

HDB/SLC/2022/1037

October 15, 2022

To,

HDB Financial Services Limited
Ground Floor, Zenith House,
Keshavrao Khadye Marg,
Opp. Race Course, Mahalaxmi,
Mumbai - 400034.
Tel : 022 - 4911 6300
Fax : 022 - 4911 6666
Web : www.hdbfs.com
CIN : U65993GJ2007PLC051028
Email ID : compliance@hdbfs.com

<p>Listing Compliance Department BSE Limited P J Towers, Dalal Street, Mumbai - 400 001</p>	<p>Listing Compliance Department National Stock Exchange of India Limited Exchange Plaza, BKC, Bandra (East), Mumbai- 400051</p>
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Sub: Submission of Unaudited Financial Results along with Limited Review Report for the quarter and half year ended September 30, 2022 and Security Cover certificate

Dear Sir / Madam,

Pursuant to the provisions of Regulation 51(2) read with Part B of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, please note that, the Board of Directors at its meeting held on October 15, 2022, have inter-alia, approved the Standalone and Consolidated Unaudited Financial Results for the quarter and half ended September 30, 2022, duly reviewed by the Audit Committee.

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

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

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

Pursuant to the provisions of Regulation 54 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please note that the disclosure of the extent and nature of security created and maintained for secured non-convertible securities of the Company and the security cover certificate is made in the unaudited Financial Results for the quarter and half year ended September 30, 2022.

The disclosure of related party transactions under Regulation 23(9) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 for the half year ended September 30, 2022 is also enclosed.

You are requested to kindly take the same on record.

This is for your information and appropriate dissemination.

For HDB Financial Services Limited


Dipti Khandelwal
(Company Secretary)
Membership No. F11340



Encl: a/a

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

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

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

To
The Board of Directors of
HDB Financial Services Limited

Introduction

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

Scope of Review

3. We conducted our review of the statement in accordance with the Standard on Review Engagements ('SRE') 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.



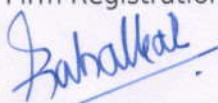
B. K. Khare & Co.
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Mumbai 400020

KKC & Associates LLP
Chartered Accountants
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Elphinstone Road,
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Conclusion

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

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

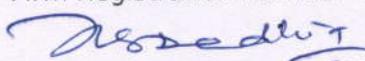


Shirish Rahalkar
Partner
ICAI Membership No. 111212
UDIN: 22111212AZUCZL5579

Place: Mumbai
Date: 15 October 2022



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



Hasmukh B Dedhia
Partner
ICAI Membership No. 033494
UDIN: 22033494AZUDFZ9299

Place: Mumbai
Date: 15 October 2022



HDB FINANCIAL SERVICES LIMITED
 Regd. Office: Radhika, 2nd Floor, Law Garden Road, Navrangpura, Ahmedabad- 380009
 CIN: U65993GJ2007PLC051028 | www.hdbfs.com
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Statement of Standalone Financial Results
for the quarter and half year ended September 30, 2022

(Rupees in million)

Particulars	Quarter ended Sep 30, 2022 Reviewed	Quarter ended Jun 30, 2022 Reviewed	Quarter ended Sep 30, 2021 Reviewed	Half Year ended Sep 30, 2022 Reviewed	Half Year ended Sep 30, 2021 Reviewed	Year ended Mar 31, 2022 Audited
I Revenue from operations						
Interest income	21,758	21,127	20,595	42,885	42,232	83,630
Sale of services	6,676	6,721	5,757	13,397	11,313	23,634
Other financial charges	1,828	1,860	1,291	3,688	2,184	5,690
Net gain on fair value changes	214	101	87	315	154	165
Net gain/(loss) on derecognised financial instruments	2	(7)	(20)	(5)	(29)	(56)
Total Revenue from operations	30,478	29,802	27,710	60,280	55,854	1,13,063
II Expenses						
Finance Costs	8,466	7,864	8,543	16,330	17,276	33,255
Impairment on financial instruments	3,509	3,983	6,339	7,492	15,035	24,657
Employee benefits expenses	10,052	10,054	8,656	20,106	16,878	35,004
Depreciation, amortization and impairment	262	249	248	511	497	989
Others expenses	1,871	1,738	1,404	3,609	2,484	5,682
Total expenses	24,160	23,888	25,190	48,048	52,170	99,587
III Profit before tax (I-II)	6,318	5,914	2,520	12,232	3,684	13,476
IV Tax expense:						
a. Current tax	2,065	1,888	1,404	3,953	2,052	6,634
b. Deferred tax	(458)	(387)	(801)	(845)	(1,171)	(3,272)
Total tax expense	1,607	1,501	603	3,108	881	3,362
V Net Profit for the period (III-IV)	4,711	4,413	1,917	9,124	2,803	10,114
VI Other Comprehensive Income (net of tax)	199	59	(6)	258	(196)	138
VII Total Comprehensive Income (after tax) (V-VI)	4,910	4,472	1,911	9,382	2,607	10,252
VIII Earnings per equity share (Refer Note 10)						
a. Basic (in Rupees)	5.96	5.58	2.43	11.55	3.55	12.81
b. Diluted (in Rupees)	5.96	5.58	2.43	11.54	3.55	12.80
Face value per share (in Rupees)	10	10	10	10	10	10



Notes:

1 Statement of Standalone Assets and Liabilities

(Rupees in million)

Particulars	As at Sep 30, 2022		As at Mar 31, 2022	
	Reviewed	Audited	Reviewed	Audited
ASSETS				
1 Financial Assets				
(a) Cash and cash equivalents			19,879	5,078
(b) Bank balances other than cash and cash equivalents			1,405	1,762
(c) Derivative financial instruments			4,607	1,324
(d) Trade receivables			1,928	1,418
(e) Loans			5,91,382	5,71,625
(f) Investments			9,580	22,335
(g) Other financial assets			1,746	3,146
			6,30,527	6,06,688
2 Non-financial Assets				
(a) Current tax assets (Net)			138	133
(b) Deferred tax assets (Net)			11,270	10,512
(c) Property, plant and equipment			894	781
(d) Capital work-in-progress			-	-
(e) Other intangible assets			162	120
(f) Right of Use Assets			2,224	2,025
			14,688	13,571
TOTAL ASSETS			6,45,215	6,20,259
EQUITY AND LIABILITIES				
3 Financial Liabilities				
(a) Derivative financial instruments			-	-
(b) Trade payables			-	-
(i) Total outstanding dues of micro enterprises and small enterprises			3,884	2,469
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises			2,49,646	2,53,323
(c) Debt securities			2,21,282	1,95,017
(d) Borrowings (other than debt securities)			38,901	41,391
(e) Subordinated liabilities			21,757	27,087
(f) Other financial liabilities				
			5,35,470	5,19,287
4 Non-Financial Liabilities				
(a) Current tax liabilities (net)			1,119	597
(b) Provisions			2,496	3,148
(c) Other non-financial liabilities			1,910	1,830
			5,525	5,575
5 Equity				
(a) Equity share capital			7,905	7,904
(b) Other equity			96,315	87,493
			1,04,220	95,397
TOTAL EQUITY AND LIABILITIES			6,45,215	6,20,259



2 Standalone Statement of Cash Flows

(Rupees in million)

