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Limited review report on unaudited quarterly standalone financial results and year-to-date standalone financial results of Housing Development Finance Corporation Limited under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Housing Development Finance Corporation Limited

1. We have reviewed the accompanying statement of unaudited standalone financial results of Housing Development Finance Corporation Limited (the 'Corporation') for the quarter ended 30 September 2020 and year to date results for the period from 1 April 2020 to 30 September 2020 (the 'Statement').
2. This Statement, which is the responsibility of the Corporation's management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "*Interim Financial Reporting*" ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the 'Listing Regulations'). Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of corporation personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations including the manner in which it is to be disclosed, or that it contains any material misstatement.

Limited review report on unaudited quarterly standalone financial results and year-to-date standalone financial results of Housing Development Finance Corporation Limited under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Continued)

5. As described in Note 5 to the Statement, in respect of accounts where moratorium benefit was granted, the staging of those accounts at 30 September 2020 is based on the days past due status considering the benefit of moratorium period in accordance with the Covid-19 Regulatory Package announced by the Reserve Bank of India vide notifications dated 27 March 2020, 17 April 2020 and 23 May 2020.

Further, the extent to which the Covid-19 pandemic will impact the Corporation's financial performance is dependent on future developments, which are uncertain.

Our review report is not modified in respect of these matters.

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

Chartered Accountants

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

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Sagar Lakhani

Partner

Membership No: 111855

UDIN: 20111855AAAAHZ7632

Mumbai
2 November 2020



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

₹ in Crore

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

* Not annualised for the quarters and half year ended

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Notes :

1 Statement of Standalone Assets and Liabilities

₹ in Crore

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

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2 Statement of Standalone Cash Flow

₹ in Crore

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

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

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

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- 3 The financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 - Interim Financial Reporting, notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, and other accounting principles generally accepted in India.
- 4 The Corporation has sold 2,60,00,000 equity shares of HDFC Life Insurance Company Limited (HDFC Life) resulting in a pre tax gain of ₹ 1,240.59 crore. As at September 30, 2020, the Corporation's equity shareholding in HDFC Life stood at 50.15%. The Reserve Bank of India (RBI) has mandated that the Corporation reduce its shareholding in HDFC Life to 50% or below by December 16, 2020. The RBI has also directed the Corporation to reduce its shareholding in HDFC ERGO General Insurance Company Limited to 50% or below within 6 months of merger of HDFC ERGO Health Insurance Limited with HDFC ERGO General Insurance Company Limited.
- 5 Consequent to the outbreak of COVID-19 pandemic, the Indian government had announced lockdown in March 2020. Subsequently, the lockdown has been lifted by the government for certain activities in a phased manner outside specified containment zones.

The extent to which the COVID-19 pandemic will impact Corporation's performance will depend on future developments, which are uncertain, including, among other things, any new information concerning the severity of the COVID-19 pandemic and any action to contain its spread or mitigate its impact whether government mandated or elected by us.

In accordance with the RBI guidelines relating to COVID-19 Regulatory Package dated March 27, 2020, April 17, 2020 and May 23, 2020, the Corporation had offered moratorium on the payment of installments falling due between March 1, 2020 and August 31, 2020 ('moratorium period') to eligible borrowers. In respect of accounts where moratorium benefit was granted, the staging of those accounts as at September 30, 2020 is based on the days past due status considering the benefit of moratorium period in accordance with the COVID-19 Regulatory Package announced by the RBI vide aforesaid notifications.
- 6 In view of the Supreme Court interim order dated September 3, 2020 in public interest litigation (PIL) by Gajendra Sharma vs. Union of India & ANR, no additional borrower accounts under moratorium granted category have been classified as Non Performing Asset (NPA) which were not declared as NPA till August 31, 2020. However, the Corporation has classified such accounts as stage 3 and provisioned accordingly in the Statement of Profit & Loss for the quarter and half year ended September 30, 2020.
- 7 The Government of India, Ministry of Finance, vide its notification dated October 23, 2020, had announced COVID-19 Relief Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts (Scheme), as per the eligibility criteria and other aspects specified therein and irrespective of whether the moratorium was availed or not. The Corporation has commenced work on operational aspects and implementation of the Scheme.
- 8 During the quarter ended September 30, 2020, the Corporation raised additional capital through a Qualified Institutions Placement of 5,68,18,181 equity shares at a price of ₹ 1,760.00 per share and 1,70,57,400 convertible warrants at an issue price of ₹ 180.00 per warrant with a right to exchange one warrant with one equity share of ₹ 2 each, any time before the expiry of 36 months from the date of allotment, at an exercise price of ₹ 2,165.00 per warrant. Consequent to the issuance, the paid up share capital of the Corporation has increased by ₹ 11.36 Crore and other equity has increased by ₹ 10,273.52 Crore after charging issue related expenses.

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



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- 11 During the quarter ended September 30, 2020, the Nomination and Remuneration Committee of the Directors of the Corporation at its meeting held on September 4, 2020 approved grant of 3,83,96,531 stock options representing 3,83,96,531 equity shares of ₹ 2 each, at a grant price of ₹ 1,808.75 per equity share (being the market price as defined in the applicable SEBI Regulations), to its eligible employees and whole-time directors under HDFC Employees Stock Option Scheme - 2020.
- 12 The Corporation's main business is financing by way of loans for the purchase or construction of residential houses, commercial real estate and certain other purposes, in India. All other activities of the Corporation revolve around the main business. Accordingly, there are no separate reportable segments, as per the Ind AS 108 dealing with 'Operating Segment'.
- 13 The Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT), at its hearing held on September 29, 2020 passed an Order sanctioning the Scheme of Amalgamation for the merger of HDFC ERGO Health Insurance Limited with HDFC ERGO General Insurance Company Limited, subsidiaries of the Corporation. An application has been filed with Insurance Regulatory and Development Authority of India (IRDAI) on October 8, 2020, seeking final approval for the merger. The merger shall be effective upon receipt of final approval from IRDAI and filling of the NCLT Order with the Registrar of Companies.
- 14 Figures for the previous period have been regrouped wherever necessary, in order to make them comparable.

