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HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED

**STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS
FOR THE QUARTER AND YEAR ENDED MARCH 31, 2022**

Particulars	Quarter ended			Year ended	
	31-Mar-22	31-Dec-21	31-Mar-21	31-Mar-22	31-Mar-21
	Audited	Reviewed	Audited	Audited	Audited
1 Revenue from operations					
- Interest income	11,660.82	11,458.80	10,879.31	45,124.54	44,461.55
- Surplus from deployment in liquid instruments	231.90	101.70	145.95	561.40	812.78
- Dividend income	8.85	9.96	8.71	58.64	38.45
- Rental income	15.80	14.24	19.31	60.63	55.60
- Fees and commission income	563.57	585.62	532.35	2,280.76	1,967.72
- Net gain on fair value changes	284.60	290.78	621.31	1,565.24	1,971.68
- Profit / (loss) on sale of investment and investment properties (net) (refer note 9)	3.72	(5.15)	(2.20)	70.60	(2.20)
- Income on derecognised (assigned) loans	387.23	213.38	392.52	985.06	1,102.95
- Premium and other operating income from life insurance business - policyholder's funds	18,017.69	14,031.31	14,634.52	56,006.25	45,241.74
- Net gain / (loss) on investments in life insurance business - policyholder's funds	(1,198.14)	(305.49)	4,027.76	9,878.01	25,333.44
- Income from general insurance business - policyholder's funds	5,070.54	4,902.57	4,478.85	19,334.63	18,050.28
Total Revenue from operations	35,046.58	31,297.72	35,738.39	1,35,925.76	1,39,033.99
2 Other income	13.17	9.97	15.47	42.32	37.25
3 Total Income (1+2)	35,059.75	31,307.69	35,753.86	1,35,968.08	1,39,071.24
4 Expenses:					
- Finance cost	6,924.86	6,995.05	6,665.99	27,230.35	29,081.26
- Impairment on financial instruments (Expected credit loss)	407.73	504.78	721.31	2,043.14	3,030.76
- Employee benefit expenses	518.87	477.63	507.74	2,082.11	1,700.67
- Depreciation, amortisation and impairment	153.28	89.87	89.17	418.92	355.35
- Establishment and other expenses	323.94	302.28	264.18	1,189.67	1,002.95
- Claims and other operating expenses of life insurance business - policyholder's funds	13,032.00	9,979.30	10,724.38	41,192.71	28,625.91
- Changes in life insurance contract liabilities and surplus pending transfer	3,247.28	3,559.05	7,647.61	23,768.18	40,761.64
- Expense of general insurance business - policyholder's funds	4,843.51	4,739.44	4,347.19	18,760.97	17,196.87
Total Expenses	29,451.47	26,647.40	30,967.57	1,16,686.05	1,21,755.41
5 Profit before share of profit of equity accounted investees (associates) (3-4)	5,608.28	4,660.29	4,786.29	19,282.03	17,315.83
6 Share of profit of equity accounted investees (associates)	2,448.11	2,460.43	1,918.01	8,969.79	6,921.47
7 Profit before tax (5+6)	8,056.39	7,120.72	6,704.30	28,251.82	24,237.30
8 Tax Expense					
- Current tax	1,178.27	938.42	1,176.96	4,308.93	3,937.98
- Deferred tax	(14.04)	13.72	(142.04)	(99.24)	(188.23)
Total Tax expense	1,164.23	952.14	1,034.92	4,209.69	3,749.75
9 Profit after tax (7-8)	6,892.16	6,168.58	5,669.38	24,042.13	20,487.55
10 Other comprehensive income	274.83	(608.43)	(1,928.13)	(731.21)	1,581.82
11 Total comprehensive income (9+10)	7,166.99	5,560.15	3,741.25	23,310.92	22,069.37
12 Profit attributable to:					
Owners of the Corporation	6,458.51	5,837.00	5,350.02	22,594.69	18,740.06
Non-controlling interest	433.65	331.58	319.36	1,447.44	1,747.49
13 Other comprehensive income attributable to:					
Owners of the Corporation	393.71	(524.17)	(1,748.18)	(539.93)	1,565.22
Non-controlling interest	(118.88)	(84.26)	(179.95)	(191.28)	16.60
14 Total comprehensive income attributable to:					
Owners of the Corporation	6,852.22	5,312.83	3,601.84	22,054.76	20,305.28
Non-controlling interest	314.77	247.32	139.41	1,256.16	1,764.09
Earnings per Share (Face value ₹ 2)#					
- Basic (₹)	35.66	32.27	29.69	124.97	105.59
- Diluted (₹)	35.42	31.79	29.44	123.65	104.70
Paid-up equity share capital (Face value ₹ 2)	362.60	362.20	360.79	362.60	360.79
Reserves excluding revaluation reserves as at March 31	1,78,490.54				1,56,351.84