Particulars	Half Year ended Sep 30, 2022	Half Year ended Sep 30, 2021
	Reviewed	Reviewed
Cash flow from operating activities		
Profit/(loss) before tax	12,232	3,684
Adjustments for		
Interest Income	(42,885)	(42,232)
Interest Expenses	16,287	17,307
(Profit)/loss on sale of asset	(1)	4
Realised net loss/ (gain) on FVTPL investments	(374)	(403)
Unrealised gain on FVTPL investments	59	(4)
Discount on commercial paper	43	73
Provision for compensated absence and gratuity	(85)	841
Employee share based payment expenses	196	120
Depreciation, amortization and impairment	511	497
Impairment on financial instruments	7,492	15,035
Operating cash flow before working capital changes	(6,525)	(5,076)
Adjustments for working capital changes:		
Interest Paid	(20,783)	(21,371)
Interest Received	42,601	42,321
(Increase)/ decrease in Loans	(26,949)	10,103
(Increase)/ decrease in trade receivables	(511)	(33)
(Increase)/ decrease in other financial assets and others	1,859	(1,868)
Increase/(decrease) in other financial and non financial liabilities & provisions	(8,379)	(5,124)
Increase/(decrease) in trade payables	1,415	(1,480)
Cash generated from operations	(17,272)	17,472
Direct taxes paid (net of refunds)	3,436	1,700
Net cash flow generated from/(used in) operating activities (A)	A	(13,836)
Cash flow from investing activities		
Purchase of investments	(2,04,390)	(1,18,104)
Proceeds of investments	2,17,460	1,06,413
Purchase of fixed assets	(403)	(125)
Proceeds from sale of fixed assets	4	6
Net cash generated (used in)/ from investing activities (B)	B	12,671
Cash flow from financing activities		
Increase/(Decrease) in Debt securities (net)	(3,346)	20,470
Increase/(Decrease) in Borrowings other than debt securities (net)	20,748	(31,489)
Proceeds from issue of shares and security premium	34	-
Repayment of lease liabilities	(375)	(311)
Dividend paid	(790)	-
Net cash generated (used in)/ from financing activities (C)	C	16,271
Net (decrease)/increase in cash and cash equivalents (A+B+C)	A+B+C	15,106
Add : Cash and cash equivalents as at the beginning of the year		4,772
Cash and cash equivalents as at the end of the year *		19,878
* Components of cash and cash equivalents		
Balances with banks	19,461	2,580
Demand drafts on hand	108	77
Cash on hand	309	304
		19,878
		2,961

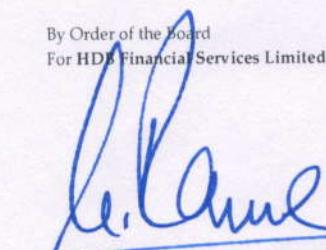


- 3 HDB Financial Services Limited ('the Company') is a Non-Banking Financial Company registered with the Reserve Bank of India.
- 4 The standalone financial results for the quarter and half year ended September 30, 2022 have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on October 15, 2022.
- 5 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.
- 6 In compliance with Regulations 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 half year ended September 30, 2022 and September 30, 2021 and for quarter ended June 30, 2022 have been carried out by the Statutory Auditors of the Company.
- 7 Pursuant to Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Operational Circular dated August 10, 2021, the Company has listed Commercial Papers on National Stock Exchange (NSE).
- 8 Details of loans transferred / acquired during the half year ended September 30, 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:	(Rupees in million)
	Particulars	To Asset Reconstruction To permitted transferees To other transferees
	Number of accounts	- - -
	Aggregate principal outstanding of loans transferred	- - -
	Weighted average residual tenor of the loans transferred (in years)	- - -
	Net book value of loans transferred	- - -
	Aggregate consideration	- - -
	Additional consideration realised in respect of accounts transferred in earlier years	- - -
(ii)	Details of loans not in default acquired during the half year ended September 30, 2022 :	(Rupees in million)
	Particulars	From lenders listed in Clause 3 From ARCs
	Aggregate principal outstanding of loans acquired	830.79 -
	Aggregate consideration paid	830.79 -
	Weighted average residual tenor of the loans acquired (in years)	4.13 -

- 9 The figures for the quarter ended September 30, 2022 and September 30, 2021 are the balancing figures between reviewed figures in respect of the half year ended September 30, 2022 and September 30, 2021 and the reviewed figures for the quarter ended June 30, 2022 and June 30, 2021 respectively.
- 10 Earnings per equity share for the quarter and half year ended September 30, 2022 and September 30, 2021 and for quarter ended June 30, 2022 have not been annualised.
- 11 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.
- 12 The Secured listed non-convertible debt securities of the Company are secured by first pari passu mortgage of immovable property situated at "Heera Panna Commercial Complex", 3rd Floor, Dr. Yagnik Road, Rajkot and/or first and exclusive charge on receivables of the Company by way of hypothecation to the extent of minimum 1.1 times of the outstanding principal and interest there on.
- 13 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.
- 14 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.
- 15 As on September 30, 2022 the security cover available in respect of secured non convertible debt securities is 1.10 and the asset cover available in respect of unsecured non convertible debt securities is 2.91. The security cover certificate as per Regulation 54(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached as Annexure 3.
- 16 Information as required by Reserve Bank of India Circular on Resolution Framework for COVID-19 related Stress dated August 6, 2020 and on Resolution Framework - 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses dated May 5, 2021 is attached as Annexure 4.
- 17 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 September 30, 2022 is 4.88% (If the company had availed relaxation thereof referred to in RBI circular dated February 15, 2022, the Gross Stage 3 would have been 3.78%).
- 18 The Reserve Bank of India, under Scale Based Regulations has categorised the Company as Upper Layer (NBFC-UL), vide it's circular dated Sept 30, 2022. Management has initiated necessary steps in terms of formulating an implementation plan and ensuring compliances with norms/ changes suggested as and when they become applicable.
- 19 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


B. Ramesh
Managing Director & CEO
DIN : 05291597



Date : October 15, 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 half year ended September 30, 2022.

