

## INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM STANDALONE FINANCIAL RESULTS

### 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 and nine months ended December 31, 2016 (the "Statement"), being submitted by the Corporation pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 Accounting Standard for Interim Financial Reporting (AS 25), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
2. 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.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with AS 25 and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. We refer to Note 1 to the Statement, which describes the accounting treatment used by the Corporation in creating the Deferred Tax Liability on Special Reserve under Section 36(1)(viii) of the Income Tax Act, 1961 as at 1st April, 2014, which is in accordance with the National Housing Bank's Circular No. NHB (ND)/DRS/Pol. Circular No. 65/2014 dated August 22, 2014.

Our conclusion is not modified in respect of this matter.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)



**Sanjiv V. Pilgaonkar**  
Partner  
(Membership No. 39826)



MUMBAI, January 30, 2017



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## UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER / NINE MONTHS ENDED DECEMBER 31, 2016

### PART I – STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER / NINE MONTHS ENDED DECEMBER 31, 2016

₹ in Crore

PARTICULARS	Quarter ended	Quarter ended	Quarter ended	Nine Months ended	Nine Months ended	Year ended
	31-Dec-16	30-Sep-16	31-Dec-15	31-Dec-16	31-Dec-15	31-Mar-16
	Reviewed					Audited
<b>1 Income:</b>						
- Income from operations	<b>8,133.78</b>	8,063.21	7,211.56	<b>23,657.65</b>	21,566.64	<b>29,257.31</b>
- Profit on Sale of Investments	<b>3.40</b>	28.10	56.88	<b>953.11</b>	127.95	<b>1,647.81</b>
<b>Total Income</b>	<b>8,137.18</b>	8,091.31	7,268.44	<b>24,610.76</b>	21,694.59	<b>30,905.12</b>
<b>2 Expenses:</b>						
- Finance cost	<b>5,286.24</b>	5,245.86	4,821.56	<b>15,658.26</b>	14,504.64	<b>19,374.51</b>
- Employee benefits expenses	<b>103.22</b>	93.26	91.39	<b>302.70</b>	265.65	<b>349.09</b>
- Provision for contingencies	<b>117.00</b>	95.00	68.00	<b>552.00</b>	170.00	<b>715.00</b>
- Other expenses	<b>96.75</b>	97.52	95.03	<b>301.38</b>	283.91	<b>355.59</b>
- Depreciation and amortisation expenses	<b>14.19</b>	14.01	13.68	<b>42.31</b>	40.60	<b>54.28</b>
<b>Total Expenses</b>	<b>5,617.40</b>	5,545.65	5,089.66	<b>16,856.65</b>	15,264.80	<b>20,848.47</b>
<b>3 Net Profit before Other Income (1-2)</b>	<b>2,519.78</b>	2,545.66	2,178.78	<b>7,754.11</b>	6,429.79	<b>10,056.65</b>
<b>4 Other income</b>	<b>11.43</b>	11.84	11.73	<b>34.33</b>	36.26	<b>51.45</b>
<b>5 Profit Before Tax (3+4)</b>	<b>2,531.21</b>	2,557.50	2,190.51	<b>7,788.44</b>	6,466.05	<b>10,108.10</b>
<b>6 Tax expense</b>	<b>830.00</b>	731.00	670.00	<b>2,390.00</b>	1,980.00	<b>3,015.00</b>
<b>7 Net Profit after Tax</b>	<b>1,701.21</b>	1,826.50	1,520.51	<b>5,398.44</b>	4,486.05	<b>7,093.10</b>

Earnings per Share (of ₹ 2 each)*						
- Basic	<b>10.60</b>	11.54	9.62	<b>33.93</b>	28.28	<b>44.43</b>
- Diluted	<b>10.50</b>	11.42	9.55	<b>33.64</b>	28.04	<b>44.10</b>
Paid-up Equity Share Capital (Face value ₹ 2)	<b>317.02</b>	316.79	315.74	<b>317.02</b>	315.74	<b>315.97</b>
Reserves excluding Revaluation Reserves as at March 31, 2016						<b>33,753.99</b>

