

HDB/SLC/2022/943

January 15, 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 |
|--|---|

Subject: Submission of unaudited Financial Results along with Limited Review Report for the quarter and nine months ended December 31, 2021

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 unaudited Financial Results for the quarter and nine months ended December 31, 2021, duly approved by the Board of Directors of the Company at its meeting held today i.e. January 15, 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 Limited Review Report for the quarter and nine months ended December 31, 2021 with unmodified opinion.

The disclosures in compliance with Regulations 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter & nine months ended December 31, 2021 is enclosed herewith.

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

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

Limited review report on unaudited standalone quarterly financial results and standalone year-to-date results of HDB Financial Services Limited under Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

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 period ended 31 December 2021 ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors of the Company, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard ("Ind AS") 34 "Interim Financial Reporting" specified in Section 133 of the Companies Act, 2013, the circulars, guidelines and directions issued by Reserve Bank of India ("RBI") from time to time ("RBI guidelines") and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52 read with Regulation 63(2) of the Listing Regulations. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review 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 financial results are 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. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with the applicable Ind AS, RBI guidelines and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 read with Regulation 63(2) of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with relevant prudential norms issued by RBI in respect of income recognition, asset classification, provisioning and other related matters.



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Chartered Accountants
706-708, Sharda Chambers
New Marine Lines
Mumbai 400020

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Elphinstone Road,
Mumbai, Maharashtra 400013

5. Attention is drawn to the fact that the unaudited standalone financial results of the Company for the corresponding quarter ended 31 December 2020 and period from 1 April 2020 to 31 December 2020 were reviewed by predecessor auditors whose report dated 1 February 2021, expressed an unmodified conclusion on those unaudited standalone financial results and the standalone financial statements of the Company for the year ended 31 March 2021 were audited by predecessor auditors whose report dated 17 April 2021 expressed an unmodified opinion on the standalone financial statements. Our conclusion is not modified in respect of these matters.

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



Padmini Khare Kaicker
Partner
ICAI Membership No. 044784
UDIN: 22044784AAAAAB6636

Place: Mumbai
Date: 15 January, 2022



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



Hasmukh B Dedhia
Partner
ICAI Membership No. 033494
UDIN: 22033494AAAAAS2803

Place: Mumbai
Date: 15 January, 2022



Statement of Standalone Financial Results
 for the quarter and nine months ended 31 December 2021