S.N.	Particulars	Quarter ended			Half Year ended		Year ended
		Sep 30, 2022	Jun 30, 2022	Sep 30, 2021	Sep 30, 2022	Sep 30, 2021	Mar 31, 2022
		Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Audited
1	Debt -equity ratio (times) ¹	5.48	5.67	6.26	5.48	6.26	5.77
2	Debt Service Coverage ratio	NA	NA	NA	NA	NA	NA
3	Interest Service Coverage ratio	NA	NA	NA	NA	NA	NA
4	Outstanding Redeemable Preference Shares (Quantity)	Nil	Nil	Nil	Nil	Nil	Nil
5	Outstanding Redeemable Preference Shares (value) (Rs. in millions)	Nil	Nil	Nil	Nil	Nil	Nil
6	Capital Redemption reserve (Rs. in millions)	Nil	Nil	Nil	Nil	Nil	Nil
7	Debenture redemption reserve (Rs. in millions)	Nil	Nil	Nil	Nil	Nil	Nil
8	Networth (Rs. in millions) ²	92,950	88,291	78,653	92,950	78,653	84,886
9	Net profit after tax (Rs. in millions)	4,711	4,413	1,917	9,124	2,803	10,114
10	Earnings per equity share (Not annualised for the interim periods)						
	Basic (Rs.)	5.96	5.58	2.43	11.55	3.55	12.81
	Diluted (Rs.)	5.96	5.58	2.43	11.54	3.55	12.80
11	Current ratio	1.12	1.10	1.44	1.12	1.44	1.19
12	Long Term Debt to Working Capital	10.62	13.16	5.04	10.62	5.04	8.09
13	Bad debts to accounts receivable ratio	NA	NA	NA	NA	NA	NA
14	Current Liability ratio	43.13%	43.38%	30.57%	43.13%	30.57%	38.97%
15	Total Debts to Total Assets	79.02%	79.39%	80.54%	79.02%	80.54%	78.96%
16	Debtors Turnover	NA	NA	NA	NA	NA	NA
17	Inventory Turnover	NA	NA	NA	NA	NA	NA
18	Operating Margin (%)	NA	NA	NA	NA	NA	NA
19	Net Profit Margin (%)	15.14%	14.81%	5.02%	15.14%	5.02%	8.95%
20	Sector Specific equivalent ratios						
	Capital adequacy ratio (%)	20.80%	20.29%	19.79%	20.80%	19.79%	20.22%
	Gross Stage 3 ratio (%)	4.88%	4.95%	6.06%	4.88%	6.06%	4.99%
	Liquidity coverage ratio (%)	382%	164%	157%	382%	157%	102%
	Stage 3 provision coverage ratio (%)	55.93%	56.74%	55.05%	55.93%	55.05%	54.13%

Notes:

1) Debt equity ratio is (Debt securities + Borrowings + Subordinated liabilities) / Networth.

2) 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 half year ended September 30, 2022

S.N.	Particulars	Quarter ended Sep 30, 2022 Reviewed	Quarter ended Jun 30, 2022 Reviewed	Quarter ended Sep 30, 2021 Reviewed	Half Year ended Sep 30, 2022 Reviewed	Half Year ended Sep 30, 2021 Reviewed	Year ended Mar 31, 2022 Audited
		(Rupees in million)					
i.	Segment Revenue						
	Lending business	23,802	23,081	21,953	46,883	44,541	89,429
	BPO Services	6,676	6,721	5,757	13,397	11,313	23,634
	Unallocated	-	-	-	-	-	-
	Income from Operations	30,478	29,802	27,710	60,280	55,854	1,13,063
ii.	Segment Results						
	Lending business	5,999	5,598	2,421	11,597	3,519	12,387
	BPO Services	372	368	193	740	415	1,347
	Unallocated	(53)	(52)	(94)	(105)	(250)	(258)
	Profit before tax	6,318	5,914	2,520	12,232	3,684	13,476
	Income Tax expenses						
	Current tax	2,065	1,888	1,404	3,953	2,052	6,634
	Deferred tax Asset	(458)	(387)	(801)	(845)	(1,171)	(3,272)
	Net Profit	4,711	4,413	1,917	9,124	2,803	10,114
iii.	Capital Employed						
	Segment assets						
	Lending business	6,31,589	6,17,330	6,00,653	6,31,589	6,00,653	6,08,127
	BPO Services	2,218	2,124	1,433	2,218	1,433	1,487
	Unallocated	11,408	11,015	9,527	11,408	9,527	10,645
	Total Assets	6,45,215	6,30,469	6,11,613	6,45,215	6,11,613	6,20,259
	Segment Liabilities						
	Lending business	5,36,141	5,25,297	5,21,565	5,36,141	5,21,565	5,20,093
	BPO Services	1,357	2,671	1,798	1,357	1,798	956
	Unallocated	3,498	3,330	1,060	3,498	1,060	3,813
	Total Liabilities	5,40,996	5,31,298	5,24,423	5,40,996	5,24,423	5,24,862
	Net Segment assets / (liabilities)	1,04,219	99,171	87,190	1,04,219	87,190	95,397

a) **Chief Operating Decision Maker**

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

b) **Operating Segment**

Primary Segment (Business Segment)

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

Secondary Segment (Geographical Segment)

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

c) **Segment Revenue and Expense**

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

d) **Segment Assets and Liabilities**

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

e) **Accounting Policies**

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



HDB Financial Services Limited

Annexure 3
Security cover certificate as per Regulation 54(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as on September 30, 2022.

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O	Column P
Particulars	Description of asset for which this certificate relate	Exclusive Change	Exclusive Change	Pari-Passu Charge	Pari-Passu Charge	Pari-Passu Charge	Assets not offered as Security	Elimination (amount in negative)	Debt not backed by any assets offered as security (applicable only for liability side)	Total (C to J)	Related to only those items covered by this certificate				
		Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu charge)	Other assets on which there is pari-passu charge (excluding items covered in column F)		Debt amount considered more than once (due to exclusive plus pari-passu charge)		Market Value for Assets charged on Exclusive basis	Carrying/book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Market Value for Pari passu charge Assets	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Total Value(L+M+N+O)	
		Book Value	Book Value	Yes/No	Book Value	Book Value					Relating to Column F				
ASSETS															
Property, Plan and Equipment	Immovable Property (Note 1)	-	-	Yes	-	-	893	-	-	894	-	-	2	-	2
Capital Work-in-Progress		-	-		-	-	-	-	-	0	-	-	-	-	-
Right of Use Assets		-	-		-	-	2,224	-	-	2,224	-	-	-	-	-
Goodwill		-	-		-	-	-	-	-	0	-	-	-	-	-
Intangible Assets		-	-		-	-	162	-	-	162	-	-	-	-	-
Intangible Assets under Development		-	-		-	-	-	-	-	0	-	-	-	-	-
Investments		-	-		-	-	9,580	-	-	9,580	-	-	-	-	-
Loans	Receivables under financing activities (Note 2)	2,81,999	2,44,052	-	-	-	1,05,074	-	-	6,31,125	-	2,81,999	-	-	2,81,999
Inventories		-	-		-	-	-	-	-	0	-	-	-	-	-
Trade Receivables		-	-		-	-	1,928	-	-	1,928	-	-	-	-	-
Cash and Cash Equivalents		-	-		-	-	19,878	-	-	19,878	-	-	-	-	-
Bank Balances other than Cash Equivalents		-	-		-	-	-	-	-	-	-	-	-	-	-
Others		-	-		-	-	1,405	-	-	1,405	-	-	-	-	-
Total		2,81,999	2,44,052		1	-	1,58,906	-	-	6,84,958	-	2,81,999	2	-	2,82,001



Continued....