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

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

Place: Mumbai
Date: November 2, 2020

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For and on behalf of the Board of Directors

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Keki M. Mistry
Vice Chairman & CEO

Limited Review Report

Unaudited Consolidated Financial Results pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To the Board of Directors of Housing Development Finance Corporation Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of Housing Development Finance Corporation Limited (hereinafter referred to as the 'Parent' or the 'Corporation') and its subsidiaries (the Parent and its subsidiaries together referred to as the 'Group'), and its share of the net profit after tax and total comprehensive income of its associates for the quarter ended 30 September 2020 and year to date results for the period from 1 April 2020 to 30 September 2020 (the 'Statement'), being submitted by the Parent pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the 'Listing Regulations').
2. This Statement, which is the responsibility of the Parent's management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "*Interim Financial Reporting*" ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

Housing Development Finance Corporation Limited

Limited review report (*Continued*)

Unaudited Consolidated Financial Results pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (*Continued*)

4. The Statement includes the 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	Subsidiary
HDFC ERGO Health Insurance Limited (formerly known as Apollo Munich Health Insurance Company Limited)	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
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 Pvt. Ltd.	Associate
Magnum Foundations Pvt. Ltd.	Associate of HDFC Property Ventures Limited
HDFC Life Employees Stock Option Trust	Entity controlled by HDFC Life Insurance Company Limited

Housing Development Finance Corporation Limited

Limited review report (*Continued*)

Unaudited Consolidated Financial Results pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 *(Continued)*

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
6. As described in Note 6 to the Statement, in respect of accounts where moratorium benefit was granted, the staging of those accounts at 30 September 2020 is based on the days past due status considering the benefit of moratorium period in accordance with the Covid-19 Regulatory Package announced by the Reserve Bank of India vide notifications dated 27 March 2020, 17 April 2020 and 23 May 2020.

Further, the extent to which the Covid-19 pandemic will impact the Corporation's and 3 subsidiaries' financial performance is dependent on future developments, which are uncertain.

As described by respective auditors in their reports relating to a subsidiary and an associate of the Corporation, the extent to which the Covid-19 pandemic will impact the financial performance of the Group and its associates is dependent on further developments, which are highly uncertain.

Our review report is not modified in respect of the above matters.

7. We did not review the financial results of 12 subsidiaries and an entity controlled by a subsidiary included in the Statement, whose financial results reflect total assets of Rs. 188,346 crore as at 30 September 2020, total revenues of Rs. 21,983 crore and Rs. 39,767 crore, total net profit after tax of Rs. 489 crore and Rs. 1,137 crore and total comprehensive income of Rs. 337 crore and Rs. 1,349 crore, for the quarter ended 30 September 2020 and for the period from 1 April 2020 to 30 September 2020, respectively and cash outflows (net) of Rs. 317 crore for the period from 1 April 2020 to 30 September 2020, as considered in the Statement.

In respect of one of subsidiary included above, whose financial results (prior to recognition of adjustments, in accordance with Ind AS 103 "Business Combinations", which have been reviewed by us), reflect total assets of Rs. 2,907 crore as at 30 September 2020, total revenues of Rs. 853 crore and Rs. 1,298 crore, total net profit/(loss) after tax of Rs. 21 crore and Rs. (80) crore and total comprehensive income/(loss) of Rs. 0.03 crore and Rs. (51) crore, for the quarter ended 30 September 2020 and for the period from 1 April 2020 to 30 September 2020 respectively and cash outflows (net) of Rs. 28 crore for the period from 1 April 2020 to 30 September 2020.

Housing Development Finance Corporation Limited

Limited review report (*Continued*)

Unaudited Consolidated Financial Results pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (*Continued*)

The Statement also includes the Group's share of net profit after tax of Rs. 1,646 crore and Rs. 3,246 crores and total comprehensive income of Rs. 1,501 crore and Rs. 3,147 crore for the quarter ended 30 September 2020 and for the period from 1 April 2020 to 30 September 2020 respectively, as considered in the Statement, in respect of an associate whose consolidated financial information have not been reviewed by us.

These financial results have been reviewed by other auditors whose reports have been furnished to us by the management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and an associate, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

Of the 12 subsidiaries and an entity controlled by a subsidiary referred to above:

- (a) in respect of 2 subsidiaries, financial results have been prepared in accordance with accounting principles generally accepted in their respective country of incorporation and the Corporation's management has converted these financial results from accounting principles generally accepted in its country to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Corporation's management.
- (b) in respect of an entity controlled by a subsidiary, the financial results for the quarter ended 30 September 2020 and for the period from 1 April 2020 to 30 September 2020, as reflected in their financial results were not reviewed by other auditors. The financial results of this component reflect total assets of Rs. 6 crore as at 30 September 2020, total revenues of Rs. 0.01 crore and Rs. 0.03 crore, total net profit after tax of Rs. 0.01 crore and Rs. 0.02 crore and total comprehensive income of Rs. 0.01 crore and Rs. 0.02 crore for the quarter ended 30 September 2020 and for the period from 1 April 2020 to 30 September 2020 respectively and cash inflows (net) of Rs. 0.03 crore for the period from 1 April 2020 to 30 September 2020. The financial results of this component are based solely on such financial information / explanation given to the component auditor and are management certified.

