

Ref. No. SE/2020-21/296

February 2, 2021

BSE Limited
P. J. Towers,
Dalal Street,
Mumbai 400 001.

National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1,
Bandra-Kurla Complex, Bandra (East),
Mumbai 400 051.

Kind Attn: – Sr. General Manager
DCS - Listing Department

Kind Attn: Head - Listing

Dear Sirs,

Sub: Outcome of Board Meeting

We wish to inform you that at the meeting of the Board of Directors of the Corporation held today i.e., February 2, 2021, the Board has approved the unaudited financial results [standalone] of the Corporation and the unaudited consolidated financial results, for the quarter/ nine months ended December 31, 2020, in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

We would like to state that the statutory auditors of the Corporation have issued limited review reports with unmodified opinion.

A copy of the said results along with the limited review reports issued by the Statutory Auditors of the Corporation is enclosed herewith and the said documents are being uploaded on the website of the Corporation i.e. www.hdfc.com. A press release being issued by the Corporation on the said results and on impact of COVID-19 on the Corporation is also enclosed.

We further wish to inform you that the Board of Directors at the said meeting also granted its approval for issuance of secured/ unsecured redeemable non-convertible debentures under a Shelf Disclosure Document, aggregating ₹ 45,000 crore, in various tranches, on a private placement basis, in accordance with the approval granted by the shareholders of the Corporation at the 43rd Annual General Meeting held on July 30, 2020.

Please note that the said Board meeting commenced at 12.15 p.m. and concluded at 2.10 p.m.

Please also find enclosed statement of deviation or variation for equity, in the prescribed format as required under Regulation 32 of the Listing Regulations read with SEBI Circular No. CIR/CFD/CMD1/162/2019 dated December 24, 2019.



Corporate Office: HDFC House, H T Parekh Marg, 165-166, Backbay Reclamation, Churchgate, Mumbai 400 020.
Tel.: 66316000, 22820282. Fax: 022-22046834, 22046758.

Regd. Office: Ramon House, H T Parekh Marg, 169, Backbay Reclamation, Churchgate, Mumbai 400 020. INDIA.
Corporate Identity Number: L70100MH1977PLC019916

Please note that in terms of the HDFC Securities Dealing Code and the SEBI (Prohibition of Insider Trading) Regulations, 2015, the window for trading in Securities of the Corporation by employees and directors of the Corporation will open on Friday, February 5, 2021.

We request you to take note of the above and arrange to bring this to the notice of all concerned.

Thank you,

Yours faithfully,

For Housing Development Finance Corporation Limited


Ajay Agarwal
Company Secretary



Encl: a.a.

cc: London Stock Exchange
10, Paternoster Square
London
EC4M 7LS



HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED

UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2020

₹ in Crore

PARTICULARS	Quarter ended 31-Dec-20 Reviewed	Quarter ended 30-Sep-20 Reviewed	Quarter ended 31-Dec-19 Reviewed	Nine Months ended 31-Dec-20 Reviewed	Nine Months ended 31-Dec-19 Reviewed	Year ended 31-Mar-20 Audited
Revenue from Operations						
(i) Interest Income	10,710.18	10,825.11	10,727.38	32,325.95	31,683.91	42,647.12
(ii) Surplus from deployment in Cash Management Schemes of Mutual Funds	127.21	176.84	255.35	665.78	860.82	1,102.21
(iii) Dividend Income	2.22	322.97	3.75	623.42	1,078.60	1,080.68
(iv) Rental Income	16.54	19.79	17.99	52.50	48.95	70.36
(v) Fees and Commission Income	53.15	58.83	44.54	144.22	127.06	192.78
(vi) Net gain / (loss) on Fair Value changes	230.32	165.99	39.00	490.34	(328.35)	99.23
(vii) Fair Value gain consequent to merger of GRUH, an associate, with Bandhan Bank (Note 10)	-	-	9,019.81	-	9,019.81	9,019.81
(viii) Profit on Sale of Investments	157.10	(0.61)	-	1,397.69	3,521.30	3,523.75
(ix) Profit on Sale of Investment-Properties	-	-	7.40	-	20.80	35.11
(x) Income on derecognised/assigned loans	410.28	159.04	170.25	752.74	730.30	967.87
I Total Revenue from Operations	11,707.00	11,727.96	20,285.47	36,452.64	46,763.20	58,738.92
II Other Income	9.34	4.74	5.98	15.69	18.48	24.42
III Total Income (I+II)	11,716.34	11,732.70	20,291.45	36,468.33	46,781.68	58,763.34
Expenses						
(i) Finance Cost	6,832.65	7,399.11	7,769.55	22,048.81	23,339.52	31,001.36
(ii) Impairment on financial instruments (Expected Credit Loss)	594.00	436.00	2,995.00	2,229.00	4,639.10	5,913.10
(iii) Employee Benefit Expenses (Note 4)	290.53	181.11	152.99	632.07	453.32	592.92
(iv) Depreciation, amortisation and impairment	51.62	35.95	42.05	122.20	104.59	147.74
(v) Establishment Expenses	8.96	7.59	9.44	29.84	35.20	40.37
(vi) Other Expenses	186.04	141.16	179.43	515.26	551.47	716.93
IV Total Expenses	7,963.80	8,200.92	11,148.46	25,577.18	29,123.20	38,412.42
V Profit Before Tax (III-IV)	3,752.54	3,531.78	9,142.99	10,891.15	17,658.48	20,350.92
Tax Expense						
- Current Tax	756.26	592.46	652.64	2,188.09	2,030.02	2,571.68
- Deferred Tax	70.45	69.20	117.86	(144.41)	91.34	9.59
VI Total Tax Expense	826.71	661.66	770.50	2,043.68	2,121.36	2,581.27
VII Net Profit after Tax (V-VI)	2,925.83	2,870.12	8,372.49	8,847.47	15,537.12	17,769.65
VIII Other Comprehensive Income	2,325.84	(1,405.02)	(806.68)	2,939.68	(640.13)	(6,652.31)
IX Total Comprehensive Income (VII+VIII)	5,251.67	1,465.10	7,565.81	11,787.15	14,896.99	11,117.34
Earnings per Share (Face value ₹ 2)*						
- Basic (₹)	16.27	16.24	48.51	50.10	90.05	102.91
- Diluted (₹)	16.24	16.22	48.11	49.95	89.36	102.12
Paid-up Equity Share Capital (Face value ₹ 2)	360.04	359.16	345.81	360.04	345.81	346.41
Reserves excluding Revaluation Reserves as at March 31						85,811.65

