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**STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS
FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2020**

₹ in Crore

PARTICULARS	Quarter ended			Half Year ended		Year ended
	30-Sep-20	30-Jun-20	30-Sep-19	30-Sep-20	30-Sep-19	31-Mar-20
	Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Audited
Revenue from Operations						
(i) Interest Income	10,825.11	10,790.66	10,478.33	21,615.77	20,956.53	42,647.12
(ii) Surplus from deployment in Cash Management Schemes of Mutual Funds	176.84	361.73	302.60	538.57	605.47	1,102.21
(iii) Dividend Income	322.97	298.23	1,073.80	621.20	1,074.85	1,080.68
(iv) Rental Income	19.79	16.17	17.63	35.96	30.96	70.36
(v) Fees and Commission Income	58.83	32.24	46.47	91.07	82.52	192.78
(vi) Net gain / (loss) on Fair Value changes	165.99	94.03	(322.31)	260.02	(367.35)	99.23
(vii) Fair Value gain consequent to merger of GRUH, an associate, with Bandhan Bank	-	-	-	-	-	9,019.81
(viii) Profit on Sale of Investments	(0.61)	1,241.20	1,627.09	1,240.59	3,521.30	3,523.75
(ix) Profit on Sale of Investment-Properties	-	-	(0.05)	-	13.40	35.11
(x) Income on derecognised/assigned loans	159.04	183.42	263.88	342.46	560.05	967.87
I Total Revenue from Operations	11,727.96	13,017.68	13,487.44	24,745.64	26,477.73	58,738.92
II Other Income	4.74	1.61	6.68	6.35	12.50	24.42
III Total Income (I+II)	11,732.70	13,019.29	13,494.12	24,751.99	26,490.23	58,763.34
Expenses						
(i) Finance Cost	7,399.11	7,817.05	7,830.70	15,216.16	15,569.97	31,001.36
(ii) Impairment on financial instruments (Expected Credit Loss)	436.00	1,199.00	754.10	1,635.00	1,644.10	5,913.10
(iii) Employee Benefit Expenses	181.11	160.43	144.93	341.54	300.33	592.92
(iv) Depreciation, amortisation and impairment	35.95	34.63	33.31	70.58	62.54	147.74
(v) Establishment Expenses	7.59	13.29	7.42	20.88	25.76	40.37
(vi) Other Expenses	141.16	188.06	193.28	329.22	372.04	716.93
IV Total Expenses	8,200.92	9,412.46	8,963.74	17,613.38	17,974.74	38,412.42
V Profit Before Tax (III-IV)	3,531.78	3,606.83	4,530.38	7,138.61	8,515.49	20,350.92
Tax Expense						
- Current Tax	592.46	839.37	473.77	1,431.83	1,377.38	2,571.68
- Deferred Tax	69.20	(284.06)	95.08	(214.86)	(26.52)	9.59
VI Total Tax Expense	661.66	555.31	568.85	1,216.97	1,350.86	2,581.27
VII Net Profit after Tax (V-VI)	2,870.12	3,051.52	3,961.53	5,921.64	7,164.63	17,769.65
VIII Other Comprehensive Income	(1,405.02)	2,018.86	(95.43)	613.84	166.55	(6,652.31)
IX Total Comprehensive Income (VII+VIII)	1,465.10	5,070.38	3,866.10	6,535.48	7,331.18	11,117.34
Earnings per Share (Face value ₹ 2)*						
- Basic (₹)	16.24	17.62	22.94	33.84	41.54	102.91
- Diluted (₹)	16.22	17.55	22.77	33.78	41.25	102.12
Paid-up Equity Share Capital (Face value ₹ 2)	359.16	346.92	345.34	359.16	345.34	346.41
Reserves excluding Revaluation Reserves as at March 31						85,811.65

* Not annualised for the quarters and half year ended

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Notes :

