



WITH YOU, RIGHT THROUGH

**AUDITED STANDALONE FINANCIAL RESULTS FOR THE
QUARTER AND YEAR ENDED MARCH 31, 2021**

₹ in crore

PARTICULARS	Quarter ended 31-Mar-21	Quarter ended 31-Dec-20	Quarter ended 31-Mar-20	Year ended 31-Mar-21	Year ended 31-Mar-20
	Audited	Reviewed	Audited	Audited	Audited
Revenue from Operations					
(i) Interest Income (refer note 8)	10,446.01	10,710.18	10,963.21	42,771.96	42,647.12
(ii) Surplus from deployment in Cash Management Schemes of Mutual Funds	147.00	127.21	241.39	812.78	1,102.21
(iii) Dividend Income	110.55	2.22	2.08	733.97	1,080.68
(iv) Rental Income	24.66	16.54	21.41	77.16	70.36
(v) Fees and Commission Income	67.43	53.15	65.72	211.65	192.78
(vi) Net gain / (loss) on Fair Value changes	466.14	230.32	427.58	956.48	99.23
(vii) Fair Value gain consequent to merger of GRUH, an associate, with Bandhan Bank (refer note 17)	-	-	-	-	9,019.81
(viii) Profit on Sale of Investments (refer note 16 & 17)	-	157.10	2.45	1,397.69	3,523.75
(ix) Profit / (loss) on sale of Investment Properties	(2.20)	-	14.31	(2.20)	35.11
(x) Income on derecognised (assigned) loans	437.51	410.28	237.57	1,190.25	967.87
I Total Revenue from Operations	11,697.10	11,707.00	11,975.72	48,149.74	58,738.92
II Other Income	10.43	9.34	5.94	26.12	24.42
III Total Income (I+II)	11,707.53	11,716.34	11,981.66	48,175.86	58,763.34
Expenses					
(i) Finance Cost	6,565.95	6,832.65	7,661.84	28,614.76	31,001.36
(ii) Impairment on financial instruments (Expected Credit Loss)	719.00	594.00	1,274.00	2,948.00	5,913.10
(iii) Employee Benefit Expenses	282.04	290.53	139.60	914.11	592.92
(iv) Depreciation, amortisation and impairment	36.58	51.62	43.15	158.78	147.74
(v) Establishment Expenses	2.68	8.96	5.17	32.52	40.37
(vi) Other Expenses	177.34	186.04	165.46	692.60	716.93
IV Total Expenses	7,783.59	7,963.80	9,289.22	33,360.77	38,412.42
V Profit Before Tax (III-IV)	3,923.94	3,752.54	2,692.44	14,815.09	20,350.92
Tax Expense					
- Current Tax	852.56	756.26	541.66	3,040.65	2,571.68
- Deferred Tax	(108.45)	70.45	(81.75)	(252.86)	9.59
VI Total Tax Expense	744.11	826.71	459.91	2,787.79	2,581.27
VII Net Profit after Tax (V-VI)	3,179.83	2,925.83	2,232.53	12,027.30	17,769.65
VIII Other Comprehensive Income	(1,205.46)	2,325.84	(6,012.18)	1,734.22	(6,652.31)
IX Total Comprehensive Income (VII+VIII)	1,974.37	5,251.67	(3,779.65)	13,761.52	11,117.34
Earnings per Share (Face value ₹ 2)*					
- Basic (₹)	17.65	16.27	12.86	67.77	102.91
- Diluted (₹)	17.50	16.24	12.76	67.20	102.12
Paid-up Equity Share Capital (Face value ₹ 2)	360.79	360.04	346.41	360.79	346.41
Reserves excluding Revaluation Reserves as at March 31				1,08,421.86	85,811.65

* Not annualised for the quarters

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Notes :