* Not annualised



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HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED

Notes :

- 1 The financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 - Interim Financial Reporting, notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and other accounting principles generally accepted in India.
- 2 During the quarter, the Corporation has sold 25,48,750 equity shares of HDFC Life Insurance Company Limited (HDFC Life) and complied with the direction from the RBI to reduce the shareholding in HDFC Life to 50 per cent or below. As a result, a pre tax profit on sale of investments of ₹ 157.10 Crore has been recognised in the quarter ended December 31, 2020 and the Corporation's equity shareholding in HDFC Life stood at 49.99 per cent.
- 3 During the quarter ended December 31, 2020, the National Company Law Tribunal has sanctioned the Scheme of Amalgamation for merger of HDFC ERGO Health Insurance Limited (formerly Apollo Munich Health Insurance Company Limited) (HDFC ERGO Health) with and into HDFC ERGO General Insurance Company Limited (HDFC ERGO), subsidiaries of the Corporation and Insurance Regulatory and Development Authority of India (IRDAI) has issued final approval for the merger. Consequently, HDFC ERGO Health has been merged with HDFC ERGO from appointed date i.e. March 1, 2020. As at the end of this quarter the Corporation's holding in HDFC ERGO, the merged entity is 50.56 per cent. As per the directions of RBI, the Corporation is required to reduce its shareholding in the merged entity to 50 per cent or below within 6 months post amalgamation.
- 4 The Nomination and Remuneration Committee of the Directors of the Corporation at its meeting held on September 4, 2020 had approved grant of 3,83,96,531 stock options representing 3,83,96,531 equity shares of ₹ 2 each, at a grant price of ₹ 1,808.75 per equity share (being the market price as defined in the applicable SEBI Regulations), to its eligible employees and whole-time directors under HDFC Employees Stock Option Scheme - 2020. The total charge for share based payment to employees for the quarter ended December 31, 2020 is ₹ 147.12 Crore and for the nine months ended December 31, 2020 is ₹ 194.15 Crore.
- 5 During the previous quarter, the Corporation raised additional capital through a Qualified Institutions Placement of 5,68,18,181 equity shares at a price of ₹ 1,760.00 per share and 1,70,57,400 convertible warrants at an issue price of ₹ 180.00 per warrant with a right to exchange one warrant with one equity share of ₹ 2 each, any time before the expiry of 36 months from the date of allotment, at an exercise price of ₹ 2,165.00 per warrant. Consequent to the issuance, the paid up share capital of the Corporation has increased by ₹ 11.36 Crore and other equity has increased by ₹ 10,273.52 Crore after charging issue related expenses.
- 6 During the quarter ended December 31, 2020, the Corporation allotted 43,89,970 equity shares of ₹ 2 each pursuant to exercise of stock options by certain employees/ directors.
- 7 Consequent to the outbreak of COVID-19 pandemic, the Indian government had announced lockdown in March 2020. Subsequently, the lockdown has been lifted by the government in a phased manner outside specified containment zones.

The extent to which the COVID-19 pandemic will impact Corporation's performance will depend on future developments, which are uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government mandated or elected by us.

In accordance with the RBI guidelines relating to COVID 10 Regulatory Package dated March 27, 2020, April 17, 2020 and May 23, 2020, the Corporation had offered moratorium on the payment of installments falling due between March 1, 2020 and August 31, 2020 ('moratorium period') to eligible borrowers. In respect of accounts where moratorium benefit was granted, the staging of those accounts as at December 31, 2020 is based on the days past due status considering the benefit of moratorium period in accordance with the COVID-19 Regulatory Package announced by the RBI vide aforesaid notifications.

- 8 In view of the Supreme Court interim order dated September 3, 2020 in public interest litigation (PIL) by Gajendra Sharma vs. Union of India & ANR, no additional borrower accounts under moratorium granted category have been classified as Non Performing Asset (NPA) which were not declared as NPA till August 31, 2020. However, the Corporation has classified such accounts as stage 3 and provisioned accordingly in the Statement of Profit & Loss for the quarter and nine months ended December 31, 2020 and quarter ended September 30, 2020.



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HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED

- 9 The Government of India, Ministry of Finance, vide its notification dated October 23, 2020, had announced COVID-19 Relief Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts (Scheme), as per the eligibility criteria and other aspects specified therein and irrespective of whether the moratorium was availed or not. During the quarter, the Corporation has implemented the Scheme and credited the accounts of or remitted amounts to the eligible borrowers as per the Scheme.
- 10 During the previous year, GRUH Finance Limited (GRUH), an associate company, was merged with Bandhan Bank effective October 17, 2019. The Corporation recorded a fair value gain of ₹ 9,019.81 crore through the Statement of Profit and Loss during the quarter ended December 31, 2019 on derecognition of investment in GRUH.
- 11 The Corporation's main business is financing by way of loans for the purchase or construction of residential houses, commercial real estate and certain other purposes, in India. All other activities of the Corporation revolve around the main business. Accordingly, there are no separate reportable segments, as per the Ind AS 108 dealing with 'Operating Segment'.
- 12 Figures for the previous period have been regrouped wherever necessary, in order to make them comparable.

The above results for the quarter and nine months ended December 31, 2020 were reviewed by the Audit and Governance Committee of Directors and subsequently approved by the Board of Directors at its meeting held on February 2, 2021, in terms of Regulation 33 of the SECDI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The above results for the quarter and nine months ended December 31, 2020 have been subjected to a Limited Review by the Auditors of the Corporation.