Not annualised for the quarters

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BY

S.R. Batlibot

**S.R. BATLIBOT & CO. LLP
MUMBAI**

Housing Development Finance Corporation Limited

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G.M. Kapadia

**G.M. KAPADIA & CO.
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Notes :


1 STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES

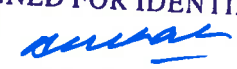
(₹ in crore)

Particulars	As at	As at
	31-Mar-22	31-Mar-21
	Audited	Audited
ASSETS		
Financial assets		
(i) Cash and cash equivalents	2,255.08	2,628.68
(ii) Bank balances other than (i) above	374.37	406.79
(iii) Derivative financial instruments	1,353.28	2,192.30
(iv) Receivables		
(a) Trade receivables	368.76	242.35
(b) Other receivables	-	-
(v) Loans	5,63,920.32	4,90,947.80
(vi) Investments in associates	63,207.49	55,395.12
(vii) Other investments	56,249.16	55,399.30
(viii) Assets of life insurance business	2,27,039.75	1,83,616.54
(ix) Assets of non-life insurance business	26,167.03	23,522.44
(x) Other financial assets	6,042.11	3,851.70
(xi) Non-current financial asset held for sale	-	141.00
Total Financial assets	9,46,977.35	8,18,344.02
Non-financial assets		
(i) Current tax assets (net)	3,261.67	2,920.28
(ii) Deferred tax assets (Net)	1,566.15	1,853.76
(iii) Investment property	2,787.22	936.77
(iv) Property, plant and equipment	1,882.39	1,738.69
(v) Other intangible assets	2,785.61	1,035.84
(vi) Capital work-in-progress	1.35	9.76
(vii) Intangible assets under development	37.94	37.54
(viii) Other non-financial assets	1,715.87	742.72
(ix) Goodwill on consolidation	5,289.44	1,600.73
(x) Non-current non-financial asset held for sale	44.21	134.79
Total Non-financial assets	19,371.85	11,010.88
TOTAL ASSETS	9,66,349.20	8,29,354.90
LIABILITIES AND EQUITY		
LIABILITIES		
Financial liabilities		
(i) Derivative financial instruments	4,280.93	1,716.79
(ii) Trade and other payables		
(a) Trade payables		
- total outstanding dues of micro enterprises and small enterprises	-	8.63
- total outstanding dues of creditors other than micro enterprises and small enterprises	3,810.72	3,071.55
(b) Other payables		
- total outstanding dues of micro enterprises and small enterprises	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	750.62	295.97
(iii) Debt securities	1,97,783.56	1,83,710.48
(iv) Borrowings (other than debt securities)	1,44,667.14	1,07,989.64
(v) Deposits	1,60,783.83	1,50,077.19
(vi) Subordinated liabilities	4,225.00	5,233.65
(vii) Liabilities pertaining to life insurance business	2,17,377.86	1,75,406.15
(viii) Liabilities pertaining to non life insurance business	21,936.39	19,836.12
(ix) Other financial liabilities	15,079.10	13,390.13
Total financial liabilities	7,70,695.15	6,60,736.30
Non-financial liabilities		
(i) Current tax liabilities (net)	482.08	469.64
(ii) Deferred tax liabilities (net)	119.25	124.80
(iii) Provisions	416.56	371.17
(iv) Other non-financial liabilities	2,005.83	2,035.52
Total Non-financial liabilities	3,023.72	3,001.13
TOTAL LIABILITIES	7,73,718.87	6,63,737.43
EQUITY		
(i) Equity share capital	362.60	360.79
(ii) Other equity	1,79,490.54	1,56,351.84
(iii) Non-controlling interest	12,777.19	8,904.84
TOTAL EQUITY	1,92,630.33	1,65,617.47
TOTAL LIABILITIES AND EQUITY	9,66,349.20	8,29,354.90



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2 STATEMENT OF CONSOLIDATED CASH FLOWS


(₹ in crore)