1 Statement of Standalone Assets and Liabilities

₹ in Crore

PARTICULARS	As at	
	30-Sep-20 Reviewed	31-Mar-20 Audited
ASSETS		
1 Financial Assets		
(a) Cash and cash equivalents	83.39	3,141.88
(b) Bank Balance other than (a) above	299.91	283.81
(c) Derivative financial instruments	3,459.03	5,709.28
(d) Receivables		
(I) Trade Receivables	149.07	230.06
(II) Other Receivables	-	-
(e) Loans	4,62,845.01	4,39,943.28
(f) Investments	61,178.37	64,944.37
(g) Other Financial Assets	6,634.75	2,742.01
Total - Financial Assets	5,34,649.53	5,16,994.69
2 Non - Financial Assets		
(a) Current Tax Assets (Net)	2,445.94	3,101.78
(b) Deferred Tax Assets (Net)	1,749.43	1,567.94
(c) Investment Property	967.13	890.43
(d) Property, Plant and Equipment	960.35	986.10
(e) Other Intangible Assets	363.24	362.85
(f) Other Non-financial Assets	176.47	189.77
Total - Non Financial Assets	6,662.56	7,098.87
TOTAL - ASSETS	5,41,312.09	5,24,093.56
LIABILITIES AND EQUITY		
1 Financial Liabilities		
(a) Derivative Financial Instruments	462.28	320.67
(b) Payables		
(I) Trade Payables		
(i) total outstanding dues of micro enterprises and small enterprises	0.47	3.90
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	316.10	192.90
(II) Other Payables		
(i) total outstanding dues of micro enterprises and small enterprises	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
(c) Debt Securities	1,79,382.30	1,76,868.71
(d) Borrowings (Other than Debt Securities)	88,187.07	1,04,908.64
(e) Deposits	1,48,329.70	1,32,324.29
(f) Subordinated Liabilities	5,000.00	5,000.00
(g) Other Financial Liabilities	17,250.77	15,896.48
Total - Financial Liabilities	4,38,928.69	4,35,515.59
2 Non Financial Liabilities		
(a) Current Tax Liabilities (Net)	249.92	192.90
(b) Provisions	240.08	260.54
(c) Other Non-financial Liabilities	1,759.95	1,966.47
Total - Non Financial Liabilities	2,249.95	2,419.91
3 EQUITY		
(a) Equity Share capital	359.16	346.41
(b) Other Equity	99,774.29	85,811.65
Total - Equity	1,00,133.45	86,158.06
TOTAL - LIABILITIES AND EQUITY	5,41,312.09	5,24,093.56

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2 Statement of Standalone Cash Flow

₹ in Crore

PARTICULARS	For Half Year Ended	
	30-Sep-20	30-Sep-19
	Reviewed	Reviewed
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	7,138.61	8,515.49
<u>Adjustments for:</u>		
Depreciation, Amortisation and Impairment	70.58	62.54
Impairment on Financial Instruments (Expected Credit Loss)	1,635.00	1,644.10
Expense on Employee Stock Option Scheme	47.03	7.94
Net (gain)/loss on fair value changes	(260.02)	367.35
Interest Expense	15,103.36	15,470.75
Interest Income	(22,154.34)	(21,644.52)
Profit on Sale of Investments	(1,240.59)	(3,521.30)
(Profit) / Loss on Sale of Investment Properties, Property, Plant and Equipment (Net)	(0.02)	(13.32)
Utilisation of Shelter Assistance Reserve	-	(3.11)
Operating Profit before Working Capital changes and adjustment for interest received and paid	339.61	885.92
<u>Adjustments for:</u>		
(Increase) / Decrease in Financial Assets and Non Financial Assets	2,173.07	(1,774.78)
Increase / (Decrease) in Financial and Non Financial Liabilities	(373.06)	1,417.36
Cash from Operations before adjustments for interest received and paid	2,139.62	528.50
Interest Received	22,420.34	21,608.57
Interest Paid	(13,351.65)	(12,844.30)
Taxes Paid	(695.99)	(2,204.77)
Net cash from Operations	10,512.32	7,088.00
Loans disbursed (net)	(25,042.92)	(20,417.49)
Corporate Deposits (net)	0.16	929.18
Investment in Cash Management Schemes of Mutual Funds (Net)	4,723.99	(10,341.22)
Net cash used in operating activities	(9,806.45)	(22,741.53)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(17.38)	(15.44)
Sale of Property, Plant and Equipment	0.13	0.40
Net Cash used in Property, Plant and Equipment	(17.25)	(15.04)
Purchase of Investment Properties	(83.34)	(8.09)
Sale of Investment Properties	-	28.92
Net Cash used in Investment Properties	(83.34)	20.83
Investments		
- in Subsidiary Company	(55.00)	(148.08)
Other Investments :		
- Purchase of Investments	(4,074.10)	(2,058.20)
- Sale of Investments	512.66	348.27
Sale of Investments in subsidiary	-	1,647.52
Net cash used in investing activities	(3,717.03)	(204.70)
C CASH FLOW FROM FINANCING ACTIVITIES		
Share Capital - Equity	12.75	1.05
Money Received Against Warrants	307.03	-
Securities Premium (Net)	10,715.78	632.67
Sale proceeds of Investments in Subsidiary Company	1,274.42	1,892.45
Borrowings (Net)	(16,721.57)	6,123.36
Deposits (Net)	16,005.41	16,680.16
Proceeds from Debt Securities and Subordinated Liabilities	54,793.00	50,820.00
Repayment of Debt Securities and Subordinated Liabilities	(52,279.41)	(49,920.64)
Dividend paid - Equity Shares	(3,642.42)	(3,020.44)
Tax paid on Dividend	-	(592.95)
Net cash from financing activities	10,464.99	22,615.66
Net Decrease in cash and cash equivalents [A+B+C]	(3,058.49)	(330.57)
Add : Cash and cash equivalents as at the beginning of the period	3,141.88	360.80
Cash and cash equivalents as at the end of the period	83.39	30.23