\* Not annualised for the quarters and Nine months

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**Notes :**

- 1 Vide circular NHB(ND)/DRS/Pol. 62/2014 dated May 27, 2014, the National Housing Bank (NHB) had directed Housing Finance Companies (HFCs) to provide for deferred tax liability in respect of the balance in the "Special Reserve" created under section 36(1)(viii) of the Income Tax Act, 1961. Vide circular NHB(ND)/DRS/Pol. 65/2014 dated August 22, 2014, NHB has permitted HFCs to create the Deferred Tax Liability over a period of 3 years, in a phased manner in the ratio of 25:25:50. Accordingly, the Corporation had created 25 percent of deferred tax liability of ₹ 559.54 crore in each of the two previous financial years, on balance of accumulated Special Reserve as on April 1, 2014. The remaining 50% of deferred tax liability on balance of accumulated Special reserve as on April 1, 2014 is required to be created in the current financial year. The Corporation has created proportionate deferred tax liability of ₹ 559.54 crore for the six month period in the accounts for the six months period ended September 30, 2016. The balance amount of deferred tax liability of ₹ 559.54 crore will be created by the end of the current financial year ending on March 31, 2017.
- 2 The Board of Directors of the Corporation at its meeting held on July 27, 2016, approved the composite scheme of amalgamation for the merger of 5 wholly owned subsidiaries viz., Grandeur Properties Private Limited; Winchester Properties Private Limited; Windermere Properties Private Limited; Pentagram Properties Private Limited; and Haddock Properties Private Limited with the Corporation. The scheme of arrangement is awaiting approval of the National Company Law Tribunal.
- 3 Consequent to the Guidance Note on Accounting for Derivative Contracts (the "GN") issued by the Institute of Chartered Accountants of India, becoming effective from April 1, 2016, the Corporation has changed its accounting policy relating to derivative contracts from the aforesaid date.

On and from that date, all derivative contracts are recognised on the balance sheet and measured at fair value. The fair value changes are recognised in the Statement of Profit and Loss unless hedge accounting is used. Where hedge accounting is used, fair value changes of the derivative contracts are recognised through the Statement of Profit and Loss in the same period as the offsetting losses and gains on the hedged item. The long term monetary items other than derivatives continue to be amortised, through the Statement of Profit and Loss over the balance period of such long term asset or liability. There is no material impact on the results of the Corporation for the period ended December 31, 2016.

- 4 During the quarter ended December 31, 2016, the Corporation has allotted 11,05,235 equity shares of ₹ 2 each pursuant to exercise of stock options by certain employees/ directors
- 5 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. As such, there are no separate reportable segments, as per the Accounting Standard on 'Segment Reporting' (AS 17), specified under section 133 of the Companies Act, 2013.
- 6 Figures for the previous period have been regrouped wherever necessary, in order to make them comparable.

**The above results for the quarter / nine months ended December 31, 2016, which have been subjected to a Limited Review by the Auditors of the Corporation, were reviewed by the Audit Committee of Directors and subsequently approved by the Board of Directors at its meeting held on January 30, 2017, in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants

Sanjiv V Pilgaonkar  
Partner

Keki M. Mistry  
Vice Chairman & CEO

Place: Mumbai  
Date: January 30, 2017

**Housing Development Finance Corporation Limited**

## INDEPENDENT AUDITORS' REVIEW REPORT ON REVIEW OF CONSOLIDATED INTERIM FINANCIAL RESULTS

### 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** (the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as the "Group"), and its share of the profit of its associates for the quarter and nine months ended December 31, 2016 (the "Statement"), being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Statement which is the responsibility of the Holding Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (AS 25), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
2. 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 Holding Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. The Statement includes the results of the following entities:  
**Subsidiaries:** HDFC Developers Limited, HDFC Realty Limited, HDFC Holdings Limited, HDFC Investments Limited, HDFC Trustee Company Limited, HDFC Sales Private Limited, HDFC Capital Advisors Limited, HDFC Asset Management Company Limited, HDFC ERGO General Insurance Company Limited, HDFC General Insurance Company Limited, HDFC Standard Life Insurance Company Limited, HDFC Pension Management Company Limited, HDFC International Life and Re Company Limited, HDFC Property Ventures Limited, HDFC Venture Capital Limited, HDFC Ventures Trustee Company Limited, HDFC Investment Trust and HDFC Investment Trust – II, Credila Financial Services Private Limited, Griha Pte. Limited, GRUH Finance Limited, Griha Investments, HDFC Education and Development Services Private Limited, Windermere Properties Private Limited, Winchester Properties Private Limited, Grandeur Properties Private Limited, Pentagram Properties Private Limited and Haddock Properties Private Limited.  
**Associates:** HDFC Bank Limited Group and India Value Fund Advisors Private Limited.
4. We refer to Note 3 to the Statement, which describes the accounting treatment used by the Holding Company in creating the Deferred Tax Liability on Special Reserve under Section 36(1) (viii) of the Income Tax Act, 1961 as at 1st April, 2014, which is in accordance with the National Housing Bank's Circular No. NHB (ND)/DRS/Pol. Circular No. 65/2014 dated August 22, 2014.

Our conclusion is not modified in respect of this matter.


5. (a) We did not review the interim financial results of eleven subsidiaries included in the Statement, whose interim financial results reflect total revenues of ₹ 7,924.22 crore and ₹ 18,706.41 crore for the quarter and nine months ended December 31, 2016, and total profit after tax of ₹ 418.38 crore and ₹ 1,373.66 crore for the quarter and nine months ended December 31, 2016, as considered in the Statement. These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.
- (b) Claims paid pertaining to Insurance Business includes charge for actuarial valuation of liabilities for life policies in force and for the policies in respect of which premium has been discontinued but liability exists as at reporting date, in respect of one subsidiary and the estimate of claims Incurred But Not Reported (IBNR) and claims Incurred But Not Enough Reported (IBNER), in respect of another subsidiary and its subsidiary. This charge has been determined based on the liabilities duly certified by the subsidiaries' appointed actuaries, and in their respective opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority of India ("IRDA") and the Institute of Actuaries of India in concurrence with the IRDA. The respective auditors of these subsidiaries have relied on the appointed actuaries' certificates in this regard in forming their conclusion on the financial results of the said subsidiaries.
- (c) The Statement includes the interim financial results of two subsidiaries which have not been reviewed/audited by their auditors, whose interim financial results reflect total revenue of ₹ 1.29 crore and ₹ 2.88 crore for the quarter and nine months ended December 31, 2016 and total loss after tax of ₹ 1.54 crore and ₹ 4.64 crore for the quarter and nine months ended December 31, 2016, as considered in the Statement. The Statement also includes the Group's share of profit after tax of ₹ 42.02 crore and ₹ 121.98 crore for the quarter and nine months ended December 31, 2016 as considered in the consolidated financial results, in respect of one associate and components of an associate (i.e. two subsidiaries and two associate companies of the associate), based on their interim financial statements/information/results which have not been reviewed/audited their auditors.

Our conclusion on the Statement is not modified in respect of the above matters.

6. Based on our review conducted as stated above, and based on the consideration of the reports of the other auditors referred to, and read with other comments stated in para 4 and 5 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with AS 25 and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**Sanjiv V. Pilgaonkar**  
Partner  
(Membership No. 39826)

 MUMBAI, January 30, 2017



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**UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE  
QUARTER / NINE MONTHS ENDED DECEMBER 31, 2016**