Particulars	31-Mar-22		31-Mar-21	
	Audited		Audited	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit Before Tax	28,251.82		24,237.30	
Adjustments for:				
Share of profit of equity accounted investees (associates)	(8,969.79)		(6,921.47)	
Depreciation, amortisation and impairment	418.92		355.35	
Impairment on financial instruments (Expected credit loss)	2,043.14		3,030.76	
Share based payments to employees	454.77		355.27	
Net gain on fair value changes	(1,565.24)		(1,971.68)	
Profit on Sale of Investments and investment properties	(70.60)		2.20	
(Profit) / Loss on Sale of Investment Properties and Fixed Assets (Net)	0.23		0.05	
Interest expense	26,968.52		28,842.04	
Interest income including surplus from deployment in liquid instruments	(45,685.94)		(45,274.33)	
Utilisation of shelter assistance reserve	(0.04)		(0.03)	
Upfront gain on derecognised (assigned) loans	(606.50)		(706.72)	
Operating profit before working capital changes and adjustment for interest received and paid	1,239.29		1,948.74	
Adjustments for:				
(Increase) / decrease in financial assets and non financial assets	(1,721.42)		4,078.06	
Increase / (decrease) in financial and non financial liabilities	5,392.11		(240.20)	
Increase in assets pertaining to insurance business	(46,067.80)		(49,943.75)	
Increase in liabilities pertaining to insurance business	44,071.98		46,812.22	
Cash from operations before adjustments for interest received and paid	2,914.16		2,655.07	
Interest received including surplus from deployment in liquid instruments	46,019.59		44,493.69	
Interest paid	(26,934.20)		(30,186.40)	
Taxes paid (net of refunds)	(4,300.68)		(3,176.53)	
Net cash from operating activities	17,698.87		13,785.83	
Loans at amortised cost (net)	(75,869.07)		(47,590.31)	
Redemption of mutual funds units (net)	14,142.29		6,528.05	
Net cash used in operating activities	(44,027.91)		(27,276.43)	
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment and intangibles	(2,133.75)		(158.68)	
Sale of property, plant and equipment	3.82		5.83	
Net cash used for property, plant and equipment and intangibles	(2,129.93)		(152.85)	
Purchase of investment properties	(1,598.13)		(91.96)	
Sale of investment properties	124.80		57.14	
Net cash flow used for Investment properties	(1,473.33)		(34.82)	
Investments (net)	(16,494.21)		(6,770.66)	
Investments in associates	(0.25)		-	
Sale proceeds of investments in associates	210.62		-	
Net cash used in investing activities	(19,887.10)		(6,958.33)	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Share capital - equity	1.81		14.38	
Money received on issuance of warrants	-		307.03	
Securities premium on issuance of equity shares (net)	4,347.70		11,901.83	
Sale proceeds of investments in subsidiary companies	236.45		1,484.25	
Proceeds from issuance of debt securities and subordinated liabilities	1,05,493.08		1,06,429.03	
Repayment of debt securities and subordinated liabilities	(92,433.56)		(1,02,625.23)	
Borrowings (other than debt securities) and subordinated liabilities (net)	36,691.01		126.55	
Deposits (net)	10,789.44		18,142.87	
Payment of lease liability	(69.72)		(45.36)	
Dividend paid - equity shares	(4,153.26)		(3,642.68)	
Change in non-controlling interest	2,638.47		(427.69)	
Net cash from financing activities	63,541.42		31,664.98	
Net decrease in cash and cash equivalents	(373.60)		(2,569.78)	
Add : Cash and cash equivalents as at the beginning of the year	2,628.68		5,198.46	
Cash and cash equivalents as at the end of the year	2,255.08		2,628.68	