According to the information and explanation given to us by the management, these financial results are not material to the Group.

Our review report is not modified in respect of the above matters.

8. The Statement includes financial results of 2 subsidiaries, whose financial results reflect total assets of Rs. 325 crore as at 30 September 2020, total revenues of Rs. 24 crore and Rs. 44 crore, total net profit after tax of Rs. 2 crore and Rs. 1 crore and total comprehensive income of Rs. 1 crore and Rs. 1 crore, for the quarter ended 30 September 2020 and for the period from 1 April 2020 to 30 September 2020 respectively and cash outflows (net) of Rs. 3 crore for the period from

Housing Development Finance Corporation Limited

Limited review report (*Continued*)

Unaudited Consolidated Financial Results pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (*Continued*)

1 April 2020 to 30 September 2020, as considered in the Statement, which have not been reviewed.

The Statement includes the Group's share of net loss after tax of Rs. 4 crore and Rs. 3 crore and total comprehensive loss of Rs. 4 crore and Rs. 3 crore for the quarter ended 30 September 2020 and for the period from 1 April 2020 to 30 September, as considered in the Statement, in respect of 3 associates, based on their financial results which have not been reviewed.

According to the information and explanation given to us by the management, these financial results are not material to the Group.

Our review report is not modified in respect of the above matters.

9. 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') in respect of 2 subsidiaries and Premium Deficiency Reserve ('PDR') in respect of one of the 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 actuaries' certificate in this regard in forming their conclusion on the financial results of the said subsidiaries.

Our review report is not modified in respect of the above matter.

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

Chartered Accountants

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

SAGAR PRAVIN LAKHANI
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SAGAR PRAVIN LAKHANI
Date: 2020.11.02
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Sagar Lakhani

Partner

Membership No: 111855

UDIN No: 20111855AAAAHY1857

Mumbai
02 November 2020



WITH YOU, RIGHT THROUGH

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

₹ in Crore

PARTICULARS	Quarter ended			Half year ended		Year ended
	30-Sep-20	30-Jun-20	30-Sep-19	30-Sep-20	30-Sep-19	31-Mar-20
	Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Audited
1 Revenue from Operations						
- Interest Income	11,231.51	11,168.10	11,282.65	22,399.61	22,677.98	45,253.26
- Surplus from deployment in Cash Management Schemes of Mutual Funds	177.34	361.73	310.90	539.07	622.16	1,118.90
- Dividend Income	14.51	8.49	25.80	23.00	47.57	89.21
- Rental Income	14.02	10.38	11.95	24.40	19.54	47.13
- Fees and commission Income	489.08	438.22	533.38	927.30	1,074.96	2,138.82
- Profit on loss of control over a subsidiary	-	-	8,000.29	-	8,000.29	9,799.10
- Net gain / (loss) on fair value changes	350.12	350.94	(294.46)	701.06	(310.84)	(179.67)
- Profit on sale of Investment and Investment properties	-	-	3.44	-	16.89	35.11
- Income on derecognised / assigned loans	159.04	183.42	263.88	342.46	560.05	967.87
- Premium and other operating income from Life Insurance Business - Policyholder's funds	12,058.00	7,290.60	9,304.03	19,348.60	17,031.12	38,328.46
- Net Gain / (Loss) on Investments in Life Insurance business - Policyholder's funds	4,281.73	6,979.62	(1,000.40)	11,261.35	(459.14)	(10,286.99)
- Income from General Insurance Business - Policyholder's funds	5,307.62	3,162.07	4,382.22	8,469.69	6,773.09	14,414.51
Total Revenue from Operations	34,082.97	29,953.57	32,823.68	64,036.54	56,053.67	1,01,725.71
2 Other Income	7.48	5.77	27.21	13.25	37.04	70.19
3 Total Income (1+2)	34,090.45	29,959.34	32,850.89	64,049.79	56,090.71	1,01,795.90
4 Expenses:						
- Finance cost	7,518.34	7,942.45	8,220.57	15,460.79	16,423.88	32,109.45
- Impairment on financial instruments (Expected Credit Loss)	479.44	1,204.03	753.15	1,683.47	1,643.54	5,951.12
- Employee benefit expenses	368.76	323.82	446.33	692.58	883.00	1,356.66
- Depreciation, amortisation and impairment	89.35	86.31	54.21	175.66	104.06	256.11
- Establishment expenses	12.42	13.20	7.12	25.62	28.88	56.78
- Claims and other operating expenses of Life Insurance Business - Policyholder's funds	6,205.09	3,696.48	5,722.16	9,901.57	10,401.41	24,449.40
- Changes in Life Insurance contract liabilities and surplus pending transfer	9,863.29	10,167.21	2,357.07	20,030.50	5,551.51	2,168.61
- Expense of General Insurance Business - Policyholder's funds	5,093.95	3,055.61	4,146.63	8,149.56	6,347.89	13,934.50
- Other expenses	195.94	255.11	282.48	451.05	541.66	1,066.12
Total Expenses	29,826.58	26,744.22	21,989.72	56,570.80	41,925.83	81,348.75
5 Share of profit of Associates (Equity Method)	1,642.43	1,600.81	1,201.00	3,243.24	2,476.65	5,746.10
6 Profit before tax (3-4+5)	5,906.30	4,815.93	12,062.17	10,722.23	16,641.53	26,193.25
7 Tax Expense						
- Current tax	774.26	1,022.76	576.24	1,797.02	1,732.82	3,415.75
- Deferred tax	96.63	(265.36)	737.24	(168.73)	620.30	(48.97)
Total Tax expense	870.89	757.40	1,313.48	1,628.29	2,353.12	3,366.78
8 Net Profit After tax (before adjustment for minority interest) (6-7)	5,035.41	4,058.53	10,748.69	9,093.94	14,288.41	22,826.47
9 Other Comprehensive Income	(1,690.95)	2,450.65	136.66	759.70	679.94	(6,213.42)
10 Total Comprehensive Income (8+9)	3,344.46	6,509.18	10,885.35	9,853.64	14,968.35	16,613.05
11 Profit Attributable to:						
Owners of the Corporation	4,599.68	3,613.60	10,388.61	8,213.28	13,482.99	21,434.57
Non-Controlling Interest	435.73	444.93	360.08	880.66	805.42	1,391.90
12 Other Comprehensive Income attributable to:						
Owners of the Corporation	(1,615.11)	2,270.82	108.61	655.71	596.82	(6,374.24)
Non-Controlling Interest	(75.84)	179.83	28.05	103.99	83.12	160.82
13 Total Comprehensive Income attributable to:						
Owners of the Corporation	2,984.57	5,884.42	10,497.22	8,868.99	14,079.81	15,060.33
Non-Controlling Interest	359.89	624.76	388.13	984.65	888.54	1,552.72
Earnings per Share (Face value ₹ 2) [#]						
- Basic (₹)	26.03	20.86	60.24	46.94	78.21	124.14
- Diluted (₹)	25.99	20.78	59.80	46.85	77.66	123.19
Paid-up Equity Share Capital (Face value ₹ 2)	359.16	346.92	345.34	359.16	345.34	346.41
Reserves excluding Revaluation Reserves as at March 31						1,26,132.75