Security cover certificate as per Regulation 54(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as on September 30, 2022.																	
Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O	Column P		
Particulars	Description of asset for which this certificate relate	Exclusive Change	Exclusive Change	Pari-Passu Charge	Pari-Passu Charge	Pari-Passu Charge	Assets not offered as Security	Elimination (amount in negative)	Debt not backed by any assets offered as security (applicable only for liability side)	Total (C to J)	Related to only those items covered by this certificate						
		Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu charge)	Other assets on which there is pari-passu charge (excluding items covered in column F)		Debt amount considered more than once (due to exclusive plus pari-passu charge)			Market Value for Assets charged on Exclusive basis	Carrying/book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Market Value for Pari passu charge Assets	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Total Value(=L+M+N+O)		
		Book Value	Book Value	Yes/No	Book Value	Book Value					Relating to Column F						
LIABILITIES																	
Debt securities to which this certificate pertains		2,55,759	-	Yes						2,55,759	-	2,55,759	-	-	-	2,55,759	
Other debt sharing, pari-passu charge with above debt																	
Other Debt(ECB+Sec)		50,431								50,431	-	-	-	-	-	-	
Subordinated debt	Not to be filled									34,141	34,141	-	-	-	-	-	
Borrowings												-	-	-	-	-	
Bank(TL)		1,71,435								1,71,435	-	-	-	-	-	-	
Debt Securities(PDI)										6,725	6,725	-	-	-	-	-	
Others(CP)										2,000	2,000	-	-	-	-	-	
Trade payables							3,885	-	-	3,885	-	-	-	-	-	-	
Lease Liabilities							2,583	-	-	2,583	-	-	-	-	-	-	
Provisions(incl.N PA)							42,257	-	-	42,257	-	-	-	-	-	-	
Others-Liab							11,523	-	-	11,523	-	-	-	-	-	-	
Total		2,55,759	2,21,866				60,248	-	42,866	5,80,739	-	2,55,759	-	-	-	2,55,759	
Cover on Book Value		1.10			0.00		1.10										
Cover on Market Value											1.10	0.00				1.10	
		Exclusive Security Cover Ratio			Pari-Passu Security Cover Ratio												

Notes:

1) The market value of Rs 2 million of the immovable property is on the basis of certified valuation done on April 15, 2022.

2) Receivable under financing activities consist of large number of small ticket loans. This is part of the non trading book where loans are in the nature of held to maturity and created with a sole objective of collecting principal and interest. Therefore company has considered the book value (before netting off impairment) for this certificate.



HDB Financial Services Limited

Annexure 4

Disclosure pursuant to Reserve Bank of India Circular RBI/2020-21/16 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/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22 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 Resoultion 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 31st Mar 2022 (A)	Of (A), aggregate debt that slipped into NPA during six month period ended 30th Sep 2022	Of (A) amount written off during six month ended 30th Sep 2022	Of (A) amount Paid by the borrowers during the six month ended 30th Sep 2022	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of 30th Sep 2022
Personal Loans	2,563	412	154	663	1,335
Corporate persons*	459	214	-	127	117
<i>Of which, MSMEs</i>	459	214	-	127	117
Others	3	-	1	1	1
Total	3,025	626	155	791	1,453



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

To
The Board of Directors of
HDB Financial Services Limited

Introduction

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

Scope of Review

3. We conducted our review of the statement in accordance with the Standard on Review Engagements ('SRE') 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

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

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

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



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Conclusion

5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited financial results prepared in accordance with the applicable Ind AS and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 and Regulation 52 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement or that it has not been prepared in accordance with the relevant prudential norms issued by Reserve Bank of India in respect of income recognition, asset classification, provisioning and other related matters.

Other Matters

6. The Statement includes the interim financial information of 4 controlled structure entities which have not been reviewed/audited by their auditors, whose interim financial information reflect total assets of Nil as at 30 September 2022 and total revenue is Nil and Nil , total net profit after tax is Nil and Nil and total comprehensive income is Nil and Nil for the quarter ended 30 September 2022 and for the period from 1 April 2022 to 30 September 2022 respectively, and cash flows(net) is Nil for the period from 1 April 2022 to 30 September 2022 as considered in the Statement. According to the information and explanations given to us by the Management, this interim financial information's are not material to the Group. Our conclusion on the Statement is not modified in respect of the above matter.

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

Shirish Rahalkar
Partner
ICAI Membership No. 111212
UDIN: 22111212AZUDAD5454

Place: Mumbai
Date: 15 October 2022



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

Hasmukh B Dedhia
Partner
ICAI Membership No. 033494
UDIN: 22033494AZUDGI6836

Place: Mumbai
Date: 15 October 2022



HDB FINANCIAL SERVICES LIMITED
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Statement of Consolidated Financial Results
for the quarter and half year ended September 30, 2022

(Rupees in million)

Particulars	Quarter ended Sep 30, 2022 Reviewed	Quarter ended Jun 30, 2022 Reviewed	Quarter ended Sep 30, 2021 Reviewed	Half Year ended Sep 30, 2022 Reviewed	Half Year ended Sep 30, 2021 Reviewed	Year ended Mar 31, 2022 Audited
I Revenue from operations						
Interest income	21,758	21,127	20,595	42,885	42,232	83,630
Sale of services	6,676	6,721	5,757	13,397	11,313	23,634
Other financial charges	1,828	1,860	1,291	3,688	2,184	5,690
Net gain on fair value changes	214	101	87	315	154	165
Net gain/(loss) on derecognised financial instruments	2	(7)	(20)	(5)	(29)	(56)
Total Revenue from operations	30,478	29,802	27,710	60,280	55,854	1,13,063
II Expenses						
Finance Costs	8,466	7,864	8,543	16,330	17,276	33,255
Impairment on financial instruments	3,509	3,983	6,339	7,492	15,035	24,657
Employee benefits expenses	10,052	10,054	8,656	20,106	16,878	35,004
Depreciation, amortization and impairment	262	249	248	511	497	989
Others expenses	1,871	1,738	1,404	3,609	2,484	5,682
Total expenses	24,160	23,888	25,190	48,048	52,170	99,587
III Profit before tax (I-II)	6,318	5,914	2,520	12,232	3,684	13,476
IV Tax expense:						
a. Current tax	2,065	1,888	1,404	3,953	2,052	6,634
b. Deferred tax	(458)	(387)	(801)	(845)	(1,171)	(3,272)
Total tax expense	1,607	1,501	603	3,108	881	3,362
V Net Profit for the period (III-IV)	4,711	4,413	1,917	9,124	2,803	10,114
VI Other Comprehensive Income (net of tax)	199	59	(6)	258	(196)	138
VII Total Comprehensive Income (after tax) (V-VI)	4,910	4,472	1,911	9,382	2,607	10,252
VIII Earnings per equity share (Refer Note 10)						
a. Basic (in Rupees)	5.96	5.58	2.43	11.55	3.55	12.81
b. Diluted (in Rupees)	5.96	5.58	2.43	11.54	3.55	12.80
Face value per share (in Rupees)	10	10	10	10	10	10



Notes:

1 Statement of Consolidated Assets and Liabilities

(Rupees in million)

