

B S R & Co. LLP

Chartered Accountants

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Independent Auditors' Report on Standalone Annual Financial Results under Regulation 33 and Regulation 52 read with Regulation 63 (2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended 31 March 2021

Independent Auditors' Report

To the Board of Directors of Housing Development Finance Corporation Limited

Report on the audit of the Standalone Annual Financial Results

Opinion

We have audited the accompanying standalone annual financial results of Housing Development Finance Corporation Limited (hereinafter referred to as the 'Corporation') for the year ended 31 March 2021, attached herewith, being submitted by the Corporation pursuant to the requirement of Regulation 33 and Regulation 52 read with Regulation 63(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the 'Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone annual financial results:

- a. are presented in accordance with the requirements of Regulation 33 and Regulation 52 read with Regulation 63(2) of the Listing Regulations in this regard; and
- b. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information for the year ended 31 March 2021.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143 (10) of the Companies Act, 2013 ('the Act'). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results* section of our report. We are independent of the Corporation, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our opinion on the standalone annual financial results.

Registered Office:

Independent Auditors' Report (*continued*)

Housing Development Finance Corporation Limited

Emphasis of Matter

As described in Note 5 to the standalone annual financial results, the extent to which the COVID-19 pandemic will impact the Corporation's financial performance is dependent on future developments, which are uncertain. Our opinion is not modified in respect of this matter.

Management's and Board of Directors' Responsibilities for the Standalone Annual Financial Results

These standalone annual financial results have been prepared on the basis of the standalone annual financial statements.

The Corporation's Management and the Board of Directors are responsible for the preparation and presentation of these standalone annual financial results that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 and Regulation 52 read with Regulation 63(2) of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Corporation and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone annual financial results, Management and the Board of Directors are responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the audit of the Standalone Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone annual financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent Auditors' Report (continued)

Housing Development Finance Corporation Limited

Auditor's Responsibilities for the audit of the Standalone Annual Financial Results (Continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the Corporation has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial results made by Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone annual financial results, including the disclosures, and whether the standalone annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

The standalone annual financial results include the results for the quarter ended 31 March 2021 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For **B S R & Co. LLP**
Chartered Accountants

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

SAGAR
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Sagar Lakhani
Partner

Mumbai
07 May 2021

Membership No: 111855
ICAI UDIN: 21111855AAAACO4369



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

₹ in crore

PARTICULARS	Quarter ended	Quarter ended	Quarter ended	Year ended	Year ended
	31-Mar-21	31-Dec-20	31-Mar-20	31-Mar-21	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.



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- 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.

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- 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.

SAGAR
PRAVIN
LAKHANI
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by SAGAR
PRAVIN LAKHANI
Date: 2021.05.07
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Place: Mumbai
Date: May 7, 2021

For and on behalf of the Board of Directors

KEKI M
MISTRY
Digitally signed by KEKI M MISTRY
DN: cn=KEKI M MISTRY,
o=HDFC, ou=HDFC, email=keki.mistry@hdfc.com,
c=IN
E=keki.mistry@hdfc.com, OU=HDFC, O=HDFC, CN=KEKI M MISTRY
Date: 2021.05.07 13:03:02 +05'30'

Keki M. Mistry
Vice Chairman & CEO

B S R & Co. LLP

Chartered Accountants

14th Floor, Central B Wing and North C Wing,
Nesco IT Park 4, Nesco Center,
Western Express Highway,
Goregaon (East), Mumbai - 400 063

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Independent Auditors' Report

To the Board of Directors of Housing Development Finance Corporation Limited

Report on the audit of the Consolidated Annual Financial Results

Opinion

We have audited the accompanying consolidated annual financial results of Housing Development Finance Corporation Limited (hereinafter referred to as the "Holding Company" or the "Corporation") and its subsidiaries (Holding Company and its subsidiaries together referred to as the "Group") and its associates for the year ended 31 March 2021, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate audited financial statements of the subsidiaries and on financial information of an associate, the aforesaid consolidated annual financial results:

- a. include the annual financial 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

Registered Office:

Independent Auditors' Report (*Continued*)

Housing Development Finance Corporation Limited

Opinion (*Continued*)

- a. include the annual financial results of the following entities (*Continued*)

Name of the Company	Relationship
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 (Ceased to be an associate with effect from February 2021)	Associate of HDFC Property Ventures Limited
Renaissance Investment Solutions ARC Private Limited (with effect from November 2020)	Associate
HDFC Life Employees Stock Option Trust	Entity controlled by HDFC Life Insurance Company Limited

- b. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- c. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of consolidated net profit and other comprehensive income and other financial information of the Group for the year ended 31 March 2021.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (“SAs”) specified under section 143(10) of the Companies Act, 2013 (“the Act”). Our responsibilities under those SAs are further described in the *Auditors’ Responsibilities for the Audit of the Consolidated Annual Financial Results* section of our report. We are independent of the Group and its associates in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the “Other Matters” paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated annual financial results.

Emphasis of Matter

As described in Note 6 to the consolidated annual financial results, the extent to which the COVID - 19 pandemic will impact the Corporation’s and three subsidiaries’ financial performance is dependent on future developments, which are uncertain.

Further, as described by other auditor in their report relating to one Life Insurance subsidiary - “We draw your attention to the note which explains the uncertainties and the management’s assessment of the financial impact due to the lockdown and other restrictions imposed by the Government and conditions related to the COVID - 19 pandemic situation, for which a definitive assessment of the impact is highly dependent upon circumstances as they evolve in the subsequent period. Our opinion is not modified in respect of this matter”.

Independent Auditors' Report (Continued)

Housing Development Finance Corporation Limited

Emphasis of Matter (Continued)

Further, as described by other auditor in their report relating to a General Insurance subsidiary - “We draw your attention to the note which explains the management’s assessment of the impact of the second wave of Coronavirus (COVID - 19) on the business operations of the Company. The management assessment includes but is not limited to valuation of investments, valuation of policy-related liabilities and solvency position of the Company. The management continues to closely monitor the implications of Covid-19 on its operations and financial and an associate of the Corporation, the extent to which the COVID - 19 pandemic will impact the financial performance is dependent on future developments, which are highly uncertain. Our opinion is not modified in respect of this matter”.