**PART I – STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER / NINE MONTHS ENDED  
DECEMBER 31, 2016**

₹ in Crore

PARTICULARS	Quarter ended	Quarter ended	Quarter ended	Nine Months ended	Nine Months ended	Year ended
	31-Dec-16	30-Sep-16	31-Dec-15	31-Dec-16	31-Dec-15	31-Mar-16
	Reviewed			Audited		
<b>1 Income:</b>						
- Income from operations	8,971.70	8,571.89	7,930.61	25,854.83	23,386.09	31,873.34
- Premium income from insurance business	5,222.33	4,976.96	3,961.89	13,835.01	11,298.22	17,876.25
- Other operating income from insurance Business	697.05	899.77	300.31	2,299.33	1,287.82	1,856.81
- Profit on sale of investments	90.33	56.10	61.09	1,013.95	140.96	1,616.53
<b>Total Income</b>	<b>14,981.41</b>	<b>14,504.72</b>	<b>12,253.90</b>	<b>43,003.12</b>	<b>36,113.09</b>	<b>53,222.93</b>
<b>2 Expenses:</b>						
- Finance cost	5,543.99	5,519.02	5,056.19	16,448.36	15,175.19	20,295.60
- Employee benefits expenses	232.53	231.95	199.91	692.16	587.57	788.14
- Claims paid pertaining to insurance business	2,516.96	3,244.33	2,269.04	8,491.22	6,600.15	9,486.04
- Commission and operating expenses pertaining to insurance business	748.97	675.31	628.45	1,992.84	1,563.75	2,524.69
- Other expenses pertaining to insurance business	2,422.53	1,629.23	1,191.27	4,816.27	3,760.93	6,682.58
- Provision for contingencies	153.13	103.90	87.46	607.39	211.47	732.90
- Other expenses	337.79	306.93	261.82	925.46	732.58	1,013.67
- Depreciation and Amortisation expenses	27.23	26.95	18.69	81.02	55.52	120.52
<b>Total Expenses</b>	<b>11,983.13</b>	<b>11,737.62</b>	<b>9,712.83</b>	<b>34,054.72</b>	<b>28,687.16</b>	<b>41,644.14</b>
<b>3 Profit before other income (1-2)</b>	<b>2,998.28</b>	<b>2,767.10</b>	<b>2,541.07</b>	<b>8,948.40</b>	<b>7,425.93</b>	<b>11,578.79</b>
<b>4 Other income</b>	<b>7.46</b>	<b>21.97</b>	<b>5.10</b>	<b>43.92</b>	<b>18.97</b>	<b>34.18</b>
<b>5 Profit before tax (3+4)</b>	<b>3,005.74</b>	<b>2,789.07</b>	<b>2,546.17</b>	<b>8,992.32</b>	<b>7,444.90</b>	<b>11,612.97</b>
<b>6 Tax expense</b>	<b>977.03</b>	<b>904.78</b>	<b>778.65</b>	<b>2,828.15</b>	<b>2,351.64</b>	<b>3,639.34</b>
<b>7 Net Profit (before profit of Associates and adjustment for minority interest) (5-6)</b>	<b>2,028.71</b>	<b>1,884.29</b>	<b>1,767.52</b>	<b>6,164.17</b>	<b>5,093.26</b>	<b>7,973.63</b>
<b>8 Net share of profit of Associates (Equity Method)</b>	<b>852.91</b>	<b>772.31</b>	<b>746.23</b>	<b>2,347.75</b>	<b>2,000.96</b>	<b>2,744.62</b>
<b>9 Minority Interest</b>	<b>(152.96)</b>	<b>(210.39)</b>	<b>(94.75)</b>	<b>(540.13)</b>	<b>(364.42)</b>	<b>(527.99)</b>
<b>10 Net Profit after taxes, Minority interests and share of profit / (loss) of Associates (7+8+9)</b>	<b>2,728.66</b>	<b>2,446.21</b>	<b>2,419.00</b>	<b>7,971.79</b>	<b>6,729.80</b>	<b>10,190.26</b>

Earnings per Share (of ₹ 2 each)*						
- Basic	17.09	15.45	15.32	50.19	42.52	64.07
- Diluted	16.92	15.30	15.19	49.76	42.14	63.59
Paid-up Equity Share Capital (Face value ₹ 2)	317.02	316.79	315.74	317.02	315.74	315.97
Reserves excluding Revaluation Reserves as at March 31, 2016						50,502.76

\* Not annualised for the quarters and nine months

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Notes:

