revenue, Results and Capital Employed for the half year ended September 30, 2020.

Request you to take the same on record.

Thanking you,

For HDB Financial Services Limited

Dipti Khandelwal
(Company Secretary)
Membership No.: A25592

Encl: a/a

HDB Financial Services Limited

Standalone Segment Reporting

for the half year ended 30 September 2020

(Rupees in million)

S.N.	Particulars	Half Year ended 30 Sep 2020	Half Year ended 30 Sep 2019	Year ended 31 Mar 2020
		Reviewed	Unaudited	Audited
1	Segment Revenue			
	Lending business	43,940	41,935	86,433
	BPO Services	9,773	10,116	21,132
	Unallocated	-	-	-
	Income from Operations	53,713	52,051	1,07,565
2	Segment Results			
	Lending business	127	6,741	13,670
	BPO Services	642	626	1,043
	Unallocated	(422)	(272)	(68)
	Profit before tax	347	7,095	14,645
3	Capital Employed			
	Segment assets			
	Lending business	6,01,586	5,84,172	5,99,890
	BPO Services	2,265	2,210	2,167
	Unallocated	6,578	7,567	5,088
	Total Assets	6,10,430	5,93,949	6,07,145
	Segment Liabilities			
	Lending business	5,28,270	5,15,384	5,22,811
	BPO Services	1,062	843	2,161
	Unallocated	1,024	3,281	1,995
	Total Liabilities	5,30,356	5,19,507	5,26,967
	Net Segment assets / (liabilities)	80,074	74,441	80,178

a) Chief Operating Decision Maker

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

b) Operating Segment

Primary Segment (Business Segment)

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

Secondary Segment (Geographical Segment)

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

c) Segment Revenue and Expense

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

d) Segment Assets and Liabilities

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

e) Accounting Policies

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

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

For HDB Financial Services Limited

Ramesh G.

Managing Director

DIN : 05291597

Date: October 17, 2020