Further, as described by other auditor in their report relating to an associate – “We draw attention to the note, which describes the extent to which the COVID - 19 pandemic will continue to impact the Bank’s consolidated summarised financial information will depend on ongoing and future developments, which are highly uncertain. Our opinion is not modified in respect of this matter”.

Our opinion is not modified in respect of the above matters.

Management’s and Board of Directors’ Responsibilities for the Consolidated Annual Financial Results

These consolidated annual financial results have been prepared on the basis of the consolidated annual financial statements.

The Holding Company’s Management and the Board of Directors are responsible for the preparation and presentation of these consolidated annual financial results that give a true and fair view of the consolidated net profit/loss and other comprehensive income and other financial information of the Group and its associates in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Management and Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated annual financial results by the Management and the Directors of the Holding Company, as aforesaid.

These consolidated annual financial results have been prepared on the basis of the consolidated annual financial statements.

The Holding Company’s Management and the Board of Directors are responsible for the preparation and presentation of these consolidated annual financial results that give a true and fair view of the consolidated net profit/loss and other comprehensive income and other financial information of the Group and its associates in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

Independent Auditors' Report (Continued)

Housing Development Finance Corporation Limited

Management's and Board of Directors' Responsibilities for the Consolidated Annual Financial Results (Continued)

The respective Management and Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated annual financial results by the Management and the Directors of the Holding Company, as aforesaid.

In preparing the consolidated annual financial results, the Management and the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates is responsible for overseeing the financial reporting process of each company.

Auditors' Responsibilities for the Audit of the Consolidated Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the consolidated annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated financial results made by the Management and Board of Directors.

Independent Auditors' Report (Continued)

Housing Development Finance Corporation Limited

Auditors' Responsibilities for the Audit of the Consolidated Annual Financial Results (Continued)

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated annual financial results, including the disclosures, and whether the consolidated annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group and its associates to express an opinion on the consolidated annual financial results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated annual financial results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated annual financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the circular No CIR/CFD/CMD1/44/2019 issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other Matters

- (a) The consolidated annual financial results include the audited financial results of thirteen subsidiaries whose financial statements reflect total assets (before consolidation adjustments) of Rs. 217,097 crores as at 31 March 2021, total revenue (before consolidation adjustments) of Rs. 90,190 crores and total net profit after tax (before consolidation adjustments) of Rs. 2,314 crores and net cash inflows of Rs. 1,106 crores for the year ended on that date, as considered in the consolidated annual financial results, which have been audited by their respective independent auditors. Of the aforesaid subsidiaries, two subsidiaries are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries.

Independent Auditors' Report (Continued)

Housing Development Finance Corporation Limited

Other Matters (Continued)

The Corporation's management has converted the financial statements of these two subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Corporation's management. The consolidated annual financial results also include the Group's share of net profit after tax (before consolidation adjustments) of Rs. 6,935 crores for the year ended 31 March 2021 as considered in the consolidated annual financial results, in respect of an associate, whose financial information has been audited by its respective independent auditor. The independent auditors' reports on financial statements/financial information of these entities have been furnished to us by the management and our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors / conversion adjustments prepared by management of the Corporation and audited by us and the procedures performed by us as stated in paragraph above.

- (b) The consolidated annual financial results include the unaudited financial results of an entity controlled by a subsidiary whose financial statements reflect total assets (before consolidation adjustments) of Rs. 6 crores, total revenue (before consolidation adjustments) of Rs. 0.07 crores and total net profit after tax (before consolidation adjustments) of Rs. 0.05 crores and net cash inflows of Rs. 0.07 crores for the year ended 31 March 2021, as considered in the consolidated annual financial results. The consolidated annual financial results also includes the Group's share of net loss after tax (before consolidation adjustments) of Rs. 13 crores for the year ended 31 March 2021, as considered in the consolidated annual financial results, in respect of four associates. These unaudited financial statements / financial information have been furnished to us by the Board of Directors and our opinion on the consolidated annual financial results, in so far as it relates to the amounts and disclosures included in respect of an entity controlled by a subsidiary and four associates is based solely on such annual financial statements /financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial statements/financial information are not material to the Group.
- (c) 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 Insurance Regulatory and Development Authority of India ('IRDAI') and the Institute of Actuaries of India in concurrence with the IRDAI. The respective auditors of these subsidiaries have relied on the appointed actuary's certificate in this regard in forming their conclusion on the financial statements of the said subsidiaries.

Our opinion on the consolidated annual financial results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements /financial information certified by the Board of Directors.

Independent Auditors' Report (Continued)

Housing Development Finance Corporation Limited

Other Matters (Continued)

The consolidated annual financial results include the results for the quarter ended 31 March 2021 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For **B S R & Co. LLP**

Chartered Accountants

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

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Date: 2021.05.07
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Sagar Lakhani

Partner

Mumbai
07 May 2021

Membership No:111855
ICAI UDIN: 21111855AAAACN6507



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STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS
FOR THE QUARTER AND YEAR ENDED MARCH 31, 2021