Particulars	As at Sep 30, 2022	As at Mar 31, 2022
	Reviewed	Audited
ASSETS		
1 Financial Assets		
(a) Cash and cash equivalents	19,879	5,078
(b) Bank balances other than cash and cash equivalents	1,405	1,762
(c) Derivative financial instruments	4,607	1,324
(d) Trade receivables	1,928	1,418
(e) Loans	5,91,382	5,71,625
(f) Investments	9,580	22,335
(g) Other financial assets	1,746	3,146
	6,30,527	6,06,688
2 Non-financial Assets		
(a) Current tax assets (Net)	138	133
(b) Deferred tax assets (Net)	11,270	10,512
(c) Property, plant and equipment	894	781
(d) Capital work-in-progress	-	-
(e) Other intangible assets	162	120
(f) Right of Use Assets	2,224	2,025
	14,688	13,571
TOTAL ASSETS	6,45,215	6,20,259
EQUITY AND LIABILITIES		
3 Financial Liabilities		
(a) Derivative financial instruments	-	-
(b) Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	3,884	2,469
(c) Debt securities	2,49,646	2,53,323
(d) Borrowings (other than debt securities)	2,21,282	1,95,017
(e) Subordinated liabilities	38,901	41,391
(f) Other financial liabilities	21,757	27,087
	5,35,470	5,19,287
4 Non-Financial Liabilities		
(a) Current tax liabilities (net)	1,119	597
(b) Provisions	2,496	3,148
(c) Other non-financial liabilities	1,910	1,830
	5,525	5,575
5 Equity		
(a) Equity share capital	7,905	7,904
(b) Other equity	96,315	87,493
	1,04,220	95,397
TOTAL EQUITY AND LIABILITIES	6,45,215	6,20,259



2 Consolidated Statement of Cash Flows

(Rupees in million)

Particulars	Half Year ended	Half Year ended
	Sep 30, 2022	Sep 30, 2021
	Reviewed	Reviewed
Cash flow from operating activities		
Profit/(loss) before tax	12,232	3,684
Adjustments for		
Interest Income	(42,885)	(42,232)
Interest Expenses	16,287	17,307
(Profit)/loss on sale of asset	(1)	4
Realised net loss/ (gain) on FVTPL investments	(374)	(403)
Unrealised gain on FVTPL investments	59	(4)
Discount on commercial paper	43	73
Provision for compensated absence and gratuity	(85)	841
Employee share based payment expenses	196	120
Depreciation, amortization and impairment	511	497
Impairment on financial instruments	7,492	15,035
Operating cash flow before working capital changes	(6,525)	(5,076)
Adjustments for working capital changes:		
Interest Paid	(20,783)	(21,371)
Interest Received	42,601	42,321
(Increase)/ decrease in Loans	(26,949)	10,103
(Increase)/ decrease in trade receivables	(511)	(33)
(Increase)/ decrease in other financial assets and others	1,859	(1,868)
Increase/(decrease) in other financial and non financial liabilities & provisions	(8,379)	(5,124)
Increase/(decrease) in trade payables	1,415	(1,480)
Cash generated from operations	(17,272)	17,472
Direct taxes paid (net of refunds)	3,436	1,700
Net cash flow generated from/(used in) operating activities (A)	A	(13,836)
Cash flow from investing activities		
Purchase of investments	(2,04,390)	(1,18,104)
Proceeds of investments	2,17,460	1,06,413
Purchase of fixed assets	(403)	(125)
Proceeds from sale of fixed assets	4	6
Net cash generated (used in)/ from investing activities (B)	B	12,671
Cash flow from financing activities		
Increase/(Decrease) in Debt securities (net)	(3,346)	20,470
Increase/(Decrease) in Borrowings other than debt securities (net)	20,748	(31,489)
Proceeds from issue of shares and security premium	34	-
Repayment of lease liabilities	(375)	(311)
Dividend paid	(790)	-
Net cash generated (used in)/ from financing activities (C)	C	16,271
Net (decrease)/increase in cash and cash equivalents (A+B+C)	A+B+C	15,106
Add : Cash and cash equivalents as at the beginning of the year		4,772
Cash and cash equivalents as at the end of the year *		19,878
* Components of cash and cash equivalents		
Balances with banks	19,461	2,580
Demand drafts on hand	108	77
Cash on hand	309	304
		19,878
		2,961



- 3 HDB Financial Services Limited ('The Group') is a Non-Banking Financial Company registered with the Reserve Bank of India.
- 4 The Consolidated financial results for the quarter and half year ended September 30, 2022 have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on October 15, 2022.
- 5 The Consolidated 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.
- 6 In compliance with Regulations 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 half year ended September 30, 2022 and September 30, 2021 and for quarter ended June 30, 2022 have been carried out by the Statutory Auditors of the Group.
- 7 Pursuant to Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Operational Circular dated August 10, 2021, the Group has listed Commercial Papers on National Stock Exchange (NSE).
- 8 Details of loans transferred / acquired during the half year ended September 30, 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	To Asset Reconstruction	To permitted transferees	(Rupees in million) To other transferees
Number of accounts	-	-	-
Aggregate principal outstanding of loans transferred	-	-	-
Weighted average residual tenor of the loans transferred (in years)	-	-	-
Net book value of loans transferred	-	-	-
Aggregate consideration	-	-	-
Additional consideration realised in respect of accounts transferred in earlier years	-	-	-

- (ii) Details of loans not in default acquired during the half year ended September 30, 2022 :

Particulars	From lenders listed in Clause 3	(Rupees in million) From ARCs
Aggregate principal outstanding of loans acquired	830.79	-
Aggregate consideration paid	830.79	-
Weighted average residual tenor of the loans acquired (in years)	4.13	-

- 9 The figures for the quarter ended September 30, 2022 and September 30, 2021 are the balancing figures between reviewed figures in respect of the half year ended September 30, 2022 and September 30, 2021 and the reviewed figures for the quarter ended June 30, 2022 and June 30, 2021 respectively.
- 10 Earnings per equity share for the quarter and half year ended September 30, 2022 and September 30, 2021 and for quarter ended June 30, 2022 have not been annualised.
- 11 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.
- 12 The Secured listed non-convertible debt securities of the Group are secured by first pari passu mortgage of immovable property situated at "Heera Panna Commercial Complex", 3rd Floor, Dr. Yagnik Road, Rajkot and/or first and exclusive charge on receivables of the Group by way of hypothecation to the extent of minimum 1.1 times of the outstanding principal and interest there on.
- 13 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.
- 14 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.
- 15 As on September 30, 2022 the security cover available in respect of secured non convertible debt securities is 1.10 and the asset cover available in respect of unsecured non convertible debt securities is 2.91. The security cover certificate as per Regulation 54(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached as Annexure 3.
- 16 Information as required by Reserve Bank of India Circular on Resolution Framework for COVID-19 related Stress dated August 6, 2020 and on Resolution Framework - 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses dated May 5, 2021 is attached as Annexure 4.
- 17 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 September 30, 2022 is 4.88% (If the company had availed relaxation thereof referred to in RBI circular dated February 15, 2022, the Gross Stage 3 would have been 3.78%).
- 18 The Reserve Bank of India, under Scale Based Regulations has categorised the Group as Upper Layer (NBFC-UL), vide it's circular dated Sept 30, 2022. Management has initiated necessary steps in terms of formulating an implementation plan and ensuring compliances with norms/ changes suggested as and when they become applicable.
- 19 Figures for the previous period have been regrouped wherever necessary, in order to make them comparable.

By Order of the Board
For HDB Financial Services Limited

G. Ramesh
Managing Director & CEO
DIN : 05291597

Date : October 15, 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 half year ended September 30, 2022.