Not annualised for the quarters and half year ended

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Notes :

1 Statement of Consolidated Assets and Liabilities

₹ in Crore

Particulars	As at	
	30-Sep-20	31-Mar-20
	Reviewed	Audited
ASSETS		
Financial assets		
i) Cash and cash equivalents	859.34	5,198.46
ii) Bank Balances other than above	345.60	303.07
iii) Derivative financial instruments	3,486.59	5,758.06
iv) Trade and Other receivables	304.01	342.89
v) Loans	4,68,363.57	4,45,496.16
vi) Investments in Associates	52,012.44	48,883.74
vii) Other Investments	46,781.14	51,027.29
viii) Assets of Life Insurance business	1,61,724.43	1,37,331.89
ix) Assets of Non-Life Insurance business	21,938.21	19,868.24
x) Other financial assets	7,546.10	3,983.72
Total Financial Assets	7,63,361.43	7,18,193.52
Non-Financial assets		
i) Current tax assets (Net)	3,093.10	3,696.51
ii) Deferred tax assets (Net)	1,891.00	1,699.68
iii) Investment property	1,061.79	981.52
iv) Property, plant and equipment	1,710.78	1,744.27
v) Other intangible assets	1,097.50	1,149.45
vi) Capital work in Progress	15.05	20.38
vii) Intangible assets under development	38.28	38.52
viii) Other non-financial assets	577.67	690.35
ix) Goodwill on consolidation	1,600.73	1,600.73
Total Non-Financial Assets	11,085.90	11,621.41
Total Assets	7,74,447.33	7,29,814.93
LIABILITIES AND EQUITY		
LIABILITIES		
Financial Liabilities		
i) Derivative financial instruments	496.45	354.84
ii) Trade and other payables	2,466.20	2,404.14
iii) Debt Securities	1,81,868.36	1,79,799.15
iv) Borrowings (Other than Debt Securities)	90,804.38	1,07,914.67
v) Deposits	1,48,277.40	1,32,304.79
vi) Subordinated Liabilities	5,955.80	5,348.93
vii) Liabilities pertaining to Life Insurance Business	1,53,650.97	1,31,006.74
viii) Liabilities pertaining to Non Life Insurance Business	18,270.76	17,423.31
ix) Other financial liabilities	17,616.27	16,536.97
Total Financial Liabilities	6,19,406.59	5,93,093.54
Non-Financial Liabilities		
i) Current tax liabilities (Net)	330.23	259.84
ii) Deferred tax liabilities (Net)	134.39	32.46
iii) Provisions	370.79	372.09
iv) Other non-financial liabilities	1,981.16	2,220.52
Total Non-Financial Liabilities	2,816.57	2,884.91
Total liabilities	6,22,223.16	5,95,978.45
EQUITY		
i) Equity Share capital	359.16	346.41
ii) Other equity	1,43,609.17	1,26,132.75
iii) Non-controlling interest	8,255.84	7,357.32
Total equity	1,52,224.17	1,33,836.48
Total liabilities and equity	7,74,447.33	7,29,814.93

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2 Statement of Consolidated Cash flows