₹ in Crore

PARTICULARS	Quarter ended			Year ended	
	31-Mar-21	31-Dec-20	31-Mar-20	31-Mar-21	31-Mar-20
	Audited	Reviewed	Audited	Audited	Audited
1 Revenue from Operations					
- Interest Income	10,879.31	11,182.63	11,390.63	44,461.55	45,253.26
- Surplus from deployment in Cash Management Schemes of Mutual Funds	145.95	127.76	241.39	812.78	1,118.90
- Dividend Income	8.71	6.74	25.41	38.45	89.21
- Rental Income	19.31	11.89	15.24	55.60	47.13
- Fees and Commission Income	532.35	508.07	511.69	1,967.72	2,138.82
- Profit on loss of control over a subsidiary (Refer note 13)	-	-	-	-	9,799.10
- Net gain / (loss) on fair value changes	621.31	649.31	(9.32)	1,971.68	(179.67)
- Profit / (loss) on sale of Investment Properties	(2.20)	-	14.31	(2.20)	35.11
- Income on derecognised (assigned) loans	392.52	367.97	237.57	1,102.95	967.87
- Premium and other operating income from Life Insurance Business - Policyholder's funds	14,634.52	11,258.62	11,530.03	45,241.74	38,328.46
- Net gain / (loss) on Investments in Life Insurance business - Policyholder's funds	4,027.76	10,044.33	(11,510.22)	25,333.44	(10,286.99)
- Income from General Insurance Business - Policyholder's funds	4,478.85	5,101.74	4,153.35	18,050.28	14,414.51
Total Revenue from Operations	35,738.39	39,259.06	16,600.08	1,39,033.99	1,01,725.71
2 Other Income	15.47	8.53	31.92	37.25	70.19
3 Total Income (1+2)	35,753.86	39,267.59	16,632.00	1,39,071.24	1,01,795.90
4 Expenses:					
- Finance cost	6,665.99	6,954.48	7,800.44	29,081.26	32,109.45
- Impairment on financial instruments (Expected Credit Loss)	721.31	625.98	1,309.42	3,030.76	5,951.12
- Employee benefit expenses	507.74	500.35	317.34	1,700.67	1,356.66
- Depreciation, amortisation and impairment	89.17	90.52	84.27	355.35	256.11
- Establishment expenses	6.45	12.76	8.42	44.83	56.78
- Claims and other operating expenses of Life Insurance Business - Policyholder's funds	10,724.38	7,999.96	6,830.57	28,625.91	24,449.40
- Changes in Life Insurance contract liabilities and surplus pending transfer	7,647.61	13,083.53	(7,469.87)	40,761.64	2,168.61
- Expense of General Insurance Business - Policyholder's funds	4,347.19	4,700.12	4,062.83	17,196.87	13,934.50
- Other expenses	257.73	249.34	355.36	958.12	1,066.12
Total Expenses	30,967.57	34,217.04	13,298.78	1,21,755.41	81,348.75
5 Share of profit from Associates (Equity Method)	1,918.01	1,760.22	1,617.71	6,921.47	5,746.10
6 Profit before tax (3-4+5)	6,704.30	6,810.77	4,950.93	24,237.30	26,193.25
7 Tax Expense					
- Current tax	1,176.96	964.00	809.41	3,937.98	3,415.75
- Deferred tax	(142.04)	122.54	(200.06)	(188.23)	(48.97)
Total Tax expense	1,034.92	1,086.54	609.35	3,749.75	3,366.78
8 Net Profit After tax (before adjustment for minority interest) (6-7)	5,669.38	5,724.23	4,341.58	20,487.55	22,826.47
9 Other Comprehensive Income	(1,928.13)	2,750.25	(5,956.06)	1,581.82	(6,213.42)
10 Total Comprehensive Income (8+9)	3,741.25	8,474.48	(1,614.48)	22,069.37	16,613.05
11 Profit Attributable to:					
Owners of the Corporation	5,350.02	5,176.76	4,116.20	18,740.06	21,434.57
Non-Controlling Interest	319.36	547.47	225.38	1,747.49	1,391.90
12 Other Comprehensive Income attributable to:					
Owners of the Corporation	(1,748.18)	2,657.69	(6,030.66)	1,565.22	(6,374.24)
Non-Controlling Interest	(179.95)	92.56	74.60	16.60	160.82
13 Total Comprehensive Income attributable to:					
Owners of the Corporation	3,601.84	7,834.45	(1,914.46)	20,305.28	15,060.33
Non-Controlling Interest	139.41	640.03	299.98	1,764.09	1,552.72
Earnings per Share (Face value ₹ 2) [#]					
- Basic (₹)	29.69	28.79	22.01	105.59	124.14
- Diluted (₹)	29.44	28.74	21.93	104.70	123.19
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				1,56,351.84	1,26,132.75

Not annualised for the quarters

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Notes :

1 Statement of Consolidated Assets and Liabilities

₹ in Crore

Particulars	As at	
	31-Mar-21	31-Mar-20
	Audited	Audited
ASSETS		
Financial Assets		
i) Cash and cash equivalents	2,628.68	5,198.46
ii) Bank Balances other than above	406.79	303.07
iii) Derivative financial instruments	2,192.30	5,758.06
iv) Receivables		
(a) Trade receivables	242.35	336.31
(b) Other receivables	-	6.58
v) Loans	4,90,947.80	4,45,496.16
vi) Investments in Associates	55,395.12	48,883.74
vii) Other Investments	55,399.30	51,027.29
viii) Assets of Life Insurance business	1,83,616.54	1,37,326.99
ix) Assets of Non-Life Insurance business	23,522.44	19,868.24
x) Other financial assets	3,851.70	3,983.72
xi) Non - Current assets held for sale (refer note 11)	141.00	-
Total Financial Assets	8,18,344.02	7,18,188.62
Non-Financial assets		
i) Current tax assets (Net)	2,920.28	3,696.51
ii) Deferred tax assets (Net)	1,853.76	1,699.68
iii) Investment property	936.77	981.52
iv) Property, plant and equipment	1,738.69	1,744.27
v) Other intangible assets	1,035.84	1,149.45
vi) Capital work in Progress	9.76	20.38
vii) Intangible assets under development	37.54	38.52
viii) Other non-financial assets	742.72	695.25
ix) Goodwill on consolidation	1,600.73	1,600.73
x) Non - Current assets held for sale	134.79	-
Total Non-Financial Assets	11,010.88	11,626.31
Total Assets	8,29,354.90	7,29,814.93
LIABILITIES AND EQUITY		
LIABILITIES		
Financial Liabilities		
i) Derivative financial instruments	1,716.79	354.84
ii) Payables		
(A) Trade payables		
(a) total outstanding dues of micro enterprises and small enterprises	8.63	4.00
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	3,071.55	2,161.19
(B) Other payables		
(a) total outstanding dues of micro enterprises and small enterprises	-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	295.97	238.95
iii) Debt Securities	1,83,710.48	1,79,524.80
iv) Borrowings (Other than Debt Securities)	1,07,991.95	1,07,914.67
v) Deposits	1,50,077.19	1,32,304.79
vi) Subordinated Liabilities	5,233.65	5,623.28
vii) Liabilities pertaining to Life Insurance Business	1,75,406.15	1,31,006.74
viii) Liabilities pertaining to Non Life Insurance Business	19,836.12	17,423.31
ix) Other financial liabilities	13,387.82	16,536.97
Total Financial Liabilities	6,60,736.30	5,93,093.54
Non-Financial Liabilities		
i) Current tax liabilities (Net)	469.64	259.84
ii) Deferred tax liabilities (Net)	124.80	32.46
iii) Provisions	371.17	372.09
iv) Other non-financial liabilities	2,035.52	2,220.52
Total Non-Financial Liabilities	3,001.13	2,884.91
Total Liabilities	6,63,737.43	5,95,978.45
EQUITY		
i) Equity Share capital	360.79	346.41
ii) Other equity	1,56,351.84	1,26,132.75
iii) Non-controlling interest	8,904.84	7,357.32
Total Equity	1,65,617.47	1,33,836.48
Total Liabilities and Equity	8,29,354.90	7,29,814.93

