

HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED

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

₹ in Crore

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	138.04	1,350.37	(172.80)	(179.67)
- 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	90.52	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

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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	5,43,050.65	5,23,659.94	4,86,645.92	5,43,050.65	4,86,645.92	5,07,046.08
- 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

- a) 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.
- b) 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.
- c) Asset Management segment includes portfolio management, mutual fund and property investment management.
- d) Others include project management and investment consultancy.
- e) The Group does not have any material operations outside India and hence disclosure of geographic segments is not given.

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- 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.

For and on behalf of the Board of Directors

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

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