- a. During the year ended, the Group has received dividend income of ₹ 58.64 crore (Previous Year ₹ 38.45 crore).
- b. Net movement in Borrowings (including Debt Securities), Deposits and Subordinated Liabilities amounting to ₹ 60,448.57 crore (Previous Year ₹ 21,645.43 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 - 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-22	31-Dec-21	31-Mar-21	31-Mar-22	31-Mar-21
	Audited	Reviewed	Audited	Audited	Audited
Segment revenues					
- Loans	12,546.80	12,006.49	11,883.81	48,813.81	48,889.33
- Life insurance	16,951.13	13,944.49	18,913.09	66,786.09	71,742.94
- General insurance	5,134.55	4,979.12	4,523.04	19,637.69	18,289.49
- Asset management	531.02	574.99	553.41	2,238.09	1,982.47
- Others	246.99	200.15	217.45	971.99	600.16
Sub-total	35,410.49	31,705.24	36,090.80	1,38,447.67	1,41,504.39
- Unallocated Revenues	64.97	86.91	89.33	323.11	348.60
- Inter-segment	(415.71)	(484.46)	(426.27)	(2,802.70)	(2,781.75)
Total revenues	35,059.75	31,307.69	35,753.86	1,35,968.08	1,39,071.24
Segment results					
- Loans	4,706.09	4,116.31	3,983.78	17,523.84	15,022.87
- Life insurance	525.75	205.56	435.93	1,303.18	2,001.62
- General insurance	233.06	191.98	121.80	692.62	890.56
- Asset management	347.03	396.38	407.48	1,519.90	1,380.85
- Others	60.98	34.43	54.12	318.18	59.68
Sub-total	5,872.91	4,944.66	5,003.11	21,357.72	19,355.58
- Unallocated	64.97	86.91	89.33	323.11	348.60
- Share of profit from profit of equity accounted investees (associates)	2,448.11	2,460.43	1,918.01	8,969.79	6,921.47
- Inter-segment	(329.60)	(371.28)	(306.15)	(2,398.80)	(2,388.35)
Profit before tax	8,056.39	7,120.72	6,704.30	28,251.82	24,237.30
Segment assets					
- Loans	6,25,490.95	6,07,029.59	5,49,816.71	6,25,490.95	5,49,816.71
- Life insurance	2,37,218.71	2,06,656.18	1,86,628.82	2,37,218.71	1,86,628.82
- General insurance	28,268.72	27,208.44	26,071.39	28,268.72	26,071.39
- Asset management	6,609.64	6,265.15	5,841.81	6,609.64	5,841.81
- Others	726.29	836.77	758.00	726.29	758.00
Sub-total	8,98,314.31	8,47,996.13	7,69,116.73	8,98,314.31	7,69,116.73
Unallocated					
- Banking	63,207.05	60,994.01	55,464.14	63,207.05	55,464.14
- Others	4,827.83	5,424.00	4,774.03	4,827.83	4,774.03
Total assets	9,66,349.19	9,14,414.14	8,29,354.90	9,66,349.19	8,29,354.90
Segment liabilities					
- Loans	5,26,910.39	5,13,837.63	4,62,983.15	5,26,910.39	4,62,983.15
- Life insurance	2,22,420.60	1,98,470.93	1,78,676.08	2,22,420.60	1,78,676.08
- General insurance	23,254.50	22,001.52	21,003.20	23,254.50	21,003.20
- Asset management	321.26	323.67	293.18	321.26	293.18
- Others	210.78	202.80	187.34	210.78	187.34
Sub-total	7,73,117.53	7,34,836.55	6,63,142.95	7,73,117.53	6,63,142.95
Unallocated					
- Others	601.33	636.39	594.48	601.33	594.48
Total liabilities	7,73,718.86	7,35,472.94	6,63,737.43	7,73,718.86	6,63,737.43
Capital employed					
- Loans	98,580.56	93,191.96	86,833.56	98,580.56	86,833.56
- Life insurance	14,798.11	8,185.25	7,952.74	14,798.11	7,952.74
- General insurance	5,014.22	5,206.92	5,068.19	5,014.22	5,068.19
- Asset management	6,288.38	5,941.48	5,548.63	6,288.38	5,548.63
- Others	515.51	633.97	570.66	515.51	570.66
Sub total	1,25,196.78	1,13,159.58	1,05,973.78	1,25,196.78	1,05,973.78
Unallocated					
- Banking	63,207.05	60,994.01	55,464.14	63,207.05	55,464.14
- Others	4,226.50	4,787.61	4,179.55	4,226.50	4,179.55
Total Capital employed	1,92,630.33	1,78,941.20	1,65,617.47	1,92,630.33	1,65,617.47

- a) The Group identifies primary segments based on the dominant source, nature of risks and returns, the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the Chief Operating Decision Maker in deciding how to allocate resources and in assessing performance.
- b) Loans segment mainly comprises of Group's financing activities for housing and also includes financing of commercial real estate and others through the Corporation including education loans through its wholly-owned subsidiary HDFC Credila Financial Services Limited.
- c) Asset Management segment includes portfolio management, mutual fund and property investment management.
- d) Others include project management and investment consultancy.
- e) The Group does not have any material operations outside India and hence disclosure of geographic segments is not given.

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- 4 The financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 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 Housing Development Finance Corporation Limited ("Corporation") have proposed a final dividend of ₹ 30 per share (Previous Year ₹ 23 per share), subject to the approval of the members at the ensuing Annual General Meeting.
- 6 The Board of Directors of the Corporation at its meeting held on April 4, 2022 has approved a composite scheme of amalgamation for the amalgamation of: (i) HDFC Investments Limited and HDFC Holdings Limited, wholly-owned subsidiaries of the Corporation, into and with the Corporation and thereafter (ii) the Corporation into and with HDFC Bank Limited ("HDFC Bank") and their respective shareholders and creditors ("the Scheme") under Section 230 to 232 of the Companies Act, 2013 and other applicable laws and regulations, subject to requisite approvals from various regulatory and statutory authorities, respective shareholders and creditors. The share exchange ratio shall be 42 equity shares of face value of ₹ 1 each of HDFC Bank for every 25 equity shares of face value of ₹ 2 each of the Corporation.