1 The disclosure in terms of Accounting Standard 17 on 'Segment Reporting' 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-16	30-Sep-16	31-Dec-15	31-Dec-16	31-Dec-15	31-Mar-16
	Reviewed					Audited
<b>Segment Revenues</b>						
- Loans	8,630.04	8,191.19	7,681.06	25,650.07	22,563.88	32,217.55
- Life Insurance	5,151.84	5,259.40	3,820.26	14,258.17	11,299.10	17,953.52
- General Insurance	867.79	723.36	512.19	2,150.49	1,495.91	2,069.46
- Asset Management	448.58	411.83	350.03	1,229.46	1,045.43	1,602.56
- Others	150.73	86.72	63.91	320.51	194.91	327.57
<b>Total Segment Revenues</b>	<b>15,248.98</b>	14,672.50	12,427.45	<b>43,608.70</b>	36,599.23	54,170.66
Add : Unallocated Revenues	10.75	10.33	8.15	28.79	18.81	57.87
Less: Inter-segment Adjustments	(270.86)	(156.14)	(176.60)	(590.45)	(485.98)	(971.42)
<b>Total Revenues</b>	<b>14,988.87</b>	14,526.69	12,259.00	<b>43,047.04</b>	36,132.06	53,257.11
<b>Segment Results</b>						
- Loans	2,651.89	2,302.32	2,290.18	7,767.61	6,439.16	10,223.70
- Life Insurance	199.71	246.20	188.20	697.01	657.03	1,007.92
- General Insurance	75.81	131.11	38.12	259.93	133.63	202.81
- Asset Management	191.64	197.73	153.17	566.88	499.58	735.75
- Others	52.85	(16.54)	(5.34)	28.80	(4.30)	(33.82)
<b>Total Segment Results</b>	<b>3,171.90</b>	2,860.82	2,664.33	<b>9,320.23</b>	7,725.10	12,136.36
Add / (Less) : Unallocated	10.74	10.28	8.26	28.73	18.79	57.85
Less: Inter-segment Adjustments	(176.90)	(82.03)	(126.42)	(356.64)	(298.99)	(581.24)
<b>Profit before Tax</b>	<b>3,005.74</b>	2,789.07	2,546.17	<b>8,992.32</b>	7,444.90	11,612.97
<b>Segment Assets</b>						
- Loans	3,23,084.23	3,14,099.58	2,77,497.08	3,23,084.23	2,77,497.08	2,91,072.75
- Life Insurance	84,242.90	84,516.50	72,592.68	84,242.90	72,592.68	76,080.32
- General Insurance	8,133.39	7,280.12	4,652.84	8,133.39	4,652.84	4,775.55
- Asset Management	1,097.48	1,087.77	1,199.70	1,097.48	1,199.70	1,101.37
- Others	530.14	487.77	293.61	530.14	293.61	415.13
<b>Total Segment Assets</b>	<b>4,17,088.14</b>	4,07,471.74	3,56,235.91	<b>4,17,088.14</b>	3,56,235.91	3,73,445.12
<b>Unallocated</b>						
- Banking	22,420.18	21,494.70	19,704.50	22,420.18	19,704.50	20,365.62
- Others	4,686.33	4,278.74	4,223.68	4,686.33	4,223.68	3,869.75
<b>Total Assets</b>	<b>4,44,194.65</b>	4,33,245.18	3,80,164.09	<b>4,44,194.65</b>	3,80,164.09	3,97,680.49
<b>Segment Liabilities</b>						
- Loans	2,92,918.53	2,85,413.88	2,51,975.11	2,92,918.53	2,51,975.11	2,65,869.72
- Life Insurance	81,035.40	81,190.60	69,884.62	81,035.40	69,884.62	73,114.24
- General Insurance	6,400.39	5,503.53	3,545.91	6,400.39	3,545.91	3,693.01
- Asset Management	312.73	290.88	326.36	312.73	326.36	391.12
- Others	477.45	475.76	92.95	477.45	92.95	443.11
<b>Total Segment Liabilities</b>	<b>3,81,144.50</b>	3,72,874.65	3,25,824.95	<b>3,81,144.50</b>	3,25,824.95	3,43,511.20
<b>Unallocated</b>						
- Banking	-	-	-	-	-	-
- Others	1,717.18	1,710.53	537.85	1,717.18	537.85	942.64
<b>Total Liabilities</b>	<b>3,82,861.68</b>	3,74,585.18	3,26,362.80	<b>3,82,861.68</b>	3,26,362.80	3,44,453.84
<b>Capital Employed</b>						
- Loans	30,165.70	28,685.70	25,521.97	30,165.70	25,521.97	25,203.03
- Life Insurance	3,207.50	3,325.90	2,708.06	3,207.50	2,708.06	2,966.08
- General Insurance	1,733.00	1,776.59	1,106.93	1,733.00	1,106.93	1,082.54
- Asset Management	784.75	796.89	873.34	784.75	873.34	710.25
- Others	52.69	12.01	200.66	52.69	200.66	(27.98)
<b>Total Segment Capital Employed</b>	<b>35,943.64</b>	34,597.09	30,410.96	<b>35,943.64</b>	30,410.96	29,933.92
<b>Unallocated</b>						
- Banking	22,420.18	21,494.70	19,704.50	22,420.18	19,704.50	20,365.62
- Others	2,969.15	2,568.21	3,685.83	2,969.15	3,685.83	2,927.11
<b>Total Capital Employed</b>	<b>61,332.97</b>	58,660.00	53,801.29	<b>61,332.97</b>	53,801.29	53,226.65