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2 Statement of Consolidated Cash flows

₹ in Crore

Particulars	For the year ended	
	31-Mar-21	31-Mar-20
	Audited	Audited
Profit before tax	24,237.30	26,193.25
Adjustments for:		
Share of Profit from Associates	(6,921.47)	(5,746.10)
Depreciation, Amortisation and Impairment	355.35	256.11
Impairment on Financial Instruments (Expected Credit Loss)	3,030.76	5,951.12
Share based payments to employees	355.27	15.96
Profit on loss of control on a subsidiary	-	(9,799.10)
Net (gain) / loss on fair value changes	(1,971.68)	182.12
Profit on Sale of Investments	-	(2.45)
(Profit) / Loss on Sale of Investment Properties, Property, Plant and Equipment (Net)	2.25	(35.11)
Interest Expense	28,842.04	31,901.06
Interest Income	(44,461.55)	(45,253.26)
Surplus from deployment in Cash Management Schemes of Mutual Funds	(812.78)	(1,118.90)
Utilisation of Shelter Assistance Reserve	(0.03)	(3.17)
Operating Profit before Working Capital changes and adjustment for interest received and paid	2,655.46	2,541.53
Adjustments for:		
Decrease/(Increase) in Financial Assets and Non Financial Assets	3,369.75	(3,535.38)
(Decrease)/Increase in Financial and Non Financial Liabilities	(240.20)	3,354.60
Decrease/(Increase) in Assets pertaining to Insurance Business	(49,943.75)	(14,194.94)
(Decrease)/Increase in Liabilities pertaining to Insurance Business	46,812.22	13,545.65
Cash from Operations before adjustments for interest received and paid	2,653.48	1,711.46
Interest Received	43,624.43	45,253.26
Surplus from deployment in Cash Management Schemes of Mutual Funds Received	869.26	1,118.90
Interest Paid	(30,186.40)	(31,775.66)
Taxes Paid	(3,176.53)	(3,967.98)
Net cash from Operations	13,784.24	12,339.98
Investments in / redemption from schemes of Mutual Fund (Net)	6,528.05	(10,312.48)
Loans disbursed (net)	(47,590.31)	(29,899.40)
Corporate deposits (net)	1.59	1,070.88
Net cash used in operating activities	(27,276.43)	(26,801.02)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, plant and equipment	(158.68)	(356.14)
Sale of Property, plant and equipment	5.83	3.82
Net Cash used in Property, plant and equipment	(152.85)	(352.32)
Purchase of Investment Properties	(91.96)	(296.25)
Sale of Investment Properties	57.14	65.43
Net Cash flow used in Investment Properties	(34.82)	(230.82)
Investments in Subsidiary Companies	-	(1,495.81)
Investments in Associate Companies	-	(86.71)
Purchase of Investments (Net)	(6,770.66)	(9,347.13)
Sale proceeds of Investments in Subsidiary Companies	-	1,639.14
Net cash used in investing activities	(6,958.33)	(9,873.65)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share Capital - Equity	14.38	2.12
Money Received Against Warrants	307.03	-
Securities Premium (Net)	11,901.83	1,587.69
Sale proceeds of Investments in Subsidiary Companies	1,484.25	1,903.27
Borrowings (Net)	126.55	17,650.85
Deposits (Net)	18,142.87	25,232.80
Proceeds from Debt Securities and Subordinated Liabilities	1,06,429.03	1,05,072.64
Repayment of Debt Securities and Subordinated Liabilities	(1,02,625.23)	(1,10,139.61)
Payment for Principal portion of lease liability	(45.36)	(83.99)
Dividend paid - Equity Shares	(3,642.68)	(3,023.49)
Tax paid on Dividend	-	(581.35)
Change in Non-Controlling Interest	(427.69)	1,068.89
Net cash from financing activities	31,664.98	38,689.82
Net Increase / (Decrease) in cash and cash equivalents	(2,569.78)	2,015.15
Add : Cash and cash equivalents as at the beginning of the period	5,198.46	3,183.31
Cash and cash equivalents as at the end of the period	2,628.68	5,198.46

- a. During the year, the Group has received dividend income of ₹ 38.45 Crore (Previous year ₹ 89.21 Crore).
- b. Net movement in Borrowings (including Debt Securities), Deposits and Subordinated Liabilities amounting to ₹ 21,645.73 Crore (Previous year ₹ 37,663.73 Crore) includes fresh issuance, repayments and effect of changes in foreign exchange rates.