S.N.	Particulars	Quarter ended			Half Year ended		Year ended
		Sep 30, 2022	Jun 30, 2022	Sep 30, 2021	Sep 30, 2022	Sep 30, 2021	
		Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Audited
1	Debt -equity ratio (times) ¹	5.48	5.67	6.26	5.48	6.26	5.77
2	Debt Service Coverage ratio	NA	NA	NA	NA	NA	NA
3	Interest Service Coverage ratio	NA	NA	NA	NA	NA	NA
4	Outstanding Redeemable Preference Shares (Quantity)	Nil	Nil	Nil	Nil	Nil	Nil
5	Outstanding Redeemable Preference Shares (value) (Rs. in millions)	Nil	Nil	Nil	Nil	Nil	Nil
6	Capital Redemption reserve (Rs. in millions)	Nil	Nil	Nil	Nil	Nil	Nil
7	Debenture redemption reserve (Rs. in millions)	Nil	Nil	Nil	Nil	Nil	Nil
8	Networth (Rs. in millions) ²	92,950	88,291	78,653	92,950	78,653	84,886
9	Net profit after tax (Rs. in millions)	4,711	4,413	1,917	9,124	2,803	10,114
10	Earnings per equity share (Not annualised for the interim periods)						
	Basic (Rs.)	5.96	5.58	2.43	11.55	3.55	12.81
	Diluted (Rs.)	5.96	5.58	2.43	11.54	3.55	12.80
11	Current ratio	1.12	1.10	1.44	1.12	1.44	1.19
12	Long Term Debt to Working Capital	10.62	13.16	5.04	10.62	5.04	8.09
13	Bad debts to accounts receivable ratio	NA	NA	NA	NA	NA	NA
14	Current Liability ratio	43.13%	43.38%	30.57%	43.13%	30.57%	38.97%
15	Total Debts to Total Assets	79.02%	79.39%	80.54%	79.02%	80.54%	78.96%
16	Debtors Turnover	NA	NA	NA	NA	NA	NA
17	Inventory Turnover	NA	NA	NA	NA	NA	NA
18	Operating Margin (%)	NA	NA	NA	NA	NA	NA
19	Net Profit Margin (%)	15.14%	14.81%	5.02%	15.14%	5.02%	8.95%
20	Sector Specific equivalent ratios						
	Capital adequacy ratio (%)	20.80%	20.29%	19.79%	20.80%	19.79%	20.22%
	Gross Stage 3 ratio (%)	4.88%	4.95%	6.06%	4.88%	6.06%	4.99%
	Liquidity coverage ratio (%)	382%	164%	157%	382%	157%	102%
	Stage 3 provision coverage ratio (%)	55.93%	56.74%	55.05%	55.93%	55.05%	54.13%

Notes:

1) Debt equity ratio is (Debt securities + Borrowings + Subordinated liabilities) / Networth.

2) 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 half year ended September 30, 2022

(Rupees in million)

S.N.	Particulars	Quarter ended Sep 30, 2022 Reviewed	Quarter ended Jun 30, 2022 Reviewed	Quarter ended Sep 30, 2021 Reviewed	Half Year ended Sep 30, 2022 Reviewed	Half Year ended Sep 30, 2021 Reviewed	Year ended Mar 31, 2022 Audited
i.	Segment Revenue						
	Lending business	23,802	23,081	21,953	46,883	44,541	89,429
	BPO Services	6,676	6,721	5,757	13,397	11,313	23,634
	Unallocated	-	-	-	-	-	-
	Income from Operations	30,478	29,802	27,710	60,280	55,854	1,13,063
ii.	Segment Results						
	Lending business	5,999	5,598	2,421	11,597	3,519	12,387
	BPO Services	372	368	193	740	415	1,347
	Unallocated	(53)	(52)	(94)	(105)	(250)	(258)
	Profit before tax	6,318	5,914	2,520	12,232	3,684	13,476
	Income Tax expenses						
	Current tax	2,065	1,888	1,404	3,953	2,052	6,634
	Deferred tax Asset	(458)	(387)	(801)	(845)	(1,171)	(3,272)
	Net Profit	4,711	4,413	1,917	9,124	2,803	10,114
iii.	Capital Employed						
	Segment assets						
	Lending business	6,31,589	6,17,330	6,00,653	6,31,589	6,00,653	6,08,127
	BPO Services	2,218	2,124	1,433	2,218	1,433	1,487
	Unallocated	11,408	11,015	9,527	11,408	9,527	10,645
	Total Assets	6,45,215	6,30,469	6,11,613	6,45,215	6,11,613	6,20,259
	Segment Liabilities						
	Lending business	5,36,141	5,25,297	5,21,565	5,36,141	5,21,565	5,20,093
	BPO Services	1,357	2,671	1,798	1,357	1,798	956
	Unallocated	3,498	3,330	1,060	3,498	1,060	3,813
	Total Liabilities	5,40,996	5,31,298	5,24,423	5,40,996	5,24,423	5,24,862
	Net Segment assets / (liabilities)	1,04,219	99,171	87,190	1,04,219	87,190	95,397

a) Chief Operating Decision Maker

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

b) Operating Segment

Primary Segment (Business Segment)

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

Secondary Segment (Geographical Segment)

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

c) Segment Revenue and Expense

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

d) Segment Assets and Liabilities

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

e) Accounting Policies

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



HDB Financial Services Limited

Annexure 3
Security cover certificate as per Regulation 54(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as on September 30, 2022.

Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O	Column P
		Exclusive Change	Exclusive Change	Pari-Passu Charge	Pari-Passu Charge	Pari-Passu Charge	Assets not offered as Security	Elimination (amount in negative)	Debt not backed by any assets offered as security (applicable only for liability side)	Total (C to J)	Related to only those items covered by this certificate				
Particulars	Description of asset for which this certificate relate	Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu charge)	Other assets on which there is pari-passu charge (excluding items covered in column F)		Debt amount considered more than once (due to exclusive plus pari passu charge)			Market Value for Assets charged on Exclusive basis	Carrying/book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Market Value for Pari passu charge Assets	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Total Value(=L+M+N+O)
		Book Value	Book Value	Yes/No	Book Value	Book Value					Relating to Column F				
ASSETS															
Property, Plan and Equipment	Immovable Property (Note 1)	-	-	Yes	1	-	893	-	-	894	-	-	2	-	2
Capital Work-in-Progress		-	-	-	-	-	-	-	-	0	-	-	-	-	-
Right of Use Assets		-	-	-	-	-	2,224	-	-	2,224	-	-	-	-	-
Goodwill		-	-	-	-	-	-	-	-	0	-	-	-	-	-
Intangible Assets		-	-	-	-	-	162	-	-	162	-	-	-	-	-
Intangible Assets under Development		-	-	-	-	-	-	-	-	0	-	-	-	-	-
Investments		-	-	-	-	-	9,580	-	-	9,580	-	-	-	-	-
Loans	Receivables under financing activities (Note 2)	2,81,999	2,44,052	-	-	-	1,05,074	-	-	6,31,125	-	2,81,999	-	-	2,81,999
Inventories		-	-	-	-	-	-	-	-	0	-	-	-	-	-
Trade Receivables		-	-	-	-	-	1,928	-	-	1,928	-	-	-	-	-
Cash and Cash Equivalents		-	-	-	-	-	19,878	-	-	19,878	-	-	-	-	-
Bank Balances other than Cash Equivalents		-	-	-	-	-	1,405	-	-	1,405	-	-	-	-	-
Others		-	-	-	-	-	17,762	-	-	17,762	-	-	-	-	-
Total		2,81,999	2,44,052		1	-	1,58,906	-	-	6,84,958	-	2,81,999	2	-	2,82,001



Continued....