- a) Loans segment mainly comprises of Group's financing activities for housing and also includes financing of commercial real estate and others through the Corporation and its subsidiaries GRUH Finance Limited and Credila Financial Services Private Limited.
- b) Asset Management segment includes portfolio management, mutual fund and property investment management.
- c) Others include project management, investment consultancy and property related services.
- d) The Group does not have any material operations outside India and hence disclosure of geographic segments is not given.

Contd ...three



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- 2 The key data relating to standalone results of Housing Development Finance Corporation Limited is as under:

₹ in Crore

PARTICULARS	Quarter ended	Quarter ended	Quarter ended	Nine Months ended	Nine Months ended	Year ended
	31-Dec-16	30-Sep-16	31-Dec-15	31-Dec-16	31-Dec-15	31-Mar-16
	Reviewed					Audited
Total Income	8,148.61	8,103.15	7,280.17	24,645.09	21,730.85	30,956.57
Profit Before Tax	2,531.21	2,557.50	2,190.51	7,788.44	6,466.05	10,108.10
Tax Expense	830.00	731.00	670.00	2,390.00	1,980.00	3,015.00
Net Profit After Tax	1,701.21	1,826.50	1,520.51	5,398.44	4,486.05	7,093.10
Earnings per Share (₹)*						
- Basic	10.60	11.54	9.62	33.93	28.28	44.43
- Diluted	10.50	11.42	9.55	33.64	28.04	44.10
Equity Share Capital	317.02	316.79	315.74	317.02	315.74	315.97
Reserves excluding Revaluation Reserves as at March 31, 2016						33,753.99

\* Not annualised for the quarters and nine months

- 3 Vide circular NHB(ND)/DRS/Pol. 62/2014 dated May 27, 2014, the National Housing Bank (NHB) had directed Housing Finance Companies (HFCs) to provide for deferred tax liability in respect of the balance in the "Special Reserve" created under section 36(1)(viii) of the Income Tax Act, 1961. Vide circular NHB(ND)/DRS/Pol. 65/2014 dated August 22, 2014, NHB has permitted HFCs to create the Deferred Tax Liability over a period of 3 years, in a phased manner in the ratio of 25:25:50. Accordingly, the Corporation had created 25 percent of deferred tax liability of ₹ 559.54 crore in each of the two previous financial years, on balance of accumulated Special Reserve as on April 1, 2014. The remaining 50% of deferred tax liability on balance of accumulated Special reserve as on April 1, 2014 is required to be created in the current financial year. The Corporation has created proportionate deferred tax liability of ₹ 559.54 crore for the six month period in the accounts for the six months period ended September 30, 2016. The balance amount of deferred tax liability of ₹ 559.54 crore will be created by the end of the current financial year ending on March 31, 2017.
- 4 Consequent to the Guidance Note on Accounting for Derivative Contracts (the "GN") issued by the Institute of Chartered Accountants of India, becoming effective from April 1, 2016, the Corporation has changed its accounting policy relating to derivative contracts from the aforesaid date.