₹ in Crore

Particulars	For Half year ended	
	30-Sep-20	30-Sep-19
	Reviewed	Reviewed
Profit before tax	10,722.23	16,641.53
Adjustments for:		
Share of Profit of Associates	(3,243.24)	(2,476.65)
Depreciation, Amortisation and Impairment	175.66	104.06
Impairment on Financial Instruments (Expected Credit Loss)	1,683.47	1,643.54
Expense on Employee Stock Option Scheme	55.06	21.23
Profit on loss of control on a subsidiary	-	(8,000.29)
Net (gain) / loss on fair value changes	(701.06)	786.63
Profit on Sale of Investments	-	(3.49)
(Profit) / Loss on Sale of Investment Properties, Property, Plant and Equipment (Net)	0.29	(13.40)
Interest Expense	15,341.40	16,318.89
Interest Income	(22,399.61)	(25,377.98)
Surplus from deployment in Cash Management Schemes of Mutual Funds	(539.07)	(622.16)
Utilisation of Shelter Assistance Reserve	-	(3.17)
Operating Profit / (loss) before Working Capital changes and adjustment for interest received and paid	1,095.13	(981.26)
Adjustments for:		
Decrease/(Increase) in Financial Assets and Non Financial Assets	2,624.60	522.62
(Decrease)/Increase in Financial and Non Financial Liabilities	(974.33)	1,882.57
Decrease/(Increase) in Assets pertaining to Insurance Business	(26,462.51)	(10,777.73)
(Decrease)/Increase in Liabilities pertaining to Insurance Business	23,491.68	8,904.62
Cash used in Operations before adjustments for interest received and paid	(225.43)	(449.18)
Interest Received	22,608.15	25,377.98
Surplus from deployment in Cash Management Schemes of Mutual Funds Received	596.54	622.16
Interest Paid	(13,567.94)	(13,739.54)
Taxes Paid	(1,292.98)	(2,203.81)
Net cash from Operations	8,118.34	9,607.61
Investments in schemes of Mutual Fund (Net)	5,017.73	(10,887.11)
Loans disbursed (net)	(24,810.51)	(4,379.44)
Corporate Deposits (net)	(6.50)	974.91
Net cash used in operating activities	(11,680.94)	(4,684.03)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Property, plant and equipment	(45.71)	(222.74)
Sale of Property, plant and equipment	0.95	105.37
Net Cash used for Property, plant and equipment	(44.76)	(117.37)
Purchase of Investment Properties	(87.28)	(11.80)
Sale of Investment Properties	-	28.92
Net Cash flow from / used for Investment Properties	(87.28)	17.12
Investments (Net)	(2,868.31)	(5,361.23)
Sale proceeds of Investments in Subsidiary Companies	-	1,647.51
Net cash used in investing activities	(3,000.35)	(3,813.97)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share Capital - Equity	12.75	1.05
Money Received Against Warrants	307.03	-
Securities Premium (Net)	10,736.48	377.61
Sale proceeds of Investments in Subsidiary Companies	1,274.42	1,892.46
Borrowings (Net)	(17,110.29)	(2,192.31)
Deposits (Net)	15,972.61	15,287.63
Proceeds from Debt Securities and Subordinated Liabilities	55,118.00	52,092.31
Repayment of Debt Securities and Subordinated Liabilities	(52,441.92)	(55,305.27)
Dividend paid - Equity Shares	(3,642.42)	(3,022.51)
Tax paid on Dividend	-	(592.95)
Change in Non-Controlling Interest	115.51	(2,274.03)
Net cash from financing activities	10,342.17	6,263.99
Net Increase / (Decrease) in cash and cash equivalents	(4,339.12)	(2,234.01)
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	859.34	949.30