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3 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	Year ended	Year ended
	31-Mar-21	31-Dec-20	31-Mar-20	31-Mar-21	31-Mar-20
	Audited	Reviewed	Audited	Audited	Audited
Segment Revenues					
- Loans	11,883.81	11,891.72	12,171.92	48,889.33	60,396.80
- Life Insurance	18,913.09	21,676.23	(205.74)	71,742.94	28,165.41
- General Insurance	4,523.04	5,204.75	4,398.18	18,289.49	14,793.45
- Asset Management	553.41	480.68	443.33	1,982.47	2,153.95
- Others	217.45	178.60	140.64	600.16	838.92
Total Segment Revenues	36,090.80	39,431.98	16,948.33	1,41,504.39	1,06,348.53
Add : Unallocated Revenues	89.33	117.56	18.77	348.60	130.31
Less: Inter-segment Adjustments	(426.27)	(281.95)	(335.10)	(2,781.75)	(4,682.94)
Total Revenues	35,753.86	39,267.59	16,632.00	1,39,071.24	1,01,795.90
Segment Results					
- Loans	3,983.78	3,801.07	2,723.37	15,022.87	20,752.37
- Life Insurance	435.93	501.73	226.10	2,001.62	1,283.42
- General Insurance	121.80	429.50	275.40	890.56	691.95
- Asset Management	407.48	339.44	315.99	1,380.85	1,683.47
- Others	54.12	32.41	(14.41)	59.68	176.53
Total Segment Results	5,003.11	5,104.15	3,526.45	19,355.58	24,587.74
Add: Unallocated	89.33	117.56	18.78	348.60	130.32
Add: Share of Profit from Associates	1,918.01	1,760.22	1,617.71	6,921.47	5,746.10
Less: Inter-segment Adjustments	(306.15)	(171.16)	(212.01)	(2,388.35)	(4,270.91)
Profit before tax	6,704.30	6,810.77	4,950.93	24,237.30	26,193.25
Segment Assets					
- Loans	5,49,816.71	5,43,050.65	5,07,046.08	5,49,816.71	5,07,046.08
- Life Insurance	1,86,628.82	1,80,770.83	1,39,676.67	1,86,628.82	1,39,676.67
- General Insurance	26,071.39	25,450.17	23,271.49	26,071.39	23,271.49
- Asset Management	5,841.81	5,464.38	4,830.77	5,841.81	4,830.77
- Others	758.00	688.64	880.95	758.00	880.95
Total Segment Assets	7,69,116.73	7,55,424.67	6,75,705.96	7,69,116.73	6,75,705.96
Unallocated					
- Banking	55,464.14	53,863.69	48,712.74	55,464.14	48,712.74
- Others	4,774.03	4,650.90	5,396.23	4,774.03	5,396.23
Total Assets	8,29,354.90	8,13,939.26	7,29,814.93	8,29,354.90	7,29,814.93
Segment Liabilities					
- Loans	4,62,983.15	4,58,947.28	4,43,634.85	4,62,983.15	4,43,634.85
- Life Insurance	1,78,676.08	1,72,750.38	1,33,068.82	1,78,676.08	1,33,068.82
- General Insurance	21,003.20	19,905.14	18,555.20	21,003.20	18,555.20
- Asset Management	293.18	271.79	277.49	293.18	277.49
- Others	187.34	178.30	149.78	187.34	149.78
Total Segment Liabilities	6,63,142.95	6,52,052.89	5,95,686.14	6,63,142.95	5,95,686.14
Unallocated					
- Others	594.48	497.02	292.31	594.48	292.31
Total Liabilities	6,63,737.43	6,52,549.91	5,95,978.45	6,63,737.43	5,95,978.45
Capital Employed					
- Loans	86,833.56	84,103.37	63,411.23	86,833.56	63,411.23
- Life Insurance	7,952.74	8,020.45	6,607.85	7,952.74	6,607.85
- General Insurance	5,068.19	5,545.03	4,716.29	5,068.19	4,716.29
- Asset Management	5,548.63	5,192.59	4,553.28	5,548.63	4,553.28
- Others	570.66	510.34	731.17	570.66	731.17
Total Segment Capital Employed	1,05,973.78	1,03,371.78	80,019.82	1,05,973.78	80,019.82
Unallocated					
- Banking	55,464.14	53,863.69	48,712.74	55,464.14	48,712.74
- Others	4,179.55	4,153.88	5,103.92	4,179.55	5,103.92
Total Capital Employed	1,65,617.47	1,61,389.35	1,33,836.48	1,65,617.47	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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- 4 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 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- 5 The Board of Directors of the Corporation 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.
- 6 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.
- 7 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.
- 8 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.
- 9 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.
- 10 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.
- 11 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), an associate. Accordingly, investment in Good Host is classified as assets held for sale as on March 31, 2021 and no longer accounted under the equity method. Profit on sale of investment in Good Host will be recognised in Q1 FY 22.
- 12 During the year, the Corporation has sold 2,85,48,750 equity shares of HDFC Life Insurance Company Limited (HDFC Life) 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 adjusted gain of ₹ 1,321.17 crore is recognised in Other equity. Consequently, the Corporation's equity shareholding in HDFC Life stood at 49.99 per cent as on March 31, 2021.
- 13 During the previous year, GRUH Finance Ltd, a subsidiary company subsequently diluted to an associate company was amalgamated with Bandhan Bank Limited, which resulted in gain of ₹ 9,799.10 crore in the Statement of Profit & Loss.
- 14 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.
- 15 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 Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Place: Mumbai
Date: May 7, 2021

SAGAR
PRAVIN
LAKHANI
Date:
2021.05.07
13:06:52 +05'30'

Digitally signed
by SAGAR
PRAVIN
LAKHANI
Date:
2021.05.07
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For and on behalf of the Board of Directors