For and on behalf of the Board of Directors

**Place: Mumbai
Date: February 2, 2021**



S. K. Kulkarni

Keki M. Mistry
**Keki M. Mistry
Vice Chairman & CEO**





HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED

UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2020

PARTICULARS	Quarter ended			Nine Months ended		Year ended
	31-Dec-20	30-Sep-20	31-Dec-19	31-Dec-20	31-Dec-19	31-Mar-20
	Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Audited
1 Revenue from Operations						
- Interest Income	11,182.63	11,231.51	11,184.65	33,582.24	33,862.63	45,253.26
- Surplus from deployment in Cash Management Schemes of Mutual Funds	127.76	177.34	255.35	666.83	877.51	1,118.90
- Dividend Income	6.74	14.51	16.23	29.74	63.80	89.21
- Rental Income	11.89	14.02	12.35	36.29	31.89	47.13
- Fees and commission Income	508.07	489.08	552.17	1,435.37	1,627.13	2,138.82
- Profit on loss of control over a subsidiary (Refer note 11)	-	-	1,798.81	-	9,799.10	9,799.10
- Net gain / (loss) on fair value changes	649.31	350.12	130.04	1,350.37	(172.80)	(179.07)
- Profit on sale of Investment and Investment properties	-	-	6.36	-	23.25	35.11
- Income on derecognised / assigned loans	367.97	159.04	170.25	710.43	730.30	967.87
- Premium and other operating income from Life Insurance Business - Policyholder's funds	11,258.62	12,058.00	9,767.31	30,607.22	26,798.43	38,328.46
- Net Gain / (Loss) on Investments in Life Insurance business - Policyholder's funds	10,044.33	4,281.73	1,682.37	21,305.68	1,223.23	(10,286.99)
- Income from General Insurance Business - Policyholder's funds	5,101.74	5,307.62	3,488.07	13,571.43	10,261.16	14,414.51
Total Revenue from Operations	39,259.06	34,082.97	29,071.96	1,03,295.60	85,125.63	1,01,725.71
2 Other Income	8.53	7.48	1.23	21.78	38.27	70.19
3 Total Income (1+2)	39,267.59	34,090.45	29,073.19	1,03,317.38	85,163.90	1,01,795.90
4 Expenses:						
- Finance cost	6,954.48	7,518.34	7,885.13	22,415.27	24,309.01	32,109.45
- Impairment on financial instruments (Expected Credit Loss)	625.98	479.44	2,998.16	2,309.45	4,641.70	5,951.12
- Employee benefit expenses	500.35	368.76	156.32	1,192.93	1,039.32	1,356.66
- Depreciation, amortisation and impairment	90.82	89.35	67.78	266.18	171.84	256.11
- Establishment expenses	12.76	12.42	19.48	38.38	48.36	56.78
- Claims and other operating expenses of Life Insurance Business - Policyholder's funds	7,999.96	6,205.09	7,217.42	17,901.53	17,618.83	24,449.40
- Changes in Life Insurance contract liabilities and surplus pending transfer	13,083.53	9,863.29	4,086.97	33,114.03	9,638.48	2,168.61
- Expense of General Insurance Business - Policyholder's funds	4,700.12	5,093.95	3,523.78	12,849.68	9,871.67	13,934.50
- Other expenses	249.34	195.94	169.10	700.39	710.76	1,066.12
Total Expenses	34,217.04	29,826.58	26,124.14	90,787.84	68,049.97	81,348.75
5 Share of profit of Associates (Equity Method)	1,760.22	1,642.43	1,651.74	5,003.46	4,128.39	5,746.10
6 Profit before tax (3-4+5)	6,810.77	5,906.30	4,600.79	17,533.00	21,242.32	26,193.25
7 Tax Expense						
- Current tax	964.00	774.26	873.52	2,761.02	2,606.34	3,415.75
- Deferred tax	122.54	96.63	(469.21)	(46.19)	151.09	(48.97)
Total Tax expense	1,086.54	870.89	404.31	2,714.83	2,757.43	3,366.78
8 Net Profit After tax (before adjustment for minority interest) (6-7)	5,724.23	5,035.41	4,196.48	14,818.17	18,484.89	22,826.47
9 Other Comprehensive Income	2,750.25	(1,690.95)	(937.30)	3,509.95	(257.36)	(6,213.42)
10 Total Comprehensive Income (8+9)	8,474.48	3,344.46	3,259.18	18,328.12	18,227.53	16,613.05
11 Profit Attributable to:						
Owners of the Corporation	5,176.76	4,599.68	3,835.38	13,390.04	17,318.37	21,434.57
Non-Controlling Interest	547.47	435.73	361.10	1,428.13	1,166.52	1,391.90
12 Other Comprehensive Income attributable to:						
Owners of the Corporation	2,657.69	(1,615.11)	(940.40)	3,313.40	(343.58)	(6,374.24)
Non-Controlling Interest	92.56	(75.84)	3.10	196.55	86.22	160.82
13 Total Comprehensive Income attributable to:						
Owners of the Corporation	7,834.45	2,984.57	2,894.98	16,703.44	16,974.79	15,060.33
Non-Controlling Interest	640.03	359.89	364.20	1,624.68	1,252.74	1,552.72
Earnings per Share (Face value ₹ 2)*						
- Basic (₹)	28.79	26.03	22.16	75.82	100.37	124.14
- Diluted (₹)	28.74	25.99	21.95	75.60	99.61	123.19
Paid-up Equity Share Capital (Face value ₹ 2)	360.04	359.16	345.81	360.04	345.81	346.41
Reserves excluding Revaluation Reserves as at March 31						1,26,132.75

Not annualised



Housing Development Finance Corporation Limited



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HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED

1 The disclosure in terms of Ind AS 108 dealing with "Operating Segment" as specified under Section 133 of the Companies Act, 2013