On and from that date, all derivative contracts are recognised on the balance sheet and measured at fair value. The fair value changes are recognised in the Statement of Profit and Loss unless hedge accounting is used. Where hedge accounting is used, fair value changes of the derivative contracts are recognised through the Statement of Profit and Loss in the same period as the offsetting losses and gains on the hedged item. The long term monetary items other than derivatives continue to be amortised, through the Statement of Profit and Loss over the balance period of such long term asset or liability. There is no material impact on the results of the Corporation for the period ended December 31, 2016.

- 5 During the quarter ended December 31, 2016, the Corporation has allotted 11,05,235 equity shares of ₹ 2 each pursuant to exercise of stock options by certain employees/ directors.

Contd ...four





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- 6 The standalone financial results are available on the Corporation's website ([www.hdfc.com](http://www.hdfc.com)) and on the website of BSE ([www.bseindia.com](http://www.bseindia.com)) and NSE ([www.nseindia.com](http://www.nseindia.com)).
- 7 Figures for the previous period have been regrouped wherever necessary, in order to make them comparable.

The above results for the quarter / nine months ended December 31, 2016, which have been subjected to a Limited Review by the Auditors of the Corporation, were reviewed by the Audit Committee of Directors and subsequently approved by the Board of Directors at its meeting held on January 30, 2017, in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In terms of our report attached

For Deloitte Haskins & Sells LLP  
Chartered Accountants

A handwritten signature in blue ink, appearing to read 'Sanjiv V Pilgaonkar'.

Sanjiv V Pilgaonkar  
Partner

A handwritten signature in black ink, appearing to read 'Keki M. Mistry'.

Keki M. Mistry  
Vice Chairman & CEO

Place: Mumbai  
Date: January 30, 2017

A small, handwritten mark in blue ink, possibly initials or a signature.



## Press Release

### **FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2016 STANDALONE & CONSOLIDATED**

#### **Performance Highlights**

- **20% growth in the standalone profit after tax at ₹5,398 crore for the nine months ended December 31, 2016**
- **Standalone profit after tax at ₹1,701 crore for the quarter ended December 31, 2016**
- **23% growth in the individual loan book (after adding back the loans sold in the preceding 12 months); 17% growth on an AUM basis**
- **Net Interest Income for the nine months ended December 31, 2016 was ₹7,686 crore – a growth of 14%**
- **Net interest margin for the nine months ended December 31, 2016 stood at 3.95%, spread on loans at 2.34%**
- **Gross non-performing loans stood at 0.81% of the loan portfolio as at December 31, 2016**
- **Consolidated profit after tax at ₹7,972 crore for the nine months ended December 31, 2016 – growth of 18%**

The Board of Directors of Housing Development Finance Corporation Limited (HDFC) announced its unaudited standalone financial results for the quarter and nine months ended December 31, 2016, following its meeting on Monday, January 30, 2017 in Mumbai. The accounts have been subjected to a limited review by the Corporation's statutory auditors in line with the regulatory guidelines.

#### **STANDALONE FINANCIAL RESULTS**

##### ***Financials for the nine months ended December 31, 2016***

For the nine months ended December 31, 2016, the profit before tax stood at ₹7,788 crore as compared to ₹6,466 crore in the corresponding period of the previous year, representing a growth of 20%.



After providing ₹ 2,390 crore for tax, (inclusive of ₹ 301 crore as deferred tax liability on Special Reserve), the profit after tax for the nine months ended December 31, 2016 stood at ₹ 5,398 crore as compared to ₹ 4,486 crore in the corresponding period previous year, representing growth of 20%.