1 Statement of Standalone Assets and Liabilities

₹ in crore

PARTICULARS	As at 31-Mar-21 Audited	As at 31-Mar-20 Audited
ASSETS		
1 Financial Assets		
(a) Cash and cash equivalents	769.97	3,141.88
(b) Bank Balance other than (a) above	374.78	283.81
(c) Derivative financial instruments	2,154.48	5,709.28
(d) Receivables		
(I) Trade Receivables	155.38	230.06
(II) Other Receivables	-	-
(e) Loans	4,85,294.26	4,39,943.28
(f) Investments	68,636.77	64,944.37
(g) Other Financial Assets	3,381.42	2,742.01
(h) Non - Current Asset held for Sale (refer note 15)	156.46	-
Total - Financial Assets	5,60,923.52	5,16,994.69
2 Non - Financial Assets		
(a) Current tax Assets (Net)	2,356.88	3,101.78
(b) Deferred tax Assets (Net)	1,655.30	1,567.94
(c) Investment Property	840.57	890.43
(d) Property, Plant and Equipment	986.42	986.10
(e) Other Intangible Assets	369.46	362.85
(f) Other Non-financial Assets	331.64	189.77
(g) Non - Current Asset held for Sale	134.79	-
Total - Non Financial Assets	6,675.06	7,098.87
TOTAL - ASSETS	5,67,598.58	5,24,093.56
LIABILITIES AND EQUITY		
1 Financial Liabilities		
(a) Derivative Financial Instruments	1,660.86	320.67
(b) Payables		
(I) Trade Payables		
(i) total outstanding dues of micro enterprises and small enterprises	7.48	3.90
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	331.67	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	1,82,054.73	1,76,868.71
(d) Borrowings (Other than Debt Securities)	1,05,179.18	1,04,908.64
(e) Deposits	1,50,131.13	1,32,324.29
(f) Subordinated Liabilities	4,000.00	5,000.00
(g) Other Financial Liabilities	12,991.70	15,896.48
Total - Financial Liabilities	4,56,356.75	4,35,515.59
2 Non Financial Liabilities		
(a) Current Tax Liabilities (Net)	441.29	192.90
(b) Provisions	251.29	260.54
(c) Other Non-financial Liabilities	1,766.60	1,966.47
Total - Non Financial Liabilities	2,459.18	2,419.91
3 EQUITY		
(a) Equity Share capital	360.79	346.41
(b) Other Equity	1,08,421.86	85,811.65
Total - Equity	1,08,782.65	86,158.06
TOTAL - LIABILITIES AND EQUITY	5,67,598.58	5,24,093.56

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2 Statement of Cash Flow

₹ in crore

PARTICULARS	For Year Ended	
	31-Mar-21	31-Mar-20
	Audited	Audited
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	14,815.09	20,350.92
<u>Adjustments for:</u>		
Depreciation and Amortisation	158.78	147.74
Impairment on Financial Instruments (Expected Credit Loss)	2,948.00	5,913.10
Share Based Payments to employees	338.42	13.64
Net gain on fair value changes	(956.48)	(9,119.04)
Interest Expense	28,383.48	30,797.57
Interest Income	(43,584.74)	(43,942.11)
Profit on Sale of Investments	(1,397.69)	(3,523.75)
(Profit) / Loss on Sale of Investment Properties and Property, Plant and Equipment (Net)	2.14	(35.11)
Utilisation of Shelter Assistance Reserve	(0.03)	(3.11)
Operating Profit before Working Capital changes	706.97	599.85
<u>Adjustments for:</u>		
(Increase) / Decrease in Financial Assets and Non Financial Assets	2,825.09	(3,217.84)
Increase / (Decrease) in Financial and Non Financial Liabilities	(3,050.77)	1,680.14
Cash generated from Operations	481.29	(937.85)
Interest Received	43,703.69	43,505.61
Interest Paid	(29,335.32)	(30,564.30)
Taxes Paid	(2,039.03)	(2,961.68)
Net cash from Operations	12,810.63	9,041.78
Loans disbursed (net)	(48,813.18)	(45,344.63)
Corporate Deposits (net)	8.26	1,010.50
Investment in Cash Management Schemes of Mutual Funds (Net)	7,521.10	(8,524.44)
Net cash used in operating activities	(28,473.19)	(43,816.79)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, Plant and Equipment	(63.00)	(78.06)
Sale of Property, Plant and Equipment	0.53	0.89
Net Cash used for Fixed Assets	(62.47)	(77.17)
Purchase of Investment Properties	(91.27)	(278.73)
Sale of Investment Properties	57.14	65.43
Net Cash used for Investment Properties	(34.13)	(213.30)
Investments		
- in Subsidiary Company	(55.00)	(2,156.72)
- in Associate Company	(0.50)	(86.71)
Other Investments :		
- Purchase of Investments	(9,572.69)	(5,571.92)
- Sale of Investments	1,225.01	612.45
Sale of Investments in subsidiary	-	1,639.14
Net cash from investing activities	(8,499.78)	(5,854.23)
C CASH FLOW FROM FINANCING ACTIVITIES		
Share Capital - Equity	14.38	2.12
Money Received Against Warrants	307.03	-
Securities Premium	11,845.95	1,280.66
Sale proceeds of Investments in Subsidiary Company	1,484.25	1,903.27
Borrowings and Deposits (Net)	18,071.03	54,078.02
Proceeds from Debt Securities and Subordinated Liabilities	1,05,660.00	1,02,820.65
Repayment of Debt Securities and Subordinated Liabilities	(99,111.04)	(1,04,018.86)
Payments for principal portion of lease liability	(27.86)	(10.81)
Dividend paid - Equity Shares	(3,642.68)	(3,021.60)
Tax paid on Dividend	-	(581.35)
Net cash from financing activities	34,601.06	52,452.10
Net (Decrease) / Increase in cash and cash equivalents [A+B+C]	(2,371.91)	2,781.08
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	769.97	3,141.88