| Particulars | (Rupees in million) | | | | | |
|--|---------------------|---------------|----------------|-------------------|-------------------|-----------------|
| | Quarter ended | Quarter ended | Quarter ended | Nine months ended | Nine months ended | Year ended |
| | 31-12-2021 | 30-09-2021 | 31-12-2020 | 31-12-2021 | 31-12-2020 | 31-03-2021 |
| | Reviewed | Reviewed | Reviewed | Reviewed | Reviewed | Audited |
| I Revenue from operations | | | | | | |
| Interest income | 20,454 | 20,595 | 20,470 | 62,686 | 62,854 | 84,879 |
| Sale of services | 5,829 | 5,757 | 4,922 | 17,142 | 14,695 | 20,204 |
| Other financial charges | 1,700 | 1,291 | 1,327 | 3,884 | 2,685 | 4,051 |
| Net gain on fair value changes | 76 | 87 | 147 | 230 | 397 | 400 |
| Net gain/(loss) on derecognised financial instruments | (14) | (20) | (19) | (43) | (71) | (86) |
| Total Revenue from operations | 28,045 | 27,710 | 26,847 | 83,899 | 80,560 | 1,09,448 |
| II Expenses | | | | | | |
| Finance Costs | 8,229 | 8,543 | 9,610 | 25,505 | 29,794 | 38,829 |
| Impairment on financial instruments | 5,404 | 6,339 | 10,239 | 20,439 | 26,398 | 30,688 |
| Employee benefits expenses | 8,482 | 8,656 | 7,721 | 25,360 | 22,483 | 29,556 |
| Depreciation, amortization and impairment | 247 | 248 | 272 | 744 | 821 | 1,078 |
| Others expenses | 1,644 | 1,404 | 1,133 | 4,128 | 2,845 | 4,290 |
| Total expenses | 24,006 | 25,190 | 28,975 | 76,176 | 82,341 | 1,04,441 |
| III Profit before tax (I-II) | 4,039 | 2,520 | (2,128) | 7,723 | (1,781) | 5,007 |
| IV Tax expense: | | | | | | |
| a. Current tax | 2,238 | 1,404 | 817 | 4,290 | 1,835 | 4,191 |
| b. Deferred tax | (1,240) | (801) | (1,483) | (2,411) | (2,414) | (3,099) |
| Total tax expense | 998 | 603 | (666) | 1,879 | (579) | 1,092 |
| V Net Profit for the period (III-IV) | 3,041 | 1,917 | (1,462) | 5,844 | (1,202) | 3,915 |
| VI Other Comprehensive Income (net of tax) | 200 | (6) | 266 | 4 | (135) | (135) |
| VII Total Comprehensive Income (after tax) (V-VI) | 3,241 | 1,911 | (1,196) | 5,848 | (1,337) | 3,780 |
| VIII Earnings per equity share (Refer Note 6) | | | | | | |
| a. Basic (in Rupees) | 3.85 | 2.43 | (1.86) | 7.40 | (1.53) | 4.97 |
| b. Diluted (in Rupees) | 3.85 | 2.43 | (1.86) | 7.40 | (1.53) | 4.97 |
| Face value per share (in Rupees) | 10 | 10 | 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 and nine months ended 31 December 2021 have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 15 January 2022.
- The standalone financial results have been prepared in accordance with recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ('Ind AS 34') as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and other accounting principles generally accepted in India.
- In compliance with Regulation 33 and 52 of the Securities Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015, a 'Limited Review' of standalone financial results for the quarter and nine months ended 31 December 2021 and 31 December 2020 have been carried out by the Statutory Auditors of the Company.
- The figures for the quarter ended 31 December 2021 and 31 December 2020 are the balancing figures between reviewed figures in respect of the nine months ended 31 December 2021 and 31 December 2020 and the reviewed figures for the half year ended 30 September 2021 and 30 September 2020 respectively.
- Earnings per equity share for the quarter and nine months ended 31 December 2021 and 31 December 2020 and for quarter ended 30 September 2021 have not been annualised.
- Pursuant to SEBI Circular No. SEBI/HO/DDHS/DDHS/CIR/P/2019/115 dated October 22, 2019, the Company has listed Commercial Papers on National Stock Exchange (NSE).
- Other equity include Statutory Reserve as per Section 45IC of Reserve Bank of India Act, 1934, balance in securities premium, retained earnings, ESOP reserve and Cash flow hedge.
- The Secured listed non-convertible debt securities of the Company are secured by first pari passu mortgage of immovable property situated at "Heera Panna Commercial Complex", 3rd Floor, Dr. Yagnik Road, Rajkot and/or first and exclusive charge on receivables of the Company by way of hypothecation to the extent of minimum 1.1 times of the amount outstanding.
- On November 12, 2021, Reserve Bank of India issued circular requiring changes to and clarifying certain aspects of Income Recognition and Asset Classification Norms. Management has taken necessary steps to comply with norms/changes as they become applicable.
- The asset cover available as on December 31, 2021 in respect of secured non convertible debt securities is 1.10 and unsecured non convertible debt securities is 2.54
- Information as required by Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached as Annexure 1.
- The disclosure in terms of Ind-AS 108 dealing with 'Operating Segment' as specified under Section 133 of the Companies Act, 2013 is attached as Annexure 2.
- Information as required by Reserve Bank of India Circular on Resolution Framework - 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses dated 5 May 2021 is attached as Annexure 3.
- 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
 DIN : 05291597

Date : 15 January 2022
 Place : Mumbai



HDB Financial Services Limited

Annexure 1

Disclosures in compliance with Regulations 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter and nine months ended 31 December 2021