KEKI M
MISTRY

Keki M. Mistry
Vice Chairman & CEO

Press Release

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

PERFORMANCE HIGHLIGHTS



- **42% increase in the standalone Profit After Tax for the quarter ended March 31, 2021 to stand at ₹ 3,180 crore**
- **19% growth in individual loans (after adding back loans sold in the preceding 12 months)**
- **Spreads at 2.29% for the year ended March 31, 2021**
- **Net Interest Margin at 3.5% for year ended March 31, 2021**
- **Capital Adequacy at 22.2%; Tier 1 Capital at 21.5%**
- **Recommends final dividend of ₹ 23 per equity share, compared to ₹ 21 per equity share in the previous year**
- **Standalone Profit After Tax for the year ended March 31, 2021 stood at ₹ 12,027 crore**
- **30% increase in the consolidated Profit After Tax attributable to the Corporation for the quarter ended March 31, 2021 to stand at ₹ 5,350 crore**

The Board of Directors of Housing Development Finance Corporation Limited (HDFC) approved the standalone and consolidated audited financial results for the quarter and year ended March 31, 2021 at its meeting held on Friday, May 7, 2021 in Mumbai.

Following the strict national lockdown imposed in March 2020 up to early June 2020, there was a substantial recovery, especially in the second half of the financial year ended March 31, 2021.

Since April 2021, however, India has been witnessing an eruption of a second wave of infections. At this juncture, there continues to be a great deal of uncertainty on the

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duration and intensity of the second wave and the resultant impact it may have on the Corporation and the overall economy.

Though the second wave and partial lockdowns have brought new challenges, given the scale up of the Corporation's digitalisation platforms for borrowers, depositors, channel partners and deposit agents, coupled with the learnings of the past year, as of date, the Corporation stands in a ready state to tackle the extant challenges.

FINANCIAL RESULTS

Financials for the quarter ended March 31, 2021

The profit before tax for the quarter ended March 31, 2021 stood at ₹ 3,924 crore compared to ₹ 2,692 crore in the corresponding quarter of the previous year, representing a growth of 46%.

After providing for tax of ₹ 744 crore, the profit after tax stood at ₹ 3,180 crore compared to ₹ 2,233 crore in the previous year, representing a growth of 42%.

Financials for the year ended March 31, 2021




The reported profit before tax for the year ended March 31, 2021 stood at ₹ 14,815 crore.

The profit numbers for the year ended March 31, 2021 are not comparable with that of the previous year. In the previous year, the Corporation had recorded a fair value gain consequent to the merger of GRUH Finance Limited (GRUH) with Bandhan Bank Limited amounting to ₹ 9,020 crore.

The profit numbers are also not comparable due the profit on sale of investments which was lower at ₹ 1,398 crore during the year compared to ₹ 3,524 crore in the previous year.

Further, dividend income received during the year was lower at ₹ 734 crore (no dividends were received from HDFC Bank Limited and HDFC Life Insurance Company Limited) as compared to ₹ 1,081 crore in the previous year. In the first half of the year under review, the regulators for banks and insurance companies did not permit payment of dividends from the profits pertaining to the financial year ended March 31, 2020 owing to uncertainties due to COVID-19.

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To facilitate a like-for-like comparison of the financials, after adjusting for profit on sale of investments, dividend, fair value adjustments, income on assigned loans, charge for employee stock options and provisions, the adjusted profit before tax for the year ended March 31, 2021 stood at ₹ 13,823 crore compared to ₹ 11,586 crore in the previous year, representing a growth of 19%.

After providing for tax of ₹ 2,788 crore, the reported profit after tax for the year ended March 31, 2021 stood at ₹ 12,027 crore.

Total comprehensive income for the year ended March 31, 2021 stood at ₹ 13,762 crore.

DIVIDEND

The Corporation did not declare interim dividend during the year ended March 31, 2021.

The Board of Directors reviewed the performance of the Corporation and after assessing the financial performance of the Corporation, its liquidity position and capital buffers, recommended a dividend for the year ended March 31, 2021 of ₹ 23 per equity share of ₹ 2 each compared to ₹ 21 per equity in the previous year.

The dividend pay-out ratio is 34.5%.



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.

During the quarter ended March 31, 2021, individual loan disbursements grew by 60% over the corresponding quarter of the previous year. The month of March 2021 witnessed the highest levels in terms individual receipts, approvals and disbursements. Growth in home loans was seen in both, the affordable housing segment as well as high-end properties.

Individual disbursements in the first half of the financial year was 35% lower compared to the corresponding period in the previous year. This was on account of the strict national lockdown that was imposed up to early June 2020. In the second half of the financial year, individual disbursements were 42% higher compared to the corresponding period in the

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previous year. Consequently, during the year ended March 31, 2021, individual loan disbursements reported a growth of 3% compared to the previous year.

The pandemic has given a strong fillip to various digital initiatives offered by the Corporation. Approximately 81% of new borrowers opted for the digital mode.

Affordable Housing

During the year ended March 31, 2021, 33% of home loans approved in volume terms and 16% 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 ₹ 10.8 lac and ₹ 18.6 lac respectively.

The Corporation continued to have the largest number of home loan customers of approximately 2.3 lac who have availed benefits under the Credit Linked Subsidy Scheme (CLSS). As at March 31, 2021, cumulative loans disbursed by the Corporation under CLSS stood at ₹ 39,333 crore and the cumulative subsidy amount stood at ₹ 5,211 crore.

Overall Lending Operations

The average size of individual loans disbursed during the year ended March 31, 2021 stood at ₹ 29.5 lac compared to ₹ 27.0 lac in the previous year. There was an uptick in the average ticket size during the quarter ended March 31, 2021 to ₹ 31.4 lac, attributable to the demand for higher end properties, especially in the metro cities.

As at March 31, 2021, the loans on an assets under management (AUM) basis stood at ₹ 5,69,894 crore as against ₹ 5,16,773 crore in the previous year.

As at March 31, 2021, individual loans comprise 77% of the Assets Under Management (AUM).

As at March 31, 2021, the individual loan book on an AUM basis grew 12% and the non-individual loan book grew by 4%. The growth in the total AUM was 10%.