Security cover certificate as per Regulation 54(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as on September 30, 2022.																		
Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O	Column P			
Particulars	Description of asset for which this certificate relate	Exclusive Change	Exclusive Change	Pari-Passu Charge	Pari-Passu Charge	Pari-Passu Charge	Assets not offered as Security	Elimination (amount in negative)	Debt not backed by any assets offered as security (applicable only for liability side)	Total (C to J)	Related to only those items covered by this certificate							
		Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate is issued & other debt with pari-passu charge	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari-passu charge)	Other assets on which there is pari-passu charge (excluding items covered in column F)		Debt amount considered more than once (due to exclusive plus pari passu charge)			Market Value for Assets charged on Exclusive basis	Carrying/book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Market Value for Pari passu charge Assets	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSRA market value is not applicable)	Total Value(=L+M+N+O)			
		Book Value	Book Value	Yes/No	Book Value	Book Value									Relating to Column F			
LIABILITIES																		
Debt securities to which this certificate pertains		2,55,759	-	Yes	-	-	-	-	-	2,55,759	-	2,55,759	-	-	-	2,55,759		
Other debt sharing pari-passu charge with above debt		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Other Debt(ECB+Sec)		50,431	-	-	-	-	-	-	-	50,431	-	-	-	-	-	-		
Subordinated debt		-	-	-	-	-	-	-	34,141	34,141	-	-	-	-	-	-		
Borrowings		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Bank(TL)		1,71,435	-	-	-	-	-	-	-	1,71,435	-	-	-	-	-	-		
Debt Securities(PDI)		-	-	-	-	-	-	-	6,725	6,725	-	-	-	-	-	-		
Others(CP)		-	-	-	-	-	-	-	2,000	2,000	-	-	-	-	-	-		
Trade payables		-	-	-	-	3,885	-	-	3,885	-	-	-	-	-	-	-		
Lease Liabilities		-	-	-	-	2,583	-	-	2,583	-	-	-	-	-	-	-		
Provisions(incl.N PA)		-	-	-	-	42,257	-	-	42,257	-	-	-	-	-	-	-		
Others-Liab		-	-	-	-	11,523	-	-	11,523	-	-	-	-	-	-	-		
Total		2,55,759	2,21,866	-	-	60,248	-	42,866	5,80,739	-	2,55,759	-	-	-	-	2,55,759		
Cover on Book Value		1.10			0.00		1.10											
Cover on Market Value											1.10	0.00				1.10		
		Exclusive Security Cover Ratio			Pari-Passu Security Cover Ratio													

Notes:

1) The market value of Rs 2 million of the immovable property is on the basis of certified valuation done on April 15, 2022.

2) Receivable under financing activities consist of large number of small ticket loans. This is part of the non trading book where loans are in the nature of held to maturity and created with a sole objective of collecting principal and interest. Therefore company has considered the book value (before netting off impairment) for this certificate.



HDB Financial Services Limited

Annexure 4

Disclosure pursuant to Reserve Bank of India Circular RBI/2020-21/16 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/2021-22/32 DOR.STR.REC.12/21.04.048/2021-22 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 Resoultion 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 31st Mar 2022 (A)	Of (A), aggregate debt that slipped into NPA during six month period ended 30th Sep 2022	Of (A) amount written off during six month ended 30th Sep 2022	Of (A) amount Paid by the borrowers during the six month ended 30th Sep 2022	Exposure to accounts classified as Standard consequent to implementation of resolution plan - Position as at the end of 30th Sep 2022
Personal Loans	2,563	412	154	663	1,335
Corporate persons*	459	214	-	127	117
Of which, MSMEs	459	214	-	127	117
Others	3	-	1	1	1
Total	3,025	626	155	791	1,453



HDB/SLC/2022/1039

October 15, 2022

To,

<p>Listing Compliance Department BSE Limited P J Towers, Dalal Street, Mumbai - 400 001</p>	<p>Listing Compliance Department National Stock Exchange of India Limited Exchange Plaza, BKC, Bandra (East), Mumbai - 400051</p>
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Sub.: Disclosure of Related Party Transactions for the half year ended September 30, 2022 under Regulation 23(9) of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015

Dear Sir/Madam,

In accordance with the captioned subject, please find enclosed herewith the disclosure of related party transactions for the half year ended September 30, 2022.

You are requested to kindly take the same on your record.

This is for your information and appropriate dissemination.

Thanking you,

For HDB Financial Services Limited


Dipti Khandelwal
(Company Secretary)
Membership No. F11340



Encl: a/a

Related party transactions for six months ended September 30, 2022

S. No	Details of the party (listed entity /subsidiary) entering into the transaction		Relationship of the counterparty with the listed entity or its subsidiary	Type of related party transaction	Value of the related party transaction as approved by the audit committee (F.Y. 2022-2023)	Value of transaction during the reporting period	(Rs.in crore) In case monies are due to either party as a result of the transaction	
	Name	Name					Opening balance	Closing balance
1	HDB Financial Services Ltd	HDFC Bank Ltd.	Promoter	Expenses for receiving services	15.00	7.54	0.05	0.04
2	HDB Financial Services Ltd	HDFC Bank Ltd.	Promoter	Expenses for receiving services	35.00	10.17	-	-
3	HDB Financial Services Ltd	HDFC Bank Ltd.	Promoter	Expenses for receiving services	5.00	0.01	-	-
4	HDB Financial Services Ltd	HDFC Bank Ltd.	Promoter	Expenses for receiving services	12.00	1.33	0.12	0.04
5	HDB Financial Services Ltd	HDFC Bank Ltd.	Promoter	Expenses for receiving services	7.00	1.47	-	-
6	HDB Financial Services Ltd	HDFC Bank Ltd.	Promoter	Sale of goods or services	2,000.00	514.17	10.36	38.41
7	HDB Financial Services Ltd	HDFC Bank Ltd.	Promoter	Sale of goods or services	2,500.00	917.98	62.19	73.49
8	HDB Financial Services Ltd	HDFC Bank Ltd.	Promoter	Sale of goods or services	400.00	126.05	23.40	41.02
9	HDB Financial Services Ltd	HDFC Bank Ltd.	Promoter	Deposits Placed	2,000.00	-	88.51	-
10	HDB Financial Services Ltd	HDFC Bank Ltd.	Promoter	Interest paid	Interest on securities shall be paid as per terms of issue	120.72	-	-
11	HDB Financial Services Ltd	HDFC Bank Ltd.	Promoter	Interest paid	Interest on the loan shall be paid as per the Pricing policy	166.92	-	-
12	HDB Financial Services Ltd	HDFC Bank Ltd.	Promoter	Interest received	Interest shall be as per banks pricing grid prevailing from time to time	1.49	-	-
13	HDB Financial Services Ltd	HDFC Bank Ltd.	Promoter	Securities Issued	15,000.00	-	5,080.00	4,605.00
14	HDB Financial Services Ltd	HDFC Bank Ltd.	Promoter	Loan Securitised	12,000.00	-	459.55	228.95
15	HDB Financial Services Ltd	HDFC Bank Ltd.	Promoter	Borrowings Taken	18,000.00	950.00	6,067.14	6,061.87