Note

- (a) During the year, the Corporation has received Dividend of ₹ 733.97 Crore (Previous year ₹ 1,080.68 Crore)
- (b) Net movement in Borrowings (including Debt Securities), Deposits and Subordinated Liabilities amounting to ₹ 22,263.40 Crore (Previous year ₹ 52,887.25 Crore) includes fresh issuance, repayments and effect of changes in foreign exchange rates.

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Notes :

- 3 The financial results have been prepared in accordance with Ind AS, 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 and in compliance with Regulation 33 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. Any application guidance / clarifications / directions issued by the Reserve Bank of India, the NHB or other regulators are implemented as and when they are issued / become applicable.
- 4 The Board of Directors have proposed a final dividend of ₹ 23 per share (Previous Year ₹ 21 per share), subject to the approval of the members at the ensuing Annual General Meeting.
- 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 in a phased manner outside specified containment zones.

The extent to which the COVID-19 pandemic, including the current second wave that has significantly increased the number of cases in India, may continue to impact the Corporation's performance, will depend on ongoing and 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 March 31, 2021 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 was classified as Non Performing Asset (NPA) which was not declared as NPA till August 31, 2020. Basis said interim order, until December 31, 2020, the Corporation did not classify any additional borrower account as NPA after August 31, 2020 which were not NPA as of August 31, 2020. However, during such period the Corporation has classified such accounts as stage 3 for financial reporting and provisioning purpose.

The interim order granted to not declare accounts as NPA stood vacated on March 23, 2021 vide the judgement of the Hon'ble SC in the matter of Small Scale Industrial Manufacturers Association vs. UOI & Ors. and other connected matters. In accordance with the instructions in paragraph 5 of the RBI circular no. RBI/2021-22/17DOR. STR.REC.4/21.04.048/2021-22 dated April 7, 2021, the Corporation has carried out asset classification of the borrower accounts as per the extant RBI instructions / IRAC norms, without considering any standstill in asset classification and also done staging of the borrower accounts in accordance with ECL model / framework under Ind AS in the financial statements for the quarter and year ended March 31, 2021.

- 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 implemented the Scheme and credited the accounts of or remitted amounts to the eligible borrowers as per the Scheme.
- 8 In accordance with the RBI Circular No. RBI/2021-22/17 DOR.STR.REC.4/21.04.048/2021-22 dated April 7, 2021 and the methodology for calculation of interest on interest based on guidance issued by Indian Banks' Association, the Corporation has put in place a Board approved policy to refund / adjust interest on interest charged to borrowers during the moratorium period, i.e. March 1, 2020 to August 31, 2020. The Corporation has estimated the said amount and made a provision in the financial statements for the year ended March 31, 2021. As on March 31, 2021, the Corporation holds a specific liability of ₹115 crore which is debited to interest income to meet its obligation towards refund of interest on interest to eligible borrowers as prescribed by the RBI. Accordingly, interest income for the quarter and year ended March 31, 2021 is lower by ₹115 crore.