- a) Omitted
- b) Omitted
- c) **Debt-Equity ratio***
Debt-equity ratio of the Company as per the reviewed standalone financial results by statutory auditors as at 31 December 2021 is 5.93
- d) Omitted
- e) Omitted
- f) **Debt service coverage ratio**
Not applicable
- g) **Interest service coverage ratio**
Not applicable
- h) **Outstanding redeemable preference shares (quantity and value)**
Not applicable
- i) **Capital redemption reserve / Debenture redemption reserve**
Debenture redemption reserve is not required in respect of privately placed debentures in terms of Rule 18(7)(b)(ii) of Companies (Share Capital and Debenture) Rules, 2014.
- j) **Net worth****
Rs. 81,039 millions
- k) **Net profit after tax**
Rs. 5,844 millions
- l) **Earnings per share**
 - a. Basic - Rs. 7.40
 - b. Diluted - Rs. 7.40
- m) **Current ratio**
Current ratio is 1.31
- n) **Long term debt to working capital ratio**
Long term debt to working capital ratio is 6.07
- o) **Bad debts to account receivable ratio**
Not applicable
- p) **Current liability ratio**
Current liability ratio is 34.10%
- q) **Total debts to total assets**
Total debts to total assets ratio is 79.75%
- r) **Debtors turnover**
Not applicable
- s) **Inventory turnover**
Not applicable
- t) **Operating margin (%)**
Not applicable
- u) **Net profit margin (%)**
Net profit margin for the nine months ended 31 December 2021 is 6.96%
- v) **Sector specific equivalent ratios such as (i) NPA/ECL ratio, (ii) PCR ratio, (iii) LCR ratio, etc**
 - a. Stage 3 ratio as at 31 December 2021 is 6.05%
 - b. Provision coverage ratio as at 31 December 2021 is 50.07%
 - c. Liquidity coverage ratio as at 31 December 2021 is 222%

* 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 nine months ended 31 December 2021

(Rupees in million)

| S.N. | Particulars | Quarter ended 31-12-2021 Reviewed | Quarter ended 30-09-2021 Reviewed | Quarter ended 31-12-2020 Reviewed | Nine months ended 31-12-2021 Reviewed | Nine months ended 31-12-2020 Reviewed | Year ended 31-03-2021 Audited |
|------|---|---|---|---|---|---|-------------------------------------|
| 1 | Segment Revenue | | | | | | |
| | Lending business | 22,216 | 21,953 | 21,925 | 66,757 | 65,865 | 89,244 |
| | BPO Services | 5,829 | 5,757 | 4,922 | 17,142 | 14,695 | 20,204 |
| | Unallocated | - | - | - | - | - | - |
| | Income from Operations | 28,045 | 27,710 | 26,847 | 83,899 | 80,560 | 1,09,448 |
| 2 | Segment Results | | | | | | |
| | Lending business | 3,817 | 2,421 | (2,558) | 7,336 | (2,431) | 4,460 |
| | BPO Services | 380 | 193 | 248 | 794 | 890 | 1,037 |
| | Unallocated | (158) | (94) | 182 | (407) | (240) | (490) |
| | Profit before tax | 4,039 | 2,520 | (2,128) | 7,723 | (1,781) | 5,007 |
| | Income Tax expenses | | | | | | |
| | Current tax | 2238 | 1404 | 817 | 4290 | 1,835 | 4,191 |
| | Deferred tax Asset | (1,240) | (801) | (1,483) | (2,411) | (2,414) | (3,099) |
| | Net Profit | 3,041 | 1,917 | (1,462) | 5,844 | (1,202) | 3,915 |
| 3 | Capital Employed | | | | | | |
| | Segment assets | | | | | | |
| | Lending business | 5,90,666 | 6,00,653 | 6,07,613 | 5,90,666 | 6,07,613 | 6,16,945 |
| | BPO Services | 1,133 | 1,433 | 1,985 | 1,133 | 1,985 | 1,475 |
| | Unallocated | 10,759 | 9,527 | 6,508 | 10,759 | 6,508 | 7,991 |
| | Total Assets | 6,02,558 | 6,11,613 | 6,16,106 | 6,02,558 | 6,16,106 | 6,26,411 |
| | Segment Liabilities | | | | | | |
| | Lending business | 5,08,208 | 5,21,565 | 5,34,293 | 5,08,208 | 5,34,293 | 5,38,863 |
| | BPO Services | 1,714 | 1,798 | 1,117 | 1,714 | 1,117 | 504 |
| | Unallocated | 1,886 | 1,060 | 1,484 | 1,886 | 1,484 | 2,582 |
| | Total Liabilities | 5,11,808 | 5,24,423 | 5,36,894 | 5,11,808 | 5,36,894 | 5,41,949 |
| | Net Segment assets / (liabilities) | 90,750 | 87,190 | 79,212 | 90,750 | 79,212 | 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

Information as required by Reserve Bank of India Circular on Resolution Framework - 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses dated 5 May 2021