Loans sold in the preceding 12 months amounted to ₹ 18,980 crore (PY: ₹ 24,127 crore).

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As at March 31, 2021, the outstanding amount in respect of individual loans sold was ₹ 71,421 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 19%. The growth in the total loan book after adding back loans sold was 15%.

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 March 2021 stood at 98.0% compared to 96.3% in the month of September 2020.

As per regulatory norms, the gross non-performing loans as at March 31, 2021 stood at ₹ 9,759 crore. This is equivalent to 1.98% of the loan portfolio.

The non-performing loans of the individual portfolio stood at 0.99% while that of the non-individual portfolio stood at 4.77%.

As per regulatory norms, the Corporation is required to carry a total provision of ₹ 5,491 crore. The regulatory provisioning for non-performing loans is determined solely on the period of default.

The provisions as at March 31, 2021 stood at ₹ 13,025 crore. The provisions carried as a percentage of the Exposure at Default (EAD) is equivalent to 2.62%.




The Corporation's Expected Credit Loss charged to the Statement of Profit and Loss for the year ended March 31, 2021 stood at ₹ 2,948 crore.

NET INTEREST INCOME

The pure NII for the year ended March 31, 2021 stood at ₹ 15,172 crore compared to ₹ 12,904 crore in the previous year, representing a growth of 18%.

The NII for the quarter ended March 31, 2021 stood at ₹ 4,065 crore compared to ₹ 3,564 crore in the previous year, representing a growth of 14%.

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Inclusive of fees and income from assigned loans, the NII for the quarter ended March 31, 2021 stood at ₹ 4,532 crore compared to ₹ 3,846 crore in the previous year, representing a growth of 18%.

SPREAD AND MARGIN

The spread on loans over the cost of borrowings for the year ended March 31, 2021 was 2.29%. The spread on the individual loan book was 1.93% and on the non-individual book was 3.22%.

Net Interest Margin for the year ended March 31, 2021 stood at 3.5%.

COST INCOME RATIO

For the year ended March 31, 2021, cost to income ratio stood at 7.7% compared to 9.0% in the previous year. The reduction in the cost to income ratio during the year is attributed to COVID-19 induced lockdowns and restrictions, thus leading to lower expenses incurred on travel and conveyance, electricity charges and digitalisation initiatives have reduced expenses such as printing, stationary and postage charges.

INVESTMENTS

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

Accordingly, as at March 31, 2021, the unaccounted gains on listed investments in subsidiary and associate companies amounted to ₹ 2,61,590 crore.

CAPITAL ADEQUACY RATIO

The Corporation's capital adequacy ratio stood at 22.2%, of which Tier I capital was 21.5% and Tier II capital was 0.7%. As per the regulatory norms, the minimum requirement for the capital adequacy ratio and Tier I capital is 14% and 10% respectively.

HDFC's #QuickAndEasy ONLINE SERVICES

-  **Website** - <https://www.hdfc.com>
-  **Online Home Loans** - <https://portal.hdfc.com/>
-  **Online Deposits** - <https://deposits.hdfc.com/hdfcdeposits>

-  **Existing Customer Portal** - <https://portal.hdfc.com/login>
-  **Blog** - <https://www.hdfc.com/blog>

HDFC ON SOCIAL MEDIA

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-  **YouTube** - www.youtube.com/hdfchomeloan
-  **WhatsApp** - Chat with us on 90040 90040 to access your home loan

CORPORATE SOCIAL RESPONSIBILITY

During the year, the Corporation's CSR activities focused primarily on COVID-19 relief, healthcare and sanitation, education and livelihoods. The total CSR spend stood at ₹190 crore.

CONSOLIDATED FINANCIAL RESULTS

For the quarter ended March 31, 2021, the consolidated profit after tax stood at ₹ 5,669 crore compared to ₹ 4,342 crore in the corresponding quarter of the previous year, reflecting a growth of 31%.

The profit attributable to the Corporation for the quarter ended March 31, 2021 stood at ₹ 5,350 crore compared to ₹ 4,116 crore in corresponding quarter of the previous year, reflecting a growth of 30%.

The profit attributable to the Corporation for the year ended March 31, 2021 stood at ₹ 18,740 crore.

DISTRIBUTION NETWORK


HDFC's distribution network spans 593 outlets which include 203 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

As of date, unlike in the previous wave of infections, there is no national lockdown stipulated by the central government. Instead, the strategy of micro-containment zones has been adopted and various state/local governments have announced lockdowns or restrictions of varying degrees. Accordingly, some offices of the Corporation are presently

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closed or working on revised timings in accordance with extant guidelines. Customers, however, are continuing to be served through the online platforms of the Corporation.

In locations where offices are open, the necessary hygiene protocols, safety precautions and social distancing requirements are being followed. Where mandated, staff work in office on a rotational basis and in accordance with extant regulations.

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.

As at March 31, 2021, ₹ 4,479 crore is being restructured under the RBI's Resolution Framework for COVID-19 Related Stress. This is 0.8% of AUM. Of the loans being restructured, 27% are individual loans and 73% non-individual loans. The largest account under the resolution framework accounted for 0.5% of AUM.

Cumulative COVID-19 provision as at March 31, 2021 stood at ₹ 844 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 March 31, 2021 was ₹ 15,700 crore compared to ₹ 16,800 crore in the previous quarter.

With various liquidity measures taken by the RBI, 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.

May 7, 2021

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Ref. No. SE/ 2021-22/34

April 23, 2021

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

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

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

Kind Attn: Head - Listing

Dear Sirs,

Sub: Initial Disclosure in terms of SEBI Circular No. SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018 – Identification as Large Corporate

In accordance with the captioned subject, Housing Development Finance Corporation Limited being a Large Corporate as per the criteria mentioned in the said circular, we enclose herewith the initial disclosure in the prescribed format (Annexure A).

We request you to kindly take the same on record.

Thank you,

Yours faithfully,

For **Housing Development Finance Corporation Limited**



Ajay Agarwal
Company Secretary

Encl: a/a

Corporate Office: HDFC House, HT Parekh Marg, 165-166, Backbay Reclamation, Churchgate, Mumbai 400 020.