₹ in Crore

PARTICULARS	Quarter ended	Quarter ended	Quarter ended	Nine Months ended	Nine Months ended	Year ended
	31-Dec-20	30-Sep-20	31-Dec-19	31-Dec-20	31-Dec-19	31-Mar-20
	Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Audited
Segment Revenues						
- Loans	11,891.72	11,914.38	20,475.59	37,005.52	48,224.88	60,396.80
- Life Insurance	21,676.23	16,603.93	11,606.97	52,829.85	28,371.15	28,165.41
- General Insurance	5,204.75	5,352.71	3,536.15	13,766.45	10,395.27	14,793.45
- Asset Management	480.68	493.55	578.11	1,429.06	1,710.62	2,153.95
- Others	178.60	141.29	136.01	382.71	698.28	838.92
Total Segment Revenues	39,431.98	34,505.86	36,332.83	1,05,413.59	89,400.20	1,06,348.53
- Unallocated Revenues	117.56	63.26	51.91	259.27	111.54	130.31
- Inter-segment	(281.95)	(478.67)	(7,311.55)	(2,355.48)	(4,347.84)	(4,682.94)
Total Revenues	39,267.59	34,090.45	29,073.19	1,03,317.38	85,163.90	1,01,795.90
Segment Results						
- Loans	3,801.07	3,581.37	2,817.26	11,039.09	18,029.00	20,752.37
- Life Insurance	501.73	439.92	345.86	1,565.69	1,057.32	1,283.42
- General Insurance	429.50	218.57	154.68	768.76	416.55	691.95
- Asset Management	339.44	317.31	473.10	973.37	1,367.48	1,683.47
- Others	32.41	12.99	(48.59)	5.56	190.94	176.53
Total Segment Results	5,104.15	4,570.16	3,742.31	14,352.47	21,061.29	24,587.74
- Unallocated	117.56	63.26	51.91	259.27	111.54	130.32
- Share of Profit from Associates	1,760.22	1,642.43	1,651.74	5,003.46	4,128.39	5,746.10
- Inter-segment	(171.16)	(369.55)	(845.17)	(2,082.20)	(4,058.90)	(4,270.91)
Profit before Tax	6,810.77	5,906.30	4,600.79	17,533.00	21,242.32	26,193.25
Segment Assets						
- Loans	5,43,050.05	5,23,059.94	4,80,045.92	5,43,050.05	4,80,045.92	5,07,040.08
- Life Insurance	1,80,770.83	1,63,624.42	1,45,249.46	1,80,770.83	1,45,249.46	1,39,676.67
- General Insurance	25,450.17	24,569.41	17,961.09	25,450.17	17,961.09	23,271.49
- Asset Management	5,464.38	5,093.84	4,938.35	5,464.38	4,938.35	4,830.77
- Others	688.64	655.92	947.25	688.64	947.25	880.95
Total Segment Assets	7,55,424.67	7,17,603.53	6,55,742.07	7,55,424.67	6,55,742.07	6,75,705.96
Unallocated						
- Banking	53,863.69	51,859.71	47,155.52	53,863.69	47,155.52	48,712.74
- Others	4,650.90	4,984.09	4,561.50	4,650.90	4,561.50	5,396.23
Total Assets	8,13,939.26	7,74,447.33	7,07,459.09	8,13,939.26	7,07,459.09	7,29,814.93
Segment Liabilities						
- Loans	4,58,947.28	4,45,935.53	4,18,084.72	4,58,947.28	4,18,084.72	4,43,634.85
- Life Insurance	1,72,750.38	1,56,134.65	1,38,840.38	1,72,750.38	1,38,840.38	1,33,068.82
- General Insurance	19,905.14	19,282.06	15,535.27	19,905.14	15,535.27	18,555.20
- Asset Management	271.79	244.00	292.25	271.79	292.25	277.49
- Others	178.30	162.31	145.52	178.30	145.52	149.78
Total Segment Liabilities	6,52,052.89	6,21,758.55	5,72,898.14	6,52,052.89	5,72,898.14	5,95,686.14
Unallocated						
- Others	497.02	464.61	195.14	497.02	195.14	292.31
Total Liabilities	6,52,549.91	6,22,223.16	5,73,093.28	6,52,549.91	5,73,093.28	5,95,978.45
Capital Employed						
- Loans	84,103.37	77,724.41	68,561.20	84,103.37	68,561.20	63,411.23
- Life Insurance	8,020.45	7,489.77	6,409.08	8,020.45	6,409.08	6,607.85
- General Insurance	5,545.03	5,287.35	2,425.82	5,545.03	2,425.82	4,716.29
- Asset Management	5,192.59	4,849.84	4,646.10	5,192.59	4,646.10	4,553.28
- Others	510.34	493.61	801.73	510.34	801.73	731.17
Total Segment Capital Employed	1,03,371.78	95,844.98	82,843.93	1,03,371.78	82,843.93	80,019.82
Unallocated						
- Banking	53,863.69	51,859.71	47,155.52	53,863.69	47,155.52	48,712.74
- Others	4,153.88	4,519.48	4,366.36	4,153.88	4,366.36	5,103.92
Total Capital Employed	1,61,389.35	1,52,224.17	1,34,365.81	1,61,389.35	1,34,365.81	1,33,836.48

- The Group identifies primary segments based on the dominant source, nature of risks and returns, the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the Chief Operating Decision Maker in deciding how to allocate resources and in assessing performance.
- Loans segment mainly comprises of Group's financing activities for housing and also includes financing of commercial real estate and others through the Corporation including education loans through its wholly-owned subsidiary HDFC Credila Financial Services Limited.
- Asset Management segment includes portfolio management, mutual fund and property investment management.
- Others include project management and investment consultancy.
- The Group does not have any material operations outside India and hence disclosure of geographic segments is not given.

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Housing Development Finance Corporation Limited



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HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED

- 2 The financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 - Interim Financial Reporting, notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and other accounting principles generally accepted in India.
- 3 During the quarter, the Corporation has sold 25,48,750 equity shares of HDFC Life Insurance Company Limited (HDFC Life) and complied with the direction from the RBI to reduce the shareholding in HDFC Life to 50 per cent or below. As a result, a pre tax adjusted gain of ₹ 149.17 crore has been recognised, in Other Equity, for the quarter ended December 31, 2020 and the Corporation's equity shareholding in HDFC Life stood at 49.99 per cent.
- 4 During the quarter ended December 31, 2020, the National Company Law Tribunal has sanctioned the Scheme of Amalgamation for merger of HDFC ERGO Health Insurance Limited (formerly Apollo Munich Health Insurance Company Limited) (HDFC ERGO Health) with and into HDFC ERGO General Insurance Company Limited (HDFC ERGO), subsidiaries of the Corporation and Insurance Regulatory and Development Authority of India (IRDAI) has issued final approval for the merger. Consequently, HDFC ERGO Health has been merged with HDFC ERGO from appointed date i.e. March 1, 2020. As at the end of this quarter the Corporation's holding in HDFC ERGO, the merged entity is 50.56 per cent. As per the directions of RBI, the Corporation is required to reduce its shareholding in the merged entity to 50 per cent or below within 6 months post amalgamation.
- 5 The Nomination and Remuneration Committee of the Directors of the Corporation at its meeting held on September 4, 2020 had approved grant of 3,83,96,531 stock options representing 3,83,96,531 equity shares of ₹ 2 each, at a grant price of ₹ 1,808.75 per equity share (being the market price as defined in the applicable SEBI Regulations), to its eligible employees and whole-time directors under HDFC Employees Stock Option Scheme - 2020.
- 6 During the previous quarter, the Corporation raised additional capital through a Qualified Institutions Placement of 5,68,18,181 equity shares at a price of ₹ 1,760.00 per share and 1,70,57,400 convertible warrants at an issue price of ₹ 180.00 per warrant with a right to exchange one warrant with one equity share of ₹ 2 each, any time before the expiry of 36 months from the date of allotment, at an exercise price of ₹ 2,165.00 per warrant. Consequent to the issuance, the paid up share capital of the Corporation has increased by ₹ 11.36 Crore and other equity has increased by ₹ 10,273.52 Crore after charging issue related expenses.
- 7 During the quarter ended December 31, 2020, the Corporation allotted 43,89,970 equity shares of ₹ 2 each pursuant to exercise of stock options by certain employees / directors.
- 8 Consequent to the outbreak of COVID-19 pandemic, the Indian government had announced lockdown in March 2020. Subsequently, the lockdown has been lifted by the government for certain activities in a phased manner outside specified containment zones.
The extent to which the COVID 19 pandemic will impact Corporation's performance will depend on future developments, which are uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government mandated or elected by us.
In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated March 27, 2020, April 17, 2020 and May 23, 2020, the Corporation had offered moratorium on the payment of installments falling due between March 1, 2020 and August 31, 2020 ('moratorium period') to eligible borrowers. In respect of accounts where moratorium benefit was granted, the staging of those accounts as at September 30, 2020 is based on the days past due status considering the benefit of moratorium period in accordance with the COVID-19 Regulatory Package announced by the RBI vide aforesaid notifications.
- 9 In view of the Supreme Court interim order dated September 3, 2020 in public interest litigation (PIL) by Gajendra Sharma vs. Union of India & ANR, no additional borrower accounts under moratorium granted category have been classified as Non Performing Asset (NPA) which were not declared as NPA till August 31, 2020. However, the Corporation has classified such accounts as stage 3 and provisioned accordingly in the Statement of Profit & Loss for the quarter and nine months ended December 31, 2020 and quarter ended September 30, 2020.
- 10 The Government of India, Ministry of Finance, vide its notification dated October 23, 2020, had announced COVID-19 Relief Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts (Scheme), as per the eligibility criteria and other aspects specified therein and irrespective of whether the moratorium was availed or not. During the quarter, the Corporation has implemented the Scheme and credited the accounts of or remitted amounts to the eligible borrowers as per the Scheme.
- 11 During the nine months ended December 31, 2019, GRUH Finance Ltd, a subsidiary company subsequently diluted to an associate company was amalgamated with Bandhan Bank Limited, which resulted in pre tax adjusted gain of Rs. 9,799.10 crore in the Statement of Profit & Loss.
- 12 Figures for the previous period have been regrouped wherever necessary, in order to make them comparable.