Note: 1. During the half year ended, the Corporation has received Dividend income of ₹ 621.20 Crore (Previous period ₹ 1,074.85 Crore)

2. Net movement in Borrowings (including Debt Securities), Deposits and Subordinated Liabilities amounting to ₹ 1,797.43 Crore (Previous year ₹ 23,702.88 Crore) includes fresh issuance, repayments and effect of changes in foreign exchange rates.

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- 3 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.
- 4 The Corporation has sold 2,60,00,000 equity shares of HDFC Life Insurance Company Limited (HDFC Life) resulting in a pre tax gain of ₹ 1,240.59 crore. As at September 30, 2020, the Corporation's equity shareholding in HDFC Life stood at 50.15%. The Reserve Bank of India (RBI) has mandated that the Corporation reduce its shareholding in HDFC Life to 50% or below by December 16, 2020. The RBI has also directed the Corporation to reduce its shareholding in HDFC ERGO General Insurance Company Limited to 50% or below within 6 months of merger of HDFC ERGO Health Insurance Limited with HDFC ERGO General Insurance Company Limited.
- 5 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.
- 6 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 half year ended September 30, 2020.
- 7 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. The Corporation has commenced work on operational aspects and implementation of the Scheme.
- 8 During the quarter ended September 30, 2020, 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.

The Earnings per share (Basic and Diluted) for the quarter and half year ended September 30, 2020 have been adjusted appropriately to reflect the effect of increase in issued capital.
- 9 The Indian Parliament has approved the Code on Social Security, 2020 which may impact the contribution by the Corporation towards Provident Fund and Gratuity. The effective date from which the changes are applicable is yet to be notified and the rules for quantifying the financial impact are yet to be framed. The Corporation will complete its evaluation and will give appropriate impact in the financial result for the period in which, the Code becomes effective and the related rules to determine the financial impact are notified.
- 10 During the quarter ended September 30, 2020, the Corporation allotted 43,78,944 equity shares of ₹ 2 each pursuant to exercise of stock options by certain employees/ directors, under employees stock option schemes formulated by the Corporation.



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- 11 During the quarter ended September 30, 2020, the Nomination and Remuneration Committee of the Directors of the Corporation at its meeting held on September 4, 2020 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.
- 12 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'.
- 13 The Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT), at its hearing held on September 29, 2020 passed an Order sanctioning the Scheme of Amalgamation for the merger of HDFC ERGO Health Insurance Limited with HDFC ERGO General Insurance Company Limited, subsidiaries of the Corporation. An application has been filed with Insurance Regulatory and Development Authority of India (IRDAI) on October 8, 2020, seeking final approval for the merger. The merger shall be effective upon receipt of final approval from IRDAI and filling of the NCLT Order with the Registrar of Companies.
- 14 Figures for the previous period have been regrouped wherever necessary, in order to make them comparable.

The above results for the quarter and half year ended September 30, 2020 were reviewed by the Audit and Governance Committee of Directors and subsequently approved by the Board of Directors at its meeting held on November 2, 2020, in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The above results for the quarter and half year ended September 30, 2020 have been subjected to a Limited Review by the Auditors of the Corporation.

Place: Mumbai
Date: November 2, 2020

SAGAR
PRAVIN
LAKHANI

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SAGAR PRAVIN
LAKHANI
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For and on behalf of the Board of Directors

KEKI MINOO
MISTRY

Digitally signed by KEKI MINOO MISTRY
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Keki M. Mistry
Vice Chairman & CEO