Format - X : For the period ended 31 December 2021

| Sl. No. | Description | Individual Borrowers | | Small businesses |
|---------|--|----------------------|----------------|------------------|
| | | Personal Loans | Business Loans | |
| (A) | Number of requests received for invoking resolution process | 30,607 | 22,948 | 3,889 |
| (B) | Number of accounts where resolution plan has been implemented under this window | 30,607 | 22,948 | 3,889 |
| (C) | Exposure to accounts mentioned at (B) before implementation of the plan (Rupees in million) | 9,135 | 19,676 | 11,092 |
| (D) | Of (C), aggregate amount of debt that was converted into other securities | | | |
| (E) | Additional funding sanctioned, if any, including between invocation of the plan and implementation (Rupees in million) | 1,223 | 2,421 | 734 |
| (F) | Increase in provisions on account of the implementation of the resolution plan (Rupees in million) | 368 | 1,531 | 176 |



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Limited review report on unaudited consolidated quarterly financial results and consolidated year-to-date results of HDB Financial Services Limited under Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

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 31 December 2021 and for the period from 1 April 2021 to 31 December 2021 ("the Statement"), being submitted by the Parent pursuant to the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors of the Company, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard ("Ind AS") 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013, guidelines and directions issued by the Reserve Bank of India ("RBI") from time to time ("RBI guidelines") and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52 read with Regulation 63(2) of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review 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, as amended, to the extent applicable.

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

| Name of the entity | Relationship |
|----------------------------|------------------------------|
| Venus Trust March 2019 | Controlled Structured Entity |
| Venus Trust June 2019 | Controlled Structured Entity |
| Venus Trust December 2019 | Controlled Structured Entity |
| Venus Trust March 2020 | Controlled Structured Entity |
| Venus Trust September 2020 | Controlled Structured Entity |
| Venus Trust March 2021 | Controlled Structured Entity |



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Elphinstone Road,
Mumbai, Maharashtra 400013

5. Based on our review 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 Ind AS, RBI guidelines and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 read with Regulation 63(2) of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. Attention is drawn to the fact that the unaudited consolidated financial results of the Company for the corresponding quarter ended 31 December 2020 and period from 1 April 2020 to 31 December 2020 were reviewed by predecessor auditors whose report dated 1 February 2021, expressed an unmodified conclusion on those unaudited consolidated financial results and the consolidated financial statements of the Company for the year ended 31 March 2021 were audited by predecessor auditors whose report dated 17 April 2021 expressed an unmodified opinion on the consolidated financial statements. Our conclusion is not modified in respect of these matters.

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

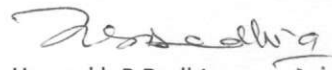


Padmini Khare Kaicker
Partner
ICAI Membership No. 044784
UDIN: 22044784AAAAAC9284

Place: Mumbai
Date: 15 January, 2022



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



Has Mukh B Dedhia
Partner
ICAI Membership No. 033494
UDIN: 22033494AAAAAT5652

Place: Mumbai
Date: 15 January, 2022



Statement of Consolidated Financial Results
 for the quarter and nine months ended 31 December 2021