The Appointed date for the amalgamation of the wholly-owned subsidiaries of the Corporation with and into the Corporation shall be the end of the day immediately preceding the Effective date and the Appointed date for the amalgamation of the Corporation with and into HDFC Bank shall be the Effective date.


- 7 During the year, the Board of Directors of HDFC Life Insurance Company Limited ("HDFC Life"), a subsidiary of the Corporation under Ind AS 110, had approved the Share Purchase and Share Swap Agreement between HDFC Life, Exide Industries Limited and Exide Life Insurance Company Limited ("Exide Life"), in connection with the acquisition of 100% of the equity share capital and subsequent merger of Exide Life into HDFC Life for a total consideration of ₹ 6,687 crore. Pursuant to the agreement, on January 1, 2022, HDFC Life has paid ₹ 726 crore and issued 8,70,22,222 equity shares at an issue price of ₹ 685 per share as consideration, subsequent to receipt of regulatory approvals. Accordingly, Exide Life has become a wholly owned subsidiary of HDFC Life with effect from January 1, 2022.


Further, the Board of Directors of HDFC Life has filed the scheme for amalgamation of Exide Life with and into HDFC Life and their respective shareholders and creditors under Section 230 to 232 of the Companies Act, 2013 and Section 35 to 37 of the Insurance Act, 1938 and other applicable laws including the rules and regulations, subject to requisite approvals from various regulatory and statutory authorities, their respective shareholders and creditors.

- 8 During the year ended March 31, 2022 (Q1-FY22), the Corporation has sold 44,12,000 equity shares of HDFC ERGO General Insurance Company Ltd ("HDFC ERGO"). As at March 31, 2022, the Corporation's equity shareholding in HDFC ERGO stood at 49.98% which is in compliance with the RBI requirement to reduce its shareholding to 50 percent or below. The Corporation continues to consolidate HDFC ERGO as a subsidiary in accordance with Ind AS 110 - Consolidated Financial Statements. Further, the Board of Directors of the Corporation in Q1- FY22 had approved the sale of 3,55,67,724 equity shares of ₹ 10 each, representing 4.99% stake in HDFC ERGO to HDFC Bank Ltd, which is pending due to regulatory approvals.
 - 9 During the year ended March 31, 2022 (Q1-FY22), 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 (an associate company), resulting in a pre tax adjusted gain of ₹ 69.63 crore.
 - 10 During the quarter ended March 31, 2022, the Corporation allotted 20,16,463 equity shares of ₹ 2 each pursuant to the exercise of stock options by certain employees/ directors.
 - 11 The outbreak of the COVID-19 pandemic had led to a nationwide lockdown in April - May 2020. This was followed by localised lockdown in areas with significant number of COVID -19 cases. Following the easing of lockdown measures, there was an improvement in economic activity in the second half of fiscal 2021. Since then, our country experienced two waves of COVID - 19 pandemic following the discovery of mutant coronavirus variants. These waves led to temporary reimposition of localised / regional lockdown, that were subsequently lifted.
- The extent to which the pandemic may impact the Group's results, including impairment on financial instruments, will depend on future developments, which are uncertain, including amongst 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.
- 12 Figures of the quarter ended March 31, 2022 and March 31, 2021 are derived by deducting the reported year-to-date figures for the period ended December 31, 2021 and December 31, 2020, which were subjected to limited review, from the audited figures for the year ended March 31, 2022 and March 31, 2021 respectively.
 - 13 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, 2022 were reviewed by the Audit and Governance Committee of Directors and subsequently approved by the Board of Directors at its meeting held on May 2, 2022, in terms of Reg 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The above results for the quarter and year ended March 31, 2022 have been subjected to audit by the Joint Auditors of the Corporation. The financial results for the quarter and year ended March 31, 2021 were audited by BSR & Co. LLP, Chartered Accountants.

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S.R. BATLIBOI & CO. LLP
Place: Mumbai
MUMBAI 2022

SIGNED FOR IDENTIFICATION
BY 
G.M. KAPADIA & CO.
MUMBAI



For and on behalf of the Board of Directors


Keki M. Mistry
Vice Chairman & CEO