- a. During the half year, the Group has received dividend income of ₹ 23.00 Crore (Previous year ₹ 47.57 Crore).
- b. Net movement in Borrowings (including Debt Securities), Deposits and Subordinated Liabilities amounting to ₹ 1,538.40 Crore (Previous year ₹ 9,882.36 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	Half year ended	Half year ended	Year ended
	30-Sep-20	30-Jun-20	30-Sep-19	30-Sep-20	30-Sep-19	31-Mar-20
	Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Audited
Segment Revenues						
- Loans	11,914.38	13,199.42	14,052.75	25,113.80	27,749.29	60,396.80
- Life Insurance	16,603.93	14,549.69	8,407.02	31,153.62	16,764.18	28,165.41
- General Insurance	5,352.71	3,208.99	4,426.36	8,561.70	6,859.12	14,793.45
- Asset Management	493.55	454.83	540.26	948.38	1,132.51	2,153.95
- Others	141.29	62.82	439.89	204.11	562.27	838.92
Total Segment Revenues	34,505.86	31,475.75	27,866.28	65,981.61	53,067.37	1,06,348.53
Add : Unallocated Revenues	63.26	78.45	57.47	141.71	59.63	130.31
Less: Inter-segment Adjustments	(478.67)	(1,594.86)	4,927.14	(2,073.53)	2,963.71	(4,682.94)
Total Revenues	34,090.45	29,959.34	32,850.89	64,049.79	56,090.71	1,01,795.90
Segment Results						
- Loans	3,581.37	3,656.65	11,032.36	7,238.02	15,211.74	20,752.37
- Life Insurance	439.92	624.04	268.41	1,063.96	711.46	1,283.42
- General Insurance	218.57	120.69	145.02	339.26	261.87	691.95
- Asset Management	317.31	316.62	450.64	633.93	894.38	1,683.47
- Others	12.99	(39.84)	247.12	(26.85)	239.53	176.53
Total Segment Results	4,570.16	4,678.16	12,143.55	9,248.32	17,318.98	24,587.74
Add / (Less) : Unallocated	63.26	78.45	57.47	141.71	59.63	130.32
Add: Share of Profit from Associates	1,642.43	1,600.81	1,201.00	3,243.24	2,476.65	5,746.10
Less: Inter-segment Adjustments	(369.55)	(1,541.49)	(1,339.85)	(1,911.04)	(3,213.73)	(4,270.91)
Profit before Tax	5,906.30	4,815.93	12,062.17	10,722.23	16,641.53	26,193.25
Segment Assets						
- Loans	5,23,659.94	5,26,726.73	4,82,392.99	5,23,659.94	4,82,392.99	5,07,046.08
- Life Insurance	1,63,624.42	1,53,357.61	1,40,527.55	1,63,624.42	1,40,527.55	1,39,676.67
- General Insurance	24,569.41	22,592.88	17,140.67	24,569.41	17,140.67	23,271.49
- Asset Management	5,093.84	5,435.59	4,473.98	5,093.84	4,473.98	4,830.77
- Others	655.92	635.34	968.69	655.92	968.69	880.95
Total Segment Assets	7,17,603.53	7,08,748.15	6,45,503.88	7,17,603.53	6,45,503.88	6,75,705.96
Unallocated						
- Banking	51,859.71	50,358.61	45,616.56	51,859.71	45,616.56	48,712.74
- Others	4,984.09	5,495.14	4,592.19	4,984.09	4,592.19	5,396.23
Total Assets	7,74,447.33	7,64,601.90	6,95,712.63	7,74,447.33	6,95,712.63	7,29,814.93
Segment Liabilities						
- Loans	4,45,935.53	4,58,034.99	4,14,402.04	4,45,935.53	4,14,402.04	4,43,634.85
- Life Insurance	1,56,134.65	1,46,039.80	1,34,438.57	1,56,134.65	1,34,438.57	1,33,068.82
- General Insurance	19,282.06	17,290.27	14,881.13	19,282.06	14,881.13	18,555.20
- Asset Management	244.00	246.58	339.94	244.00	339.94	277.49
- Others	162.31	155.44	140.62	162.31	140.62	149.78
Total Segment Liabilities	6,21,758.55	6,21,767.08	5,64,202.30	6,21,758.55	5,64,202.30	5,95,686.14
Unallocated						
- Others	464.61	824.86	200.85	464.61	200.85	292.31
Total Liabilities	6,22,223.16	6,22,591.94	5,64,403.15	6,22,223.16	5,64,403.15	5,95,978.45
Capital Employed						
- Loans	77,724.41	68,691.74	67,990.95	77,724.41	67,990.95	63,411.23
- Life Insurance	7,489.77	7,317.81	6,088.98	7,489.77	6,088.98	6,607.85
- General Insurance	5,287.35	5,302.61	2,259.54	5,287.35	2,259.54	4,716.29
- Asset Management	4,849.84	5,189.01	4,134.04	4,849.84	4,134.04	4,553.28
- Others	493.61	479.90	828.07	493.61	828.07	731.17
Total Segment Capital Employed	95,844.98	86,981.07	81,301.58	95,844.98	81,301.58	80,019.82
Unallocated						
- Banking	51,859.71	50,358.61	45,616.56	51,859.71	45,616.56	48,712.74
- Others	4,519.48	4,670.28	4,391.34	4,519.48	4,391.34	5,103.92
Total Capital Employed	1,52,224.17	1,42,009.96	1,31,309.48	1,52,224.17	1,31,309.48	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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Press Release

STANDALONE & CONSOLIDATED FINANCIAL RESULTS FOR THE HALF-YEAR ENDED SEPTEMBER 30, 2020

PERFORMANCE HIGHLIGHTS




- For the quarter ended September 30, 2020, individual loan approvals grew 9%; disbursements at 95% levels of the previous year
- Individual loan disbursements for the month of September 2020 were 11% higher than in September 2019
- 15% growth in individual loans (after adding back loans sold in the preceding 12 months)
- Spreads at 2.27%
- Net Interest Margin at 3.2% for half-year ended September 30, 2020 (3.3% for the second quarter)
- Capital Adequacy at 20.7% as against regulatory requirement of 14%
- Profit After Tax for the quarter ended September 30, 2020 stood at ₹ 2,870 crore
- Consolidated Profit After Tax attributable to the Corporation for the quarter ended September 30, 2020 stood at ₹ 4,600 crore

The Board of Directors of Housing Development Finance Corporation Limited (HDFC) announced its unaudited financial results for the quarter and six months ended September 30, 2020 at its meeting held on Monday, November 2, 2020 in Mumbai. The accounts have been subjected to a limited review by the Corporation's statutory auditors in line with the regulatory guidelines.

In India, the six-months of the financial year ended September 30, 2020 entailed a combination of a strict national lockdown to prevent the spread of COVID-19 followed by a gradual unlocking of the economy.

While there has been significant improvement in business on a month-on-month basis, given the circumstances of the pandemic, the current and previous year's numbers are not directly comparable. The Corporation has endeavoured to provide a like-for-like

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

-  Facebook - @HDFCHomeLoanExperts
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comparison on certain key items.

FINANCIAL RESULTS

Financials for the quarter ended September 30, 2020

The reported profit before tax for the quarter ended September 30, 2020 stood at ₹ 3,532 crore compared to ₹ 4,530 crore in the previous year.

After providing ₹ 662 crore for tax, the reported profit after tax stood at ₹ 2,870 crore as compared to ₹ 3,962 crore in the previous year.