Related party transactions for six months ended September 30, 2022

S. No	Details of the party (listed entity /subsidiary) entering into the transaction		Details of the counterparty		Type of related party transaction	Value of the related party transaction as approved by the audit committee (F.Y. 2022-2023)	Value of transaction during the reporting period	(Rs.in crore) In case monies are due to either party as a result of the transaction	
	Name	Name	Relationship of the counterparty with the listed entity or its subsidiary	Type of related party transaction				Opening balance	Closing balance
16	HDB Financial Services Ltd	HDFC Bank Ltd.	Promoter	Borrowings Repaid	18,000.00	955.27	-	-	-
17	HDB Financial Services Ltd	HDFC Bank Ltd.	Promoter	Borrowings Taken	18,000.00	202.54	-	-	-
18	HDB Financial Services Ltd	HDFC Bank Ltd.	Promoter	Borrowings Repaid	18,000.00	202.54	-	-	-
19	HDB Financial Services Ltd	HDFC Asset Management Company Ltd.	Companies under same group	Securities Issued	Issued basis the application made on electronic bidding platform of BSE exchange	-	346.00	100.00	
20	HDB Financial Services Ltd	HDFC Asset Management Company Ltd.	Companies under same group	Interest paid	Interest on securities will be paid as per terms of issue	62.31	-	-	-
21	HDB Financial Services Ltd	HDFC Ergo General Insurance Company Ltd.	Companies under same group	Sale of goods or services	20.00	5.74	1.36	2.17	
22	HDB Financial Services Ltd	HDFC Ergo General Insurance Company Ltd.	Companies under same group	Expenses for receiving services	15.00	0.40	-	-	-
23	HDB Financial Services Ltd	HDFC Ergo General Insurance Company Ltd.	Companies under same group	Securities Issued	800.00	-	120.00	95.00	
24	HDB Financial Services Ltd	HDFC Ergo General Insurance Company Ltd.	Companies under same group	Interest paid	Interest on securities will be paid as per terms of issue	4.63	-	-	-
25	HDB Financial Services Ltd	HDFC Life Insurance Co. Ltd.	Companies under same group	Sale of goods or services	25.00	2.52	0.72	0.41	
26	HDB Financial Services Ltd	HDFC Life Insurance Co. Ltd.	Companies under same group	Expenses for receiving services	1.00	-	0.01	0.01	
27	HDB Financial Services Ltd	HDFC Life Insurance Co. Ltd.	Companies under same group	Securities Issued	800.00	-	920.00	823.00	



Related party transactions for six months ended September 30, 2022

S. No	Details of the party (listed entity /subsidiary) entering into the transaction		Details of the counterparty		Type of related party transaction	Value of the related party transaction as approved by the audit committee (F.Y. 2022-2023)	Value of transaction during the reporting period	(Rs.in crore) In case monies are due to either party as a result of the transaction	
	Name	Name	Relationship of the counterparty with the listed entity or its subsidiary	Type of related party transaction				Opening balance	Closing balance
28	HDB Financial Services Ltd	HDFC Life Insurance Co. Ltd.	Companies under same group	Interest paid	Interest on securities shall be paid as per terms of issue	57.04	-	-	
29	HDB Financial Services Ltd	HDFC Securities Ltd.	Subsidiary of Promoter	Sale of goods or services	1.00	0.05	-	0.05	
30	HDB Financial Services Ltd	HDFC Securities Ltd.	Subsidiary of Promoter	Expenses for receiving services	2.00	0.01	-	-	
31	HDB Financial Services Ltd	A. K. Viswanathan	Independent Director	Director Commission	As Approved by Board and shareholders	0.08	-	-	
32	HDB Financial Services Ltd	A. K. Viswanathan	Independent Director	Director Sitting Fees	As Approved by Board	0.07	-	-	
33	HDB Financial Services Ltd	Arijit Basu	Chairman & Non Executive Director	Director Sitting Fees	As Approved by Board	0.03	-	-	
34	HDB Financial Services Ltd	Arijit Basu	Chairman & Non Executive Director	Remuneration Paid To Chairman	As Approved by Board and shareholders	0.14	-	-	
36	HDB Financial Services Ltd	Arundhati M	Independent Director	Director Sitting Fees	As Approved by Board	0.06	-	-	
37	HDB Financial Services Ltd	Dr. Amla Samanta	Independent Director	Director Commission	As Approved by Board and shareholders	0.08	-	-	
38	HDB Financial Services Ltd	Dr. Amla Samanta	Independent Director	Director Sitting Fees	As Approved by Board	0.04	-	-	
39	HDB Financial Services Ltd	Ramesh Ganesan	Managing Director	Salary Including Perquisites And Allowances	As Approved by Board and shareholders	3.75	-	-	
40	HDB Financial Services Ltd	Smita Affinwalla	Independent Director	Director Commission	As Approved by Board and shareholders	0.08	-	-	
41	HDB Financial Services Ltd	Smita Affinwalla	Independent Director	Director Sitting Fees	As Approved by Board	0.06	-	-	
42	HDB Financial Services Ltd	Venkatraman Srinivasan	Independent Director	Director Commission	As Approved by Board and shareholders	0.08	-	-	

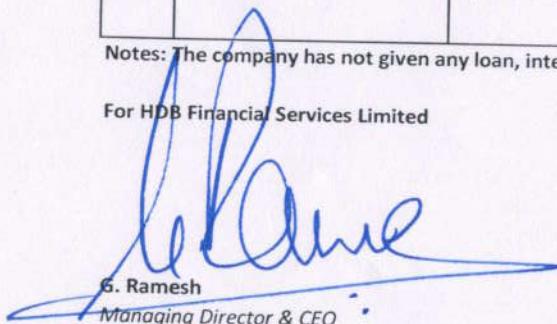


Related party transactions for six months ended September 30, 2022

S. No	Details of the party (listed entity /subsidiary) entering into the transaction		Details of the counterparty		Type of related party transaction	Value of the related party transaction as approved by the audit committee (F.Y. 2022-2023)	Value of transaction during the reporting period	In case monies are due to either party as a result of the transaction		(Rs.in crore)
	Name	Name	Relationship of the counterparty with the listed entity or its subsidiary	Type of related party transaction				Opening balance	Closing balance	
43	HDB Financial Services Ltd	Venkatraman Srinivasan	Independent Director	Director Sitting Fees	As Approved by Board	0.07	-	-	-	
44	HDB Financial Services Ltd	Dipti Khandelwal	Company Secretary	Salary Including Perquisites And Allowances	As Approved by Nomination and Remuneration Committee	0.29	-	-	-	
45	HDB Financial Services Ltd	Jay Kumar Shah	Chief Financial Officer	Salary Including Perquisites And Allowances	As Approved by Nomination and Remuneration Committee	1.10	-	-	-	

Notes: The company has not given any loan, inter corporate deposit, advances or made any investment to the related parties during the reporting period.

For HDB Financial Services Limited



G. Ramesh
 Managing Director & CEO
 DIN: 05291597