The above results for the quarter and nine months ended December 31, 2020 were reviewed by the Audit and Governance Committee of Directors and subsequently approved by the Board of Directors at its meeting held on February 2, 2021, in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The above results for the quarter and nine months ended December 31, 2020 have been subjected to a limited review by the Auditors of the Corporation.

Place: Mumbai
Date: February 2, 2021



For and on behalf of the Board of Directors



Keki M. Mistry
Vice Chairman & CEO

B S R & Co. LLP

Chartered Accountants

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Limited review report on unaudited quarterly standalone financial results and year-to-date standalone financial results of Housing Development Finance Corporation Limited under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Housing Development Finance Corporation Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of Housing Development Finance Corporation Limited (the 'Corporation') for the quarter ended 31 December 2020 and year to date results for the period from 1 April 2020 to 31 December 2020 (the 'Statement').
2. This Statement, which is the responsibility of the Corporation's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "*Interim Financial Reporting*" ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the 'Listing Regulations'). Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of corporation 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, prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

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Limited review report on unaudited quarterly standalone financial results and year-to-date standalone financial results of Housing Development Finance Corporation Limited under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)

5. As described in Note 7 to the Statement, in respect of accounts where moratorium benefit was granted, the staging of those accounts at 31 December 2020 is based on the days past due status considering the benefit of moratorium period in accordance with the Covid-19 Regulatory Package announced by the Reserve Bank of India vide notifications dated 27 March 2020, 17 April 2020 and 23 May 2020.

Further, the extent to which the Covid-19 pandemic will impact the Corporation's financial performance is dependent on future developments, which are uncertain.

Our review report is not modified in respect of these matters.

For BSR & Co. LLP

Chartered Accountants

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



Sagar Lakhani

Partner

Mumbai
2 February 2021

Membership No: 111855
UDIN: 21111855AAAAAQ3612

B S R & Co. LLP

Chartered Accountants

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Limited Review Report on Unaudited Consolidated Financial Results pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Housing Development Finance Corporation Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results of Housing Development Finance Corporation Limited (hereinafter referred to as the 'Parent' or the 'Corporation') and its subsidiaries (the Parent and its subsidiaries together referred to as the 'Group'), and its share of the net profit after tax and total comprehensive income of its associates for the quarter ended 31 December 2020 and year to date results for the period from 1 April 2020 to 31 December 2020 (the 'Statement'), being submitted by the Parent pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the 'Listing Regulations').
2. This Statement, which is the responsibility of the Parent's management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "*Interim Financial Reporting*" ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

SR

Housing Development Finance Corporation Limited

Limited Review Report on Unaudited Consolidated Financial Results pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)

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

Name of the Company	Relationship
Housing Development Finance Corporation Limited	Parent
HDFC Life Insurance Company Limited	Subsidiary
HDFC ERGO General Insurance Company Limited ('HDFC Ergo')	Subsidiary
HDFC ERGO Health Insurance Limited (formerly known as Apollo Munich Health Insurance Company Limited – Merged with HDFC Ergo with effect from 13 November 2020)	Subsidiary
HDFC Asset Management Company Limited	Subsidiary
HDFC Credila Financial Services Limited (formerly known as HDFC Credila Financial Services Private Limited)	Subsidiary
HDFC Holdings Limited	Subsidiary
HDFC Investments Limited	Subsidiary
HDFC Trustee Company Limited	Subsidiary
HDFC Sales Private Limited	Subsidiary
HDFC Venture Capital Limited	Subsidiary
HDFC Property Ventures Limited	Subsidiary
HDFC Ventures Trustee Company Limited	Subsidiary
HDFC Education and Development Services Private Limited	Subsidiary
HDFC Capital Advisors Limited	Subsidiary
HDFC Investment Trust-II	Subsidiary
HDFC Investment Trust	Subsidiary
HDFC Pension Management Company Limited	Subsidiary of HDFC Life Insurance Company Limited
HDFC International Life and Re Company Limited	Subsidiary of HDFC Life Insurance Company Limited
Griha Investments	Subsidiary of HDFC Holdings Limited
Griha Pte Limited	Subsidiary of HDFC Investments Limited
HDFC Bank Limited	Associate
Good Host Spaces Private Limited	Associate
True North Ventures Private. Limited	Associate
Magnum Foundations Private Limited	Associate of HDFC Property Ventures Limited
Renaissance Investment Solutions ARC Private Limited	Associate
HDFC Life Employees Stock Option Trust	Entity controlled by HDFC Life Insurance Company Limited

Housing Development Finance Corporation Limited

Limited Review Report on Unaudited Consolidated Financial Results pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. As described in Note 8 to the Statement, in respect of accounts where moratorium benefit was granted, the staging of those accounts at 31 December 2020 is based on the days past due status considering the benefit of moratorium period in accordance with the Covid-19 Regulatory Package announced by the Reserve Bank of India vide notifications dated 27 March 2020, 17 April 2020 and 23 May 2020.