The profit numbers for the quarter ended September 30, 2020 are not directly comparable with that of the previous year for the following reasons:

- Dividend income & Profit on Sale of Investments: ₹ 323 crore (PY: ₹ 2,701 crore).
In accordance with the directions by the Reserve Bank of India (RBI) and Insurance Regulatory and Development Authority, the Corporation has not received any dividend from its investments in banks and insurance companies during the current financial year so far.
- Gain/loss on fair value adjustments: ₹ 166 crore (PY: loss ₹ 322 crore)
- Net gains on loans assigned: ₹ 159 crore (PY: ₹ 264 crore)
- Charge for employee stock options : ₹ 46 crore (PY: ₹ 4 crore)
- Provisioning, including provisioning for the impact of COVID-19: ₹ 436 crore (PY: ₹ 754 crore)



To facilitate a like-for-like comparison, after adjusting dividend, profit on sale of investments, fair value adjustments, net gains on loans assigned, charge for employee stock options and provisioning the adjusted profit before tax for the quarter ended September 30, 2020 is ₹ 3,366 crore compared to ₹ 2,646 crore in the previous year, reflecting a growth of 27%.

Financials for the half-year ended September 30, 2020

The profit numbers for the half-year ended September 30, 2020 are not directly comparable with that of the previous year.

The reported profit before tax for the half-year ended September 30, 2020 stood at

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₹ 7,139 crore compared to ₹ 8,515 crore in the corresponding period of the previous year.

To facilitate a like-for-like comparison, after adjusting dividend, profit on sale of investments, fair value adjustments, net gains on loans assigned, employee stock options charge an provisioning, the adjusted profit before tax for the half-year ended September 30, 2020 is ₹ 6,356 crore compared to ₹ 5,379 crore in the previous year, reflecting a growth of 18%.

After providing for tax of ₹ 1,217 crore (previous year: ₹ 1,350 crore), the reported profit after tax for the half-year ended September 30, 2020 stood at ₹ 5,922 crore compared to ₹ 7,165 crore in the corresponding period of the previous year.

Total comprehensive income for the half-year ended September 30, 2020 stood at ₹ 6,535 crore compared to ₹ 7,331 crore in the corresponding period of the previous year.

LENDING OPERATIONS

With the unlocking of the Indian economy, traction in individual loans gained momentum with successive month-on-month improvements. The prevailing low interest rates, softer property prices, reduction in stamp duty in certain states and inherent strong demand for home loans bodes well for the housing finance sector.

During the quarter ended September 30, 2020, individual loan application receipts grew 12% and approvals grew by 9% compared to the corresponding quarter of the previous year. Individual disbursements during the quarter ended September 30, 2020 were at 95% levels of the previous year.

The months of September and October 2020 have seen the strongest recovery since the outbreak of the pandemic.

Individual Loans	% Growth (Sep 20 over Sep 19)	% Growth (Oct 20 over Oct 19*)
Approvals (value)	31%	58%
Disbursements (value)	11%	35%

**Note: Last year Diwali was in the month of October. Based on the average level for the third quarter in the previous year, growth in October 2020 over the previous year was: Approvals: 32% and Disbursements: 22%.*

These trends are indicative that business is reverting to pre-COVID levels.

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Affordable Housing

During the half-year ended September 30, 2020, 35% of home loans approved in volume terms and 18% in value terms have been 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 ₹ 10.7 lac and ₹ 18.2 lac respectively.

Overall Lending Operations

The average size of individual loans stood at ₹ 26.7 lac (PY: ₹ 27 lac).

As at September 30, 2020, the assets under management stood at ₹ 5,40,270 crore as against ₹ 4,90,072 crore in the previous year.

As at September 30, 2020, individual loans comprise 75% of the Assets Under Management (AUM).

On an AUM basis, the growth in the individual loan book was 9%. The growth in the non-individual loan book was 13%. The growth in the total loan book on an AUM basis was 10%.

During the quarter ended September 30, 2020, the Corporation assigned loans amounting to ₹ 3,026 crore to HDFC Bank. Loans sold in the preceding 12 months amounted to ₹ 14,138 crore (PY: ₹ 23,767 crore).

As at September 30, 2020, the outstanding amount in respect of individual loans sold was ₹ 64,974 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 15%. The growth in the total loan book after adding back loans sold was 15%.

Collections, Non-Performing Assets (NPAs) & Provisioning

The overall collection efficiency for individual loans for the month of September 2020 (the first month after the moratorium) was 96.3%. The collection efficiency for non-moratorium customers stood at 99.5%.

As per regulatory norms, the gross non-performing loans as at September 30, 2020

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stood at ₹ 8,511 crore. This is equivalent to 1.81% of the loan portfolio.

The non-performing loans of the individual portfolio stood at 0.84% while that of the non-individual portfolio stood at 4.19%. The quarter ended September 30, 2020, saw resolutions in certain non-individual loans.

If the Honourable Supreme Court order of maintaining the classification of accounts as status quo till further orders were not to be considered, the non-performing loans would have been only two basis points higher at 1.83% of the loan portfolio; with individual NPLs at 0.88% and non- individuals NPLs at 4.19%.

As per regulatory norms, the Corporation is required to carry a total provision of ₹ 5,621 crore. Of this, ₹ 3,168 crore is towards provisioning for standard assets and ₹ 2,453 crore is towards non-performing assets.

The provisions as at September 30, 2020 stood at ₹ 12,304 crore. The provisions carried as a percentage of the Exposure at Default (EAD) is equivalent to 2.60%.

The Corporation's Expected Credit Loss charged to the Statement of Profit and Loss for the half-year ended September 30, 2020 stood at ₹ 1,635 crore (PY: ₹ 1,644 crore).

NET INTEREST INCOME

The net interest income (NII) for the quarter ended September 30, 2020 stood at ₹ 3,647 crore compared to ₹ 3,021 crore in the previous year, representing a growth of 21%.