| Particulars | (Rupees in million) | | | | | |
|--|-----------------------------|-----------------------------|-----------------------------|---------------------------------|---------------------------------|--------------------------|
| | Quarter ended 31-12-2021 | Quarter ended 30-09-2021 | Quarter ended 31-12-2020 | Nine months ended 31-12-2021 | Nine months ended 31-12-2020 | Year ended 31-03-2021 |
| | Reviewed | Reviewed | Reviewed | Reviewed | Reviewed | Audited |
| I Revenue from operations | | | | | | |
| Interest income | 20,454 | 20,595 | 20,470 | 62,686 | 62,854 | 84,879 |
| Sale of services | 5,829 | 5,757 | 4,922 | 17,142 | 14,695 | 20,204 |
| Other financial charges | 1,700 | 1,291 | 1,327 | 3,884 | 2,685 | 4,051 |
| Net gain on fair value changes | 76 | 87 | 147 | 230 | 397 | 400 |
| Net gain/(loss) on derecognised financial instruments | (14) | (20) | (19) | (43) | (71) | (86) |
| Total Revenue from operations | 28,045 | 27,710 | 26,847 | 83,899 | 80,560 | 1,09,448 |
| II Expenses | | | | | | |
| Finance Costs | 8,229 | 8,543 | 9,610 | 25,505 | 29,794 | 38,829 |
| Impairment on financial instruments | 5,404 | 6,339 | 10,239 | 20,439 | 26,398 | 30,688 |
| Employee benefits expenses | 8,482 | 8,656 | 7,721 | 25,360 | 22,483 | 29,556 |
| Depreciation, amortization and impairment | 247 | 248 | 272 | 744 | 821 | 1,078 |
| Others expenses | 1,644 | 1,404 | 1,133 | 4,128 | 2,845 | 4,290 |
| Total expenses | 24,006 | 25,190 | 28,975 | 76,176 | 82,341 | 1,04,441 |
| III Profit before tax (I-II) | 4,039 | 2,520 | (2,128) | 7,723 | (1,781) | 5,007 |
| IV Tax expense: | | | | | | |
| a. Current tax | 2,238 | 1,404 | 817 | 4,290 | 1,835 | 4,191 |
| b. Deferred tax | (1,240) | (801) | (1,483) | (2,411) | (2,414) | (3,099) |
| Total tax expense | 998 | 603 | (666) | 1,879 | (579) | 1,092 |
| V Net Profit for the period (III-IV) | 3,041 | 1,917 | (1,462) | 5,844 | (1,202) | 3,915 |
| VI Other Comprehensive Income (net of tax) | 200 | (6) | 266 | 4 | (135) | (135) |
| VII Total Comprehensive Income (after tax) (V-VI) | 3,241 | 1,911 | (1,196) | 5,848 | (1,337) | 3,780 |
| VIII Earnings per equity share (Refer Note 6) | | | | | | |
| a. Basic (in Rupees) | 3.85 | 2.43 | (1.86) | 7.40 | (1.53) | 4.97 |
| b. Diluted (in Rupees) | 3.85 | 2.43 | (1.86) | 7.40 | (1.53) | 4.97 |
| Face value per share (in Rupees) | 10 | 10 | 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 and nine months ended 31 December 2021 have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on 15 January 2022.
- The consolidated financial results has been prepared in accordance with recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ('Ind AS 34') as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and other accounting principles generally accepted in India.
- In compliance with Regulation 33 and 52 of the Securities Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015, a 'Limited Review' of consolidated financial results for the quarter and nine months ended 31 December 2021 and 31 December 2020 have been carried out by the Statutory Auditors of the Company.
- The figures for the quarter ended 31 December 2021 and 31 December 2020 are the balancing figures between reviewed figures in respect of the nine months ended 31 December 2021 and 31 December 2020 and the reviewed figures for the half year ended 30 September 2021 and 30 September 2020 respectively.
- Earnings per equity share for the quarter and nine months ended 31 December 2021 and 31 December 2020 and for quarter ended 30 September 2021 have not been annualised.
- Pursuant to SEBI Circular No. SEBI/HO/DDHS/DDHS/CIR/P/2019/115 dated October 22, 2019, the Company has listed Commercial Papers on National Stock Exchange (NSE).
- Other equity include Statutory Reserve as per Section 45IC of Reserve Bank of India Act, 1934, balance in securities premium, retained earnings, ESOP reserve and Cash flow hedge.
- The Secured listed non-convertible debt securities of the Company are secured by first pari passu mortgage of immovable property situated at "Heera Panna Commercial Complex", 3rd Floor, Dr. Yagnik Road, Rajkot and/or first and exclusive charge on receivables of the Company by way of hypothecation to the extent of minimum 1.1 times of the amount outstanding.
- On November 12, 2021, Reserve Bank of India issued circular requiring changes to and clarifying certain aspects of Income Recognition and Asset Classification Norms. Management has taken necessary steps to comply with norms/changes as they become applicable.
- The asset cover available as on December 31, 2021 in respect of secured non convertible debt securities is 1.10 and unsecured non convertible debt securities is 2.54
- Information as required by Regulation 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached as Annexure 1.
- The disclosure in terms of Ind-AS 108 dealing with 'Operating Segment' as specified under Section 133 of the Companies Act, 2013 is attached as Annexure 2.
- Figures for the previous period have been regrouped wherever necessary, in order to make them comparable.

By Order of the Board
 For HDB Financial Services Limited

Ramesh G.
 Managing Director
 DIN: 05291597

Date: 15 January 2022
 Place: Mumbai



HDB Financial Services Limited

Annexure 1

Disclosures in compliance with Regulations 52(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the quarter and nine months ended 31 December 2021