Tel.: 66316000, 22820282. Fax: 022-22046834, 22046758.



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

Format of the Initial Disclosure to be made by an entity identified as a Large Corporate

Sr. No.	Particulars	Details
1.	Name of the company	Housing Development Finance Corporation Limited
2.	CIN	L70100MH1977PLC019916
3.	Outstanding borrowing of company as on 31st March 2021 (in ₹ cr)	₹ 2,78,488.39 crore*
4.	Highest Credit Rating during the previous FY along with name of the Credit Rating Agency	<p>Deposits: ICRA Limited – ICRA MAAA/Stable CRISIL Limited – CRISIL FAAA/Stable</p> <p>Bonds/ Non Convertible Debentures/ Subordinated Debt : ICRA Limited - ICRA AAA/Stable CRISIL Limited - CRISIL AAA/Stable</p> <p>Short Term Debt: ICRA Limited - ICRA A1+ CRISIL Limited - CRISIL A1+ Credit Analysis & Research Limited – CARE A1+</p> <p>Long Term Bank Facilities: Credit Analysis & Research Limited – CARE AAA ICRA Limited - ICRA AAA</p> <p>Short Term Bank Facilities: Credit Analysis & Research Limited – CARE A1+ ICRA Limited - ICRA A1+</p>
5.	Name of Stock Exchange in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	BSE Limited

*Outstanding borrowings with original maturity of more than 1 year excluding External Commercial Borrowings and Inter-Corporate Borrowings between the Corporation and its subsidiary(ies).

We confirm that we are a Large Corporate as per the applicability criteria given under the SEBI circular SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018.

Signature:  Name : V. Srinivasa Rangan Designation : Executive Director & CFO Contact Details : 022 66316532	 Signature: Name : Ajay Agarwal Designation : Company Secretary Contact Details : 022 66316293
Date : April 23, 2021	Date : April 23, 2021

Ref. No. SE/ 2021-22/35

April 23, 2021

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

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

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

Kind Attn: Head - Listing

Dear Sirs,

Sub: **Initial Disclosure in terms of SEBI Circular No. SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018 – Identification as Large Corporate**

We refer to our letter submitted earlier today i.e on April 23, 2021, wherein the Corporation had disclosed that it is a Large Corporate as per the criteria mentioned in the captioned circular and submitted the initial disclosure in the prescribed format.

In this connection, we enclose herewith the annual disclosure to be made by the Corporation being a large Corporate in the prescribed format (Annexure B1).

We request you to kindly take the same on record.

Thank you,

Yours faithfully,
For **Housing Development Finance Corporation Limited**



Ajay Agarwal
Company Secretary

Encl: a/a

Corporate Office: HDFC House, HT Parekh Marg, 165-166, Backbay Reclamation, Churchgate, Mumbai 400 020.

Tel.: 66316000, 22820282. Fax: 022-22046834, 22046758.

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


Format of the Annual Disclosure to be made by an entity identified as a LC

1. Name of the Company: Housing Development Finance Corporation Limited
2. CIN: L70100MH1977PLC019916
3. Report filed for FY: 2020-2021
4. Details of the borrowings (all figures in Rs crore):

Sr.No.	Particulars	Details (all figures in Rs crore)
i.	Incremental borrowing done in FY 2020-21 (a)	₹ 1,05,259
ii.	Mandatory borrowing to be done through issuance of debt securities (b) = (25% of a)	₹ 26,315
iii.	Actual borrowings done through debt securities in FY 2020-21 (c)	₹ 50,090
iv.	Shortfall in the mandatory borrowing through debt securities, if any (d) = (b) - (c)	NIL
v.	Reasons for short fall, if any, in mandatory borrowings through debt securities	Not Applicable

Signature: 
Name : V. Srinivasa Rangan
Designation : Executive Director & CFO
Contact Details : 022 66316532

Date : April 23, 2021

Signature: 
Name : Ajay Agarwal
Designation : Company Secretary
Contact Details : 022 66316293
Date : April 23, 2021

HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED
Equity Shares and Warrants

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	-					
Amount Raised	-					
Report filed for quarter ended	31-Mar-21					
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 noted that no funds were raised through issue of equity shares/warrants during the quarter ended March 31, 2021 other than allotment of equity shares to certain employees / directors pursuant to exercise of stock options.					
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

For Housing Development Finance Corporation Ltd.

Ajay Agarwal
Company Secretary

HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED
Non-Convertible Debentures

Statement of Deviation or Variation

Name of listed entity	Housing Development Finance Corporation Limited
Mode of Fund Raising	Public Issues / Private Placement / Qualified Institutions Placement
Type of instrument	Non-Convertible Debentures / Non-Convertible Redeemable Preference Shares
Date of Raising Funds	November 25, 2020, December 14, 2020, December 18, 2020, January 8, 2021, March 8, 2021
Amount Raised	Through Private Placement - INR 18,900 Crores
Report filed for half year ended	31-Mar-21
Is there a Deviation / Variation in use of funds raised ?	No
Whether any approval is required to vary the objects of the issue stated in the prospectus/ offer document?	Yes / No
If yes, details of the approval so required?	Not Applicable
Date of approval	Not Applicable
Explanation for the Deviation / Variation	Not Applicable
Comments of the audit committee after review	The Audit & Governance Committee has noted that there is no deviation/variation in use of funds raised by issue of Non Convertible Debentures during the half year ended March 31, 2021
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. crores)	Amount of Deviation/Variation for the half year according to applicable object (INR Crores and in %)	Remarks, if any
financing/refinancing the housing business requirements of the Corporation.	-	-	-	18,900	-	-

Deviation could mean:

- (a) Deviation in the objects or purposes for which the funds have been raised
 (b) Deviation in the amount of funds actually utilized as against what was originally disclosed.

For Housing Development Finance Corporation Ltd.

Ajay Agarwal
 Company Secretary