SPREAD AND MARGIN




The spread on loans over the cost of borrowings for the half year ended September 30, 2020 was 2.27%. The spread on the individual loan book was 1.91% and on the non-individual book was 3.15%.

Net Interest Margin for quarter ended September 30, 2020 stood at 3.3% and for the half-year ended stood at 3.2%.

INVESTMENTS

All investments in the Corporation's subsidiary and associate companies are carried at

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cost and not at fair value.

Accordingly, as at September 30, 2020, the unaccounted gains on listed investments in subsidiary and associate companies amounted to ₹ 1,96,344 crore.

COST INCOME RATIO

For the half-year ended September 30, 2020, cost to income ratio stood at 8.5% compared to 9.7% in the previous year.

CAPITAL RAISE

In August 2020, the Corporation raised ₹ 10,000 crore of equity capital through a Qualified Institutions Placement. The Corporation also received ₹ 307 crore upfront through the issue of warrants.

CAPITAL ADEQUACY RATIO




The Corporation's capital adequacy ratio stood at 20.7%, of which Tier I capital was 19.5% and Tier II capital was 1.2%. As per the regulatory norms, the minimum requirement for the capital adequacy ratio and Tier I capital is 14% and 10% respectively.

CONSOLIDATED FINANCIAL RESULTS

For the quarter ended September 30, 2020, the consolidated profit after tax attributable to the Corporation stood at ₹ 4,600 crore as compared to ₹ 10,389 crore in the previous year. During the quarter ended September 30, 2019, ₹ 8,000 crore pertained to profit on loss of control of a subsidiary, GRUH Finance Limited. The stake sale of GRUH Finance by the Corporation was to facilitate the merger of GRUH with Bandhan Bank.

For the half-year ended September 30, 2020, the consolidated profit after tax attributable to the Corporation stood at ₹ 8,213 crore compared to ₹ 13,483 crore in the previous year.

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DISTRIBUTION NETWORK

HDFC's distribution network spans 588 outlets which include 204 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

In continuation with the former updates detailing the impact of COVID-19 on the business, all offices of the Corporation are now open for business and are following the necessary hygiene protocols, safety precautions and social distancing requirements. Staff will continue to work in office on a rotational basis and in accordance with extant regulations.

Individual loans are reverting to pre-COVID levels. As per RBI regulations, the moratorium period is over and restructuring if required, will be invoked before December 31, 2020.

The Corporation made a provision of ₹ 1,200 crore towards COVID-19 related provisioning.

Further, in accordance with RBI norms, loans for which asset classification benefits have been extended aggregated ₹ 7,977 crore. The Corporation carries adequate provisioning on such accounts.




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 September 30, 2020 was ₹ 22,500 crore compared to ₹ 32,000 crore in the previous quarter.

With various liquidity measures taken by the RBI coupled with a less risk averse environment, 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. Deposit growth has remained strong, registering a growth of 21% as at September 30, 2020.

November 2, 2020

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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	11/08/2020 (Equity and Warrants)
Amount Raised	Equity Shares - Rs. 9999,99,98,560 Warrants - Rs. 307,03,32,000
Report filed for quarter ended	30-Sep-20
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 has noted that the Corporation had raised Rs. 9999,99,98,560 through issuance of 5,68,18,181 equity shares of Rs. 2 each on August 11, 2020 and Rs. 307,03,32,000 through issuance of 170,57,400 warrants, under Qualified Institutions Placement (QIP). The Audit & Governance Committee further reviewed and noted that the entire amount raised has been/will be utilised in accordance with the objects mentioned in the placement document for the said QIP Issue.
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	There has been no deviation from the object for which the funds were raised.



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
The proceeds of the Issue has been raised to augment the long term resources of the Corporation, to maintain sufficient liquidity, for general corporate purposes and to finance organic and/or inorganic business opportunities that may arise in financial services including housing finance and/or in areas where the subsidiaries of the Corporation operate.	Not Applicable	-	-	Equity - Rs. 9999,99,98,560 Warrants - Rs. 307,03,32,000	-	-
<p><i>Note - Equity Shares issued at an issue price of Rs. 1,760 per equity share and Warrants issued at an issue price of Rs. 180 per Warrant, exchangeable any time within a period of 36 months from date of allotment at a Warrant Exercise price of Rs 2,165 per Warrant.</i></p> <p>Devlation or varlation could mean:</p> <p>(a) Deviation in the objects or purposes for which the funds have been raised or</p> <p>(b) Deviation in the amount of funds actually utilized as against what was originally disclosed or</p> <p>(c) Change in terms of a contract referred to in the fund raising document i.e. prospectus, letter of offer, etc.</p>						

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	13 April 2020, 27 April 2020, 13 May 2020, 19 May 2020, 10 June 2020, 17 June 2020, 11 August 2020 (QIP), 9 September 2020 and 29 September 2020
Amount Raised	Through Private Placement - INR 27,250 Crores Through QIP - INR 3,693 Crores
Report filed for half year ended	30-Sep-20
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 September 30, 2020
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
<u>Funds raised through Private Placement</u> The proceeds of the issue would be utilised for financing/refinancing the housing business requirements of the Corporation.	-	-	-	27,250	-	-
<u>Funds raised through Qualified Institutions Placement</u> The proceeds of the issue has been raised to augment the long term resources of the Corporation, to maintain sufficient liquidity, for general corporate purposes and to finance organic and/or inorganic business opportunities that may arise in financial services including housing finance and/or in areas where the subsidiaries of the Corporation operate.				3,693		

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