- 9 Disclosure as required under RBI Circular No. RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020 in relation to the Resolution Framework for COVID-19-related Stress:

₹ in crore except number of accounts

Type of borrower	(A)	(B)	(C)	(D)	(E)
	Number of accounts where resolution plan has been implemented under this window	exposure to accounts mentioned at (A) before implementation of the plan	Of (B), aggregate amount of debt that was converted into other securities	Additional funding sanctioned, if any, including between invocation of the plan and implementation	Increase in provisions on account of the implementation of the resolution plan ^
Personal Loans	3775	923.43	-	0.66	92.41
Corporate persons*	1[§]	2,763.65	-	-	276.37
Of which, MSMEs	-	-	-	-	-
Others	1 [§]	2,763.65	-	-	276.37
Total	3776	3,687.08	-	0.66	368.78

* As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

§ Eight loan accounts of one corporate entity

^ Provision as per IRAC norms

- 10 In terms of the requirement as per RBI notification no. RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 on Implementation of Indian Accounting Standards, Housing Finance Companies are required to create an impairment reserve for any shortfall in impairment allowances under Ind AS 109 and IRAC norms (including provision on standard assets). The impairment allowances under Ind AS 109 made by the Corporation exceeds the total provision required under IRAC as at March 31, 2021 and accordingly, no amount is required to be transferred to impairment reserve.
- 11 During the year, 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 ₹ 10,273.33 Crore after charging issue related expenses.
- 12 During the year, the Nomination and Remuneration Committee of the Directors of the Corporation approved grant of 3,84,21,531 stock options representing 3,84,21,531 equity shares of ₹ 2 each, at a weighted average grant price of ₹ 1,809.25 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 March 31, 2021 is ₹ 144.27 Crore and for the year ended March 31, 2021 is ₹ 338.42 Crore.
- 13 During the quarter ended March 31, 2021, the Corporation has allotted 37,50,531 equity shares of ₹ 2 each pursuant to exercise of stock options by certain employees/ directors.
- 14 During the year, 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.
- 15 Subsequent to the year ended March 31, 2021, the Corporation has sold its entire holding i.e. 47,75,241 equity shares representing 24.48% of the equity capital of Good Host Spaces Private Limited (Good Host). Accordingly, investment in Good Host is classified as assets held for sale as on March 31, 2021. Profit on sale of investment in Good Host will be recognised in Q1 FY 22.

- 16 During the year, the Corporation has sold 2,85,48,750 equity shares of HDFC Life Insurance Company Limited (HDFC Life), in two tranches in May 2020 and November 2020, to comply with the RBI direction 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 ₹ 1,240.59 crore and ₹ 157.10 crore has been recognised in the respective periods and aggregate profit of ₹ 1,397.69 Crore for the year ended March 31, 2021. Consequently, the Corporation's equity shareholding in HDFC Life stood at 49.99 per cent as on March 31, 2021.
- 17 During the previous year, profit on sale of investments include profit of ₹ 3,523.75 crore on partial sale of investment in GRUH to comply with direction from the RBI to achieve shareholding in Bandhan Bank Limited, post merger with GRUH below 10%. Further, 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 on derecognition of investment in GRUH, as an associate.
- 18 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'.
- 19 The Corporation is a 'Large Corporate' as per criteria under SEBI circular SEBI/HO/DDHS/CIR/P/2018/144. Necessary disclosure has been made to the stock exchanges in this regard.
- 20 Figures of the quarter ended March 31, 2021 and March 31, 2020 are derived by deducting the reported year-to-date figures for the period ended December 31, 2020 and December 31, 2019 from the audited figures for the year ended March 31, 2021 and March 31, 2020.
- 21 Figures for the previous period have been regrouped wherever necessary, in order to make them comparable.

The above results for the quarter and year ended March 31, 2021 were reviewed by the Audit and Governance Committee of Directors and subsequently approved by the Board of Directors at its meeting held on May 7, 2021, in terms of Reg 33 and Reg 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The above results for the quarter and year ended March 31, 2021 have been audited by the Auditors of the Corporation.

For and on behalf of the Board of Directors

**Place: Mumbai
Date: May 7, 2021**

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