Further, the extent to which the Covid-19 pandemic will impact the Corporations' and 3 subsidiaries' financial performance is dependent on future developments, which are uncertain.

Further, as described by other auditors in their reports relating to a subsidiary and an associate of the Corporation, the extent to which the Covid-19 pandemic will impact the financial performance is dependent on further developments, which are highly uncertain.

Further, as described by the other auditor in their report relating to a subsidiary of the Corporation, as directed by the Insurance Regulatory and Development Authority of India ('IRDAI'), the subsidiary has changed its accounting policy for premium due, from the quarter ended 31 December 2020. As per such subsidiary's management's assessment, the net impact on the profit after tax for the nine months ended 31 December 2020 is not material.

Our review report is not modified in respect of the above matters.

7. We did not review the financial results of 11 subsidiaries and an entity controlled by a subsidiary included in the Statement, whose financial results reflect total revenues of Rs. 26,886 crore and Rs. 66,653 crore, total net profit after tax of Rs. 743 crore and Rs. 1,881 crore and total comprehensive income of Rs. 932 crore and Rs. 2,280 crore, for the quarter ended 31 December 2020 and for the period from 1 April 2020 to 31 December 2020, respectively, as considered in the Statement.

The Statement also includes the Group's share of net profit after tax of Rs. 1,770 crore and Rs. 5,017 crore and total comprehensive income of Rs. 2,004 crore and Rs. 5,151 crore for the quarter ended 31 December 2020 and for the period from 1 April 2020 to 31 December 2020 respectively, as considered in the Statement, in respect of an associate whose consolidated financial information have not been reviewed by us.

Sh

Housing Development Finance Corporation Limited

Limited Review Report on Unaudited Consolidated Financial Results pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 *(Continued)*

These financial results have been reviewed by other auditors whose reports have been furnished to us by the management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and an associate, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Of the 11 subsidiaries and an entity controlled by a subsidiary referred to above:

- (a) in respect of 2 subsidiaries, financial results have been prepared in accordance with accounting principles generally accepted in their respective country of incorporation and the Corporation's management has converted these financial results from accounting principles generally accepted in its country to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Corporation's management.
- (b) in respect of an entity controlled by a subsidiary, the financial results for the quarter ended 31 December 2020 and for the period from 1 April 2020 to 31 December 2020, as reflected in their financial results were not reviewed by other auditors. The financial results of this component reflect total revenues of Rs. 0.02 crore and Rs. 0.05 crore, total net profit after tax of Rs. 0.01 crore and Rs. 0.03 crore and total comprehensive income of Rs. 0.01 crore and Rs. 0.03 crore for the quarter ended 31 December 2020 and for the period from 1 April 2020 to 31 December 2020 respectively. The financial results of this component are based solely on such financial information / explanation given to the component auditor and are management certified.

According to the information and explanation given to us by the management, these financial results referred to in para 7(b) are not material to the Group.

Our review report is not modified in respect of the above matters.

8. The Statement includes financial results of 2 subsidiaries, whose financial results reflect total revenues of Rs. 25 crore and Rs. 70 crore, total net loss after tax of Rs. 2 crore and Rs. 0.43 crore and total comprehensive loss of Rs. 2 crore and Rs. 0.43 crore, for the quarter ended 31 December 2020 and for the period from 1 April 2020 to 31 December respectively, as considered in the Statement, which have not been reviewed.

The Statement includes the Group's share of net loss after tax of Rs. 10 crore and Rs. 13 crore and total comprehensive loss of Rs. 10 crore and Rs. 13 crore for the quarter ended 31 December 2020 and for the period from 1 April 2020 to 31 December 2020, as considered in the Statement, in respect of 4 associates, based on their financial results which have not been reviewed.

According to the information and explanation given to us by the management, these financial results are not material to the Group.

Our review report is not modified in respect of the above matters.

SP

Housing Development Finance Corporation Limited

Limited Review Report on Unaudited Consolidated Financial Results pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)

9. Expenses pertaining to Life Insurance Business includes charge for actuarial valuation of liabilities for life policies in force, in respect of one subsidiary and Expenses pertaining to General Insurance Business includes the estimate of claims Incurred But Not Reported ('IBNR'), claims Incurred But Not Enough Reported ('IBNER') and Premium Deficiency Reserve ('PDR') in respect of one General Insurance Subsidiary referred to in this paragraph. This charge has been determined based on the liabilities duly certified by the actuaries appointed by the respective subsidiaries, and in their respective opinion, the assumptions for such valuations are in accordance with the guidelines and norms issued by the IRDAI and the Institute of Actuaries of India in concurrence with the IRDAI. The respective auditors of these subsidiaries have relied on the appointed actuaries' certificate in this regard in forming their conclusion on the financial results of the said subsidiaries.

Our review report is not modified in respect of the above matter.

For B S R & Co. LLP

Chartered Accountants

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



Sagar Lakhani

Partner

Mumbai
2 February 2021

Membership No: 111855

UDIN No: 21111855AAAAAP9090

Press Release

**STANDALONE & CONSOLIDATED FINANCIAL RESULTS FOR THE
NINE MONTHS ENDED DECEMBER 31, 2020**

PERFORMANCE HIGHLIGHTS

- **26% growth in individual loan disbursements during the quarter ended December 31, 2020 compared to the corresponding quarter of the previous year**
- **16% growth in individual loans (after adding back loans sold in the preceding 12 months)**
- **Spreads at 2.28% for the nine months ended December 31, 2020**
- **Net Interest Margin at 3.4% for nine months ended December 31, 2020**
- **Capital Adequacy at 20.9%; Tier 1 Capital at 19.9%.**
- **Standalone Profit After Tax for the quarter ended December 31, 2020 stood at ₹ 2,926 crore**
- **Consolidated Profit After Tax attributable to the Corporation for the quarter ended December 31, 2020 stood at ₹ 5,177 crore**

The Board of Directors of Housing Development Finance Corporation Limited (HDFC) announced its unaudited financial results for the quarter and nine months ended December 31, 2020 at its meeting held on Tuesday, February 2, 2021 in Mumbai. The accounts have been subjected to a limited review by the Corporation's statutory auditors in line with the regulatory guidelines.