### ***Financials for the quarter ended December 31, 2016***

For the quarter ended December 31, 2016, the profit before tax stood at ₹ 2,531 crore as compared to ₹ 2,191 crore in the corresponding quarter of the previous year.

After providing ₹ 830 crore for tax, (inclusive of ₹ 108 crore as deferred tax liability on Special Reserve), the profit after tax for the quarter ended December 31, 2016 stood at ₹ 1,701 crore as compared to ₹ 1,521 crore in the corresponding period previous year, representing growth of 12%.

### **LENDING OPERATIONS**

Individual loan disbursements grew by 14% during the nine months ended December 31, 2016. The average size of individual loans stood at ₹ 25.7 lac.

As at December 31, 2016, the loan book stood at ₹ 2,86,876 crore. Outstanding individual loans sold/assigned was ₹ 37,533 crore.

The Corporation, under the loan assignment route sold individual loans amounting to ₹ 3,355 crore in the quarter ending December 31, 2016 to HDFC Bank. Individual loans sold/assigned in the preceding twelve months amounted to ₹ 15,201 crore.

In respect of individual loans sold/assigned, the residual interest is 1.20% per annum and is being recognised over the life of the underlying loans and not on an upfront basis.

The growth in the individual loan book, after adding back loans sold in the preceding 12 months was 23% (15% net of loans sold). The growth in the total loan book after adding back loans sold was 22% (16% net of loans sold).

On an Assets Under Management (AUM) basis, the growth in the individual loan book was 17% and the non-individual loan book was 19%. The growth in the total loan book on an AUM basis was 17%.

### **Non-Performing Loans**

Gross non-performing loans as at December 31, 2016 amounted to ₹ 2,341 crore. This is equivalent to 0.81% of the loan portfolio. The non-performing loans of the individual portfolio stood at 0.65% while that of the non-individual portfolio stood at 1.16%.



As per the National Housing Bank norms, the Corporation is required to carry a total provision of ₹ 2,263 crore of which ₹ 1,505 crore is against standard assets.

The provisions as at December 31, 2016 stood at ₹ 3,198 crore of which ₹ 705 crore is on account of non-performing loans. This provision is equivalent to 1.11% of the portfolio.

### **Spread and Net Interest Margins**

The spread on loans over the cost of borrowings for the nine months ended December 31, 2016 stood at 2.34%, compared to 2.28% for the half year ended September 30, 2016. The spread on the individual loan book was 2.02% and on the non-individual book was 3.09%.

Net Interest Margin for the nine months ended December 31, 2016 was 3.95%.

### **INVESTMENTS**

As at December 31, 2016, the unrealised gains on HDFC's listed investments amounted to ₹ 66,851 crore (previous year - ₹ 59,091 crore). This excludes the appreciation in the value of unlisted investments.

### **CAPITAL ADEQUACY RATIO**

The Corporation's capital adequacy ratio stood at 16.4%, of which Tier I capital was 13.4% and Tier II capital was 3.0%. Deferred Tax Liability on Special Reserve and the investment in HDFC Bank has also been considered as a deduction in the computation of Tier I capital. As per regulatory norms, the minimum requirement for the Capital Adequacy Ratio and Tier I capital is 12% and 6% respectively.

### **DISTRIBUTION NETWORK**

HDFC's distribution network spans 420 outlets, which include 125 offices of HDFC's distribution company, HDFC Sales Private Limited (HSPL). In addition, 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 other third party selling associates.

To cater to non-resident Indians, HDFC has representative offices in London, Dubai and Singapore and service associates in Kuwait, Oman, Qatar, Abu Dhabi and Saudi Arabia.

### **CONSOLIDATED RESULTS**



For the nine months ended December 31, 2016, the consolidated profit after tax stood at ₹7,972 crore as compared to ₹6,730 crore in the corresponding period last year, representing a growth of 18%.

The share of profit from subsidiary and associate companies in the consolidated profit after tax stood at 32% for the nine months ended December 31, 2016.

*January 30, 2017*