



EVERY DREAM FINDS A HOME

Thirty Ninth Annual Report 2015-16



When it comes to fulfilling dreams, we are always at the forefront. As our country is poised for a giant leap forward with relevant policy changes, women empowerment, new age startups and many more firsts coming in, we have resolved to ensure that dreams continue to be nurtured. Nothing gives us more joy than helping you create your own space, whether it is a dream home or a work space. We at HDFC, with over 39 years of experience, understand individual needs and help actualise these dreams.

HDFC is committed to lending its support, expertise and experience to every individual who nourishes a dream. Because for us, it isn't just about home loans, but it's about building relationships. Over the years, HDFC's driving force has been to identify, address and customise products and services to suit an individual's needs. So far we have helped over 5.4 million families fulfill their dreams. And it is our constant endeavour to reach out to every corner of India, till every dream finds a home.



CONTENTS

Board of Directors	10
Brief Profile of the Directors of the Corporation	11
Chairman's Letter to Shareholders	14
Directors' Report	17
Report of the Directors on Corporate Governance	45
Compliance Certificate on Corporate Governance	58
Management Discussion and Analysis Report	59
Standalone Financial Statements with Auditor's Report	69
Consolidated Financial Statements with Auditor's Report	129
Shareholders' Information	189

ANNUAL GENERAL MEETING (AGM)

Day/Date : Wednesday, July 27, 2016 Time: 3.00 pm

Venue : Birla Matushri Sabhagar, 19, New Marine Lines, Mumbai 400 020.

E-VOTING PERIOD

Commences on: Saturday, July 23, 2016 at 10.00 am

Closes on : Tuesday, July 26, 2016 at 5.00 pm

Financial Highlights

(₹ in Crore)

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
Gross Income	5,896	8,196	11,018	11,361	12,878	17,354	21,148	24,198	27,471	30,957
Profit After Tax	1,570	2,436	2,283	2,826	3,535	4,123	4,848	5,440	5,990 ¹	7,093 ¹
Shareholders' Funds	5,551	11,947	13,137	15,198	17,317	19,018	24,830	27,955	30,970	34,121
Loans from Banks and Financial Institutions	24,224	21,200	25,372	32,137	42,490	40,697	17,824	32,952	26,194	42,678
Market Borrowings	22,584	36,655	39,110	41,347	48,296	62,138	89,071	94,443	1,16,317	1,20,845
Deposits	10,384	11,296	19,375	23,081	24,327	36,293	51,933	56,578	66,706	74,670
Loans Under Management ²	59,361	75,949	91,378	1,08,268	1,29,274	1,55,431	1,87,010	2,17,763	2,53,333	2,91,531
Loans Outstanding	56,512	73,328	85,198	97,967	1,17,127	1,40,875	1,70,046	1,97,100	2,28,181	2,59,224
Dividend (%)	220	250	300	360	450	550	625	700	750	850
Book Value per Share (₹) ³	44	84	92	106	118	129	162	179	197	216
Earnings per Share (₹) ³	13	13 ⁴	16	20	24	28	32	35	38	44

¹ After impact of Deferred Tax Liability on Special Reserve.

² Inclusive of outstanding loans sold.

³ The face value of equity shares of the Corporation was sub-divided to ₹2 per equity share from ₹10 per equity share in FY 2011.

Previous year figures have been adjusted to reflect the revised value.

⁴ Excluding exceptional income.



DREAMS ARE EVOLVING

We live in exciting times. Everything around us is constantly changing. Government policies and a pragmatic approach by financial institutions have awakened hope in millions of hearts across the country. There is a steady rise in income and many more are aspiring to own their dream home. And, we continue to serve a rising India with our tailor-made products and services for all segments of the society.

DREAMS, FASTER

To reach out to our customers, HDFC is now present on all the prominent digital and social media platforms. A strong customer-centric networked organisation is in place to enable quick and easy dissemination of information about products and services. State-of-the-art technology and security mechanisms make online interfaces convenient, speedy and reliable. Our focus is on enhancing user experience and providing seamless access to all our services.





HER DREAMS MATTER

The woman of today is strong, independent and plays an equal role in decision making. Education, employment and entrepreneurial opportunities have raised the bar for women. Women are now significant contributors to the family income. This shift in perspective has prompted housing finance institutions to design products that are women-centric. Saluting the spirit of modern women, HDFC introduced a customised product for women: Women Power - A home loan for women at a special interest rate.

DREAMS, BIGGER

Entrepreneurial ventures are trending in India as technology startups and e-commerce booms. Growing businesses demand bigger spaces. Believing in their dreams, we partner their aspirations and vision with HDFC's Commercial Premises Loan and