There has been a significant recovery and strong growth in the individual business during the quarter ended December 31, 2020. On a nine month basis from April 1, 2020 to December 31, 2020, the impact of the pandemic induced lockdown has to be factored in and hence the current and previous year's numbers are not directly comparable.

Further, the profit numbers for the quarter/nine months ended December 31, 2020 are not comparable with that of the corresponding quarter/period of the previous year. The merger of GRUH Finance with Bandhan Bank was effective October 17, 2019. As per

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IndAS, the Corporation had on derecognition of the investment in GRUH, recorded a fair value gain of ₹ 9,020 crore through the Statement of Profit and Loss during the quarter ended December 31, 2019.

The Corporation has endeavoured to provide a like-for-like comparison on certain key items.

FINANCIAL RESULTS

Financials for the quarter ended December 31, 2020

The reported profit before tax for the quarter ended December 31, 2020 stood at ₹ 3,753 crore compared to ₹ 9,143 crore in the previous year.

After providing ₹ 827 crore for tax, the reported profit after tax stood at ₹ 2,926 crore as compared to ₹ 8,372 crore in the previous year.

The profit numbers for the quarter ended December 31, 2020 are not directly comparable with that of the previous year for the following reasons:

- Profit on sale of part stake in HDFC Life and dividend: ₹ 159 crore (PY: ₹ 4 crore)
- Net gain on fair value changes and income on loans assigned: ₹ 641 crore (PY: ₹ 209 crore)
- Fair value gain consequent to the merger of GRUH with Bandhan Bank: Nil (PY: ₹ 9,020 crore).
- Charge for employee stock options: ₹ 147 crore (PY: ₹ 3 crore)
- Provisioning (including provisioning for the impact of COVID-19): ₹ 594 crore (PY: ₹ 2,995 crore)

To facilitate a like-for-like comparison, after adjusting for the above, the adjusted profit before tax for the quarter ended December 31, 2020 is ₹ 3,694 crore compared to ₹ 2,908 crore in the previous year, reflecting a growth of 27%.

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Financials for the nine months ended December 31, 2020

The profit numbers for the nine months ended December 31, 2020 are not directly comparable with that of the previous year.

The reported profit before tax for the nine months ended December 31, 2020 stood at ₹ 10,891 crore.

To facilitate a like-for-like comparison, after adjusting profit on sale of investments and dividend, fair value adjustments and income on loans assigned, fair value gain consequent to the merger of GRUH with Bandhan Bank, employee stock options charge and provisioning, the adjusted profit before tax for the nine months ended December 31, 2020 is ₹ 10,050 crore compared to ₹ 8,287 crore in the previous year, reflecting a growth of 21%.

After providing for tax of ₹ 2,044 crore, the reported profit after tax for the nine months ended December 31, 2020 stood at ₹ 8,847 crore.

Total comprehensive income for the nine months ended December 31, 2020 stood at ₹ 11,787 crore.

LENDING OPERATIONS

The demand for home loans continued to remain strong owing to low interest rates, softer property prices, concessional stamp duty rates in certain states and continued fiscal incentives on home loans.

The month of December 2020 witnessed the highest ever levels in terms of receipts, approvals and disbursements.

During the quarter ended December 31, 2020, 91% of individual disbursements entailed property deals entered over the past four months, re-affirming that housing demand remains robust and is not pent-up demand.

The COVID-19 induced pandemic has given a strong fillip to various digitalisation initiatives offered by the Corporation. Despite the easing of lockdown restrictions, the trend of digital on-boarding of customers continued. Approximately 81% of new employed borrowers opted for the digital mode.

During the quarter ended December 31, 2020, individual loan disbursements grew at 26% over the corresponding quarter of the previous year. Growth in home loans was seen in both, the affordable housing segment as well as high-end properties.

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Affordable Housing

During the nine months ended December 31, 2020, 34% of home loans approved in volume terms and 17% in value terms were to customers from the Economically Weaker Section (EWS) and Low Income Groups (LIG).

The average home loan to the EWS and LIG segment stood at ₹ 10.7 lac and ₹ 18.5 lac respectively.

Overall Lending Operations

The average size of individual loans disbursed during the nine months ended December 31, 2020 stood at ₹ 28.5 lac. The average loan size for the quarter ended December 31, 2020 was higher at ₹ 30.0 lac.

As at December 31, 2020, the loans on an assets under management (AUM) basis stood at ₹ 5,52,167 crore as against ₹ 5,05,401 crore in the previous year.

As at December 31, 2020, individual loans comprise 76% of the Assets Under Management (AUM).

As at December 31, 2020, the individual loan book on an AUM basis grew 10% and the non-individual loan book grew by 7%. The growth in the total AUM was 9%.

During the quarter ended December 31, 2020, the Corporation assigned loans amounting to ₹ 7,076 crore to HDFC Bank compared to ₹ 4,258 crore in the corresponding quarter of the previous year. Loans sold in the preceding 12 months amounted to ₹ 16,956 crore (PY: ₹ 21,066 crore).

As at December 31, 2020, the outstanding amount in respect of individual loans sold was ₹ 68,073 crore. HDFC continues to service these loans.

The growth in the individual loan book, after adding back loans sold in the preceding 12 months was 16%. The growth in the total loan book after adding back loans sold was 13%.

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Collections, Non-Performing Assets (NPAs) & Provisioning

Overall collection efficiency ratios for individual loans have improved, nearing pre-COVID levels. The collection efficiency for individual loans in the month of December 2020 stood at 97.6% compared to 96.3% in the month of September 2020.

As per regulatory norms, the gross non-performing loans as at December 31, 2020 stood at ₹ 8,012 crore. This is equivalent to 1.67% of the loan portfolio.

The non-performing loans of the individual portfolio stood at 0.79% while that of the non-individual portfolio stood at 4.00%. The quarter ended December 31, 2020, saw resolutions in certain non-individual loans.

If the Honourable Supreme Court order of maintaining the classification of accounts as status quo till further orders were not to be considered, the non-performing loans would have been higher at 1.91% of the loan portfolio; with individual NPLs at 0.98% and non-individuals NPLs at 4.35%.

As per regulatory norms, the Corporation is required to carry a total provision of ₹ 6,579 crore. The regulatory provisioning for non-performing loans is determined solely on the period of default.