- a) Omitted
- b) Omitted
- c) **Debt-Equity ratio***
Debt-equity ratio of the Company as per the reviewed consolidated financial results by statutory auditors as at 31 December 2021 is 5.93
- d) Omitted
- e) Omitted
- f) **Debt service coverage ratio**
Not applicable
- g) **Interest service coverage ratio**
Not applicable
- h) **Outstanding redeemable preference shares (quantity and value)**
Not applicable
- i) **Capital redemption reserve / Debenture redemption reserve**
Debenture redemption reserve is not required in respect of privately placed debentures in terms of Rule 18(7)(b)(ii) of Companies (Share Capital and Debenture) Rules, 2014.
- j) **Net worth****
Rs. 81,039 millions
- k) **Net profit after tax**
Rs. 5,844 millions
- l) **Earnings per share**
 - a. Basic - Rs. 7.40
 - b. Diluted - Rs. 7.40
- m) **Current ratio**
Current ratio is 1.31
- n) **Long term debt to working capital ratio**
Long term debt to working capital ratio is 6.07
- o) **Bad debts to account receivable ratio**
Not applicable
- p) **Current liability ratio**
Current liability ratio is 34.10%
- q) **Total debts to total assets**
Total debts to total assets ratio is 79.75%
- r) **Debtors turnover**
Not applicable
- s) **Inventory turnover**
Not applicable
- t) **Operating margin (%)**
Not applicable
- u) **Net profit margin (%)**
Net profit margin for the nine months ended 31 December 2021 is 6.96%
- v) **Sector specific equivalent ratios such as (i) NPA/ECL ratio, (ii) PCR ratio, (iii) LCR ratio, etc**
 - a. Stage 3 ratio as at 31 December 2021 is 6.05%
 - b. Provision coverage ratio as at 31 December 2021 is 50.07%
 - c. Liquidity coverage ratio as at 31 December 2021 is 222%

* Debt equity ratio is (Debt securities + Borrowings + Subordinated liabilities) / Network

** Network 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 nine months ended 31 December 2021

(Rupees in million)

| S.N. | Particulars | Quarter ended 31-12-2021 Reviewed | Quarter ended 30-09-2021 Reviewed | Quarter ended 31-12-2020 Reviewed | Nine months ended 31-12-2021 Reviewed | Nine months ended 31-12-2020 Reviewed | Year ended 31-03-2021 Audited |
|------|---|---|---|---|---|---|-------------------------------------|
| 1 | Segment Revenue | | | | | | |
| | Lending business | 22,216 | 21,953 | 21,925 | 66,757 | 65,865 | 89,244 |
| | BPO Services | 5,829 | 5,757 | 4,922 | 17,142 | 14,695 | 20,204 |
| | Unallocated | - | - | - | - | - | - |
| | Income from Operations | 28,045 | 27,710 | 26,847 | 83,899 | 80,560 | 1,09,448 |
| 2 | Segment Results | | | | | | |
| | Lending business | 3,817 | 2,421 | (2,558) | 7,336 | (2,431) | 4,460 |
| | BPO Services | 380 | 193 | 248 | 794 | 890 | 1,037 |
| | Unallocated | (158) | (94) | 182 | (407) | (240) | (490) |
| | Profit before tax | 4,039 | 2,520 | (2,128) | 7,723 | (1,781) | 5,007 |
| | Income Tax expenses | | | | | | |
| | Current tax | 2238 | 1404 | 817 | 4290 | 1,835 | 4,191 |
| | Deferred tax Asset | (1,240) | (801) | (1,483) | (2,411) | (2,414) | (3,099) |
| | Net Profit | 3,041 | 1,917 | (1,462) | 5,844 | (1,202) | 3,915 |
| 3 | Capital Employed | | | | | | |
| | Segment assets | | | | | | |
| | Lending business | 5,90,666 | 6,00,653 | 6,07,613 | 5,90,666 | 6,07,613 | 6,16,945 |
| | BPO Services | 1,133 | 1,433 | 1,985 | 1,133 | 1,985 | 1,475 |
| | Unallocated | 10,759 | 9,527 | 6,508 | 10,759 | 6,508 | 7,991 |
| | Total Assets | 6,02,558 | 6,11,613 | 6,16,106 | 6,02,558 | 6,16,106 | 6,26,411 |
| | Segment Liabilities | | | | | | |
| | Lending business | 5,08,208 | 5,21,565 | 5,34,293 | 5,08,208 | 5,34,293 | 5,38,863 |
| | BPO Services | 1,714 | 1,798 | 1,117 | 1,714 | 1,117 | 504 |
| | Unallocated | 1,886 | 1,060 | 1,484 | 1,886 | 1,484 | 2,582 |
| | Total Liabilities | 5,11,808 | 5,24,423 | 5,36,894 | 5,11,808 | 5,36,894 | 5,41,949 |
| | Net Segment assets / (liabilities) | 90,750 | 87,190 | 79,212 | 90,750 | 79,212 | 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.

