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UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2019

PART I – STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2019

₹ in Crore

PARTICULARS	Quarter ended 31-Dec-19	Quarter ended 30-Sep-19	Quarter ended 31-Dec-18	Nine Months ended 31-Dec-19	Nine Months ended 31-Dec-18	Year ended 31-Mar-19
	Reviewed	Reviewed	Reviewed	Reviewed	Reviewed	Audited
Revenue from Operations						
(i) Interest Income	10,727.38	10,478.33	9,863.28	31,683.91	28,273.36	38,335.18
(ii) Surplus from deployment in Cash Management Schemes of Mutual Funds	255.35	302.60	289.15	860.82	651.85	943.79
(iii) Dividend Income	3.75	1,073.80	2.14	1,078.60	593.76	1,130.64
(iv) Rental Income	17.99	17.63	16.50	48.95	44.81	65.07
(v) Fees and Commission Income	44.54	46.47	40.56	127.06	105.61	182.41
(vi) Net gain / (loss) on Fair Value changes	39.00	(322.31)	109.04	(328.35)	384.95	552.11
(vii) Fair Value gain consequent to merger of GRUH, an associate, with Bandhan Bank (Refer note 2 below)	9,019.81	-	-	9,019.81	-	-
(viii) Profit on Sale of Investments	-	1,627.09	-	3,521.30	891.34	1,212.35
(ix) Profit on Sale of Investment-Properties	7.40	(0.05)	(0.70)	20.80	28.49	66.50
(x) Income on derecognised/assigned loans	170.25	263.88	255.06	730.30	793.82	859.99
I Total Revenue from Operations	20,285.47	13,487.44	10,575.03	46,763.20	31,767.99	43,348.04
II Other Income	5.98	6.68	7.46	18.48	23.44	29.97
III Total Income (I+II)	20,291.45	13,494.12	10,582.49	46,781.68	31,791.43	43,378.01
Expenses						
(i) Finance Cost	7,769.55	7,830.70	7,258.61	23,339.52	20,655.82	27,837.67
(ii) Impairment on financial instruments (Expected Credit Loss)	2,995.00	754.10	116.00	4,639.10	537.00	935.00
(iii) Employee Benefit Expenses	152.99	144.93	142.16	453.32	593.98	716.53
(iv) Depreciation, amortisation and impairment	42.05	33.31	26.77	104.59	53.11	66.53
(v) Establishment Expenses	9.44	7.42	26.42	35.20	86.46	107.57
(vi) Other Expenses	179.43	193.28	143.73	551.47	437.18	595.94
IV Total Expenses	11,148.46	8,963.74	7,713.69	29,123.20	22,363.55	30,259.24
V Profit Before Tax (III-IV)	9,142.99	4,530.38	2,868.80	17,658.48	9,427.88	13,118.77
Tax Expense						
- Current Tax	652.64	473.77	791.00	2,030.02	2,370.00	3,307.11
- Deferred Tax	117.86	95.08	(36.00)	91.34	287.00	179.20
VI Total Tax Expense	770.50	568.85	755.00	2,121.36	2,657.00	3,486.31
VII Net Profit after Tax (V-VI)	8,372.49	3,961.53	2,113.80	15,537.12	6,770.88	9,632.46
VIII Other Comprehensive Income	(806.68)	(95.43)	25.26	(640.13)	(92.84)	(131.53)
IX Total Comprehensive Income (VII+VIII)	7,565.81	3,866.10	2,139.06	14,896.99	6,678.04	9,500.93
Earnings per Share (Face value ₹ 2)*						
- Basic (₹)	48.51	22.94	12.29	90.05	39.85	56.53
- Diluted (₹)	48.11	22.77	12.23	89.36	39.51	56.08
Paid-up Equity Share Capital (Face value ₹ 2)	345.81	345.34	343.89	345.81	343.89	344.29
Reserves excluding Revaluation Reserves as at March 31						77,011.18

* Not annualised

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Notes :

- 1 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.
- 2 GRUH Finance Limited (GRUH), an associate of the Corporation merged into and with Bandhan Bank Limited (Bandhan Bank) with effect from October 17, 2019. The Corporation was allotted 15,93,63,149 shares aggregating 9.90% of the total issued share capital of Bandhan Bank. In accordance with para 22 of "Ind AS 28 - Investments in Associates and Joint Ventures", on derecognition of investment in GRUH, the Corporation has recognised a fair value gain of ₹ 9,019.81 crore.
- 3 Pursuant to receipt of approvals from Reserve Bank of India, Insurance Regulatory and Development Authority of India and Competition Commission of India, the Corporation has, on January 9, 2020, acquired 51.16% of the equity share capital of HDFC ERGO Health Insurance Company Limited (formerly Apollo Munich Health Insurance Company Limited). The impact of this transaction will be effected in the subsequent quarter.
- 4 Effective April 1, 2019 the Corporation has adopted Ind AS 116 - Leases, which requires any lease arrangement to be recognised in the balance sheet of the lessee as a 'right-of-use' asset with a corresponding lease liability. The 'right-of-use' asset has been included under the line 'Property, Plant and Equipment' and lease liability has been included under 'Other Financial Liabilities'. Accordingly depreciation has been charged on such assets as against lease rental expenses in the previous year. Similarly interest expense has been recognised on lease liabilities under finance costs. As permitted by the standard, the Corporation has applied this standard w.e.f. April 1, 2019 and comparatives for the previous period / year have not been restated. The effect of this adoption is insignificant on the profit for the quarter and nine months ended December 31, 2019.
- 5 The Corporation has elected to exercise the option of lower tax rate, provided under Section 115BAA of the Income-tax Act, 1961, as introduced by the Taxation Laws (Amendment) Ordinance, 2019 dated September 20, 2019. Accordingly, the Corporation has recognised provision for income tax for the nine months ended December 31, 2019 basis the rate provided in the said section. The Corporation has also re-measured the opening balance of deferred tax assets as at April 1, 2019 and has taken a charge of ₹ 237.67 crore relating to the same in the previous quarter.
- 6 During the quarter ended December 31, 2019, the Corporation has allotted 23,32,555 equity shares of ₹ 2 each pursuant to exercise of stock options by certain employees/ directors.
- 7 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'.
- 8 Figures for the previous period have been regrouped wherever necessary, in order to make them comparable.

The above results for the quarter and nine months ended December 31, 2019 were reviewed by the Audit and Governance Committee of Directors and subsequently approved by the Board of Directors at its meeting held on January 27, 2020, in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The above results for the quarter and nine months ended December 31, 2019 have been subjected to a Limited Review by the Auditors of the Corporation.

For and on behalf of the Board of Directors

**Place: Mumbai
Date: January 27, 2020**

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