The provisions as at December 31, 2020 stood at ₹ 12,342 crore. The provisions carried as a percentage of the Exposure at Default (EAD) is equivalent to 2.56%.

The Corporation's Expected Credit Loss charged to the Statement of Profit and Loss for the nine months ended December 31, 2020 stood at ₹ 2,229 crore.

NET INTEREST INCOME

The net interest income (NII) for the quarter ended December 31, 2020 stood at ₹ 4,068 crore compared to ₹ 3,240 crore in the previous year, representing a growth of 26%.

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SPREAD AND MARGIN

The spread on loans over the cost of borrowings for the nine months ended December 31, 2020 was 2.28%. The spread on the individual loan book was 1.94% and on the non-individual book was 3.14%.

Net Interest Margin for the nine months ended December 31, 2020 stood at 3.4%.

COST INCOME RATIO

For the nine months ended December 31, 2020, cost to income ratio stood at 8.1% compared to 9.6% in the previous year.

SUBSIDIARY COMPANIES

During the quarter ended December 31, 2020, the Corporation sold 25,48,750 equity shares of HDFC Life Insurance Company Limited (HDFC Life). The profit on sale of investments was ₹ 157 crore. The Corporation's equity shareholding in HDFC Life stands at 49.99%. This has met the Reserve Bank of India's (RBI) mandate of reducing the Corporation's shareholding in HDFC Life to 50% or below by December 16, 2020.

During the quarter ended December 31, 2020, following the receipt of requisite approvals, HDFC ERGO Health Insurance Limited (formerly Apollo Munich Health Insurance Company Limited) merged with HDFC ERGO General Insurance Company Limited (HDFC ERGO). The appointed date of the Scheme of Amalgamation for the merger is March 1, 2020.

As at December 31, 2020, the Corporation's shareholding in HDFC ERGO, the merged entity stood at 50.56%. As per RBI directions, the Corporation is required to reduce its shareholding in the merged entity to 50% or below within 6 months of the merger.

INVESTMENTS

All investments in the Corporation's subsidiary and associate companies are carried at cost and not at fair value.

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Accordingly, as at December 31, 2020, the unaccounted gains on listed investments in subsidiary and associate companies amounted to ₹ 2,52,910 crore.

CAPITAL ADEQUACY RATIO

The Corporation's capital adequacy ratio stood at 20.9%, of which Tier I capital was 19.9% and Tier II capital was 1.0%. As per the regulatory norms, the minimum requirement for the capital adequacy ratio and Tier I capital is 14% and 10% respectively.

CONSOLIDATED FINANCIAL RESULTS

For the quarter ended December 31, 2020, the consolidated profit after tax attributable to the Corporation stood at ₹ 5,177 crore as compared to ₹ 3,835 crore in the previous year.

For the nine months ended December 31, 2020, the consolidated profit after tax attributable to the Corporation stood at ₹13,390 crore compared to ₹ 17,318 crore in the previous year.

DISTRIBUTION NETWORK

HDFC's distribution network spans 589 outlets which include 202 offices of HDFC's distribution company, HDFC Sales Private Limited (HSPL). HDFC covers additional locations through its outreach programmes. Distribution channels form an integral part of the distribution network with home loans being distributed through HSPL, HDFC Bank Limited and third party direct selling associates. The Corporation also has online digital platforms for loans and deposits.

To cater to non-resident Indians, HDFC has offices in London, Dubai and Singapore and service associates in the Middle East.

IMPACT OF COVID-19

In continuation with the former updates detailing the impact of COVID-19 on the business, all offices of the Corporation are open for business and are following the necessary hygiene protocols, safety precautions and social distancing requirements. Where mandated, staff continue to work in office on a rotational basis and in accordance with extant regulations.

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Various schemes and regulatory forbearances have been put in place by the government and the RBI to facilitate revival of real sector activities and mitigate the impact on customers.

Though the overall sentiment in the construction finance sector has improved considerably in the recent period, challenges continue to remain owing to financial stress in some projects and efforts are on-going to find suitable resolutions.

As at December 31, 2020, ₹ 5,010 crore is being restructured under the RBI's Resolution Framework for COVID-19 Related Stress. This is 0.9% of AUM. Of the loans being restructured, 26% are individual loans and 74% non-individual loans. The largest account under the resolution framework accounted for 0.5% of AUM.

Cumulative COVID-19 provision as at December 31, 2020 stood at ₹ 959 crore.

The Corporation has gradually unwound its high liquidity levels as seen in the previous quarter. The average daily balance in liquid funds during the quarter ended December 31, 2020 was ₹ 16,800 crore compared to ₹ 22,500 crore in the previous quarter.

With various liquidity measures taken by the RBI coupled with a less risk averse environment, the Corporation is maintaining comfortable liquidity levels, whilst also endeavouring to minimise negative carry.

The Corporation has continued to raise resources from a diversified base.

February 2, 2021

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HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED
Equity Shares

Statement of Deviation or Variation in utilisation of funds raised						
Name of listed entity	Housing Development Finance Corporation Limited					
Mode of Fund Raising	Public Issues / Private Placement					
Type of instrument	Public Issues / Rights Issues / Preferential Issues / QIP / Others					
Date of Raising Funds	Not Applicable					
Amount Raised	Not Applicable					
Report filed for quarter ended	31-Dec-20					
Monitoring Agency	Applicable / not applicable					
Monitoring Agency Name, if applicable	Not Applicable					
Is there a Deviation / Variation in use of funds raised ?	No.					
If yes, whether the same is pursuant to change in terms of a contract or objects, which was approved by the shareholders	Not Applicable					
If Yes, Date of shareholder Approval	Not Applicable					
Explanation for the Deviation / Variation	Not Applicable					
Comments of the audit committee after review	The Audit & Governance Committee has noted that no funds has been raised through public issue/preferential issue/QIP of equity shares by the Corporation during the quarter ended December 31, 2020.					
Comments of the auditors, if any	Not Applicable					
Objects for which funds have been raised and where there has been a deviation, in the following table	Not Applicable					
Original Object	Modified Object, if any	Original Allocation	Modified allocation, if any	Funds Utilised (Rs.)	Amount of Deviation/Variation for the quarter according to applicable object (INR Crores and in %)	Remarks, if any
Deviation or variation could mean: (a) Deviation in the objects or purposes for which the funds have been raised or (b) Deviation in the amount of funds actually utilized as against what was originally disclosed or (c) Change in terms of a contract referred to in the fund raising document i.e. prospectus, letter of offer, etc.						
Name of Signatory	Ajay Agarwal					
Designation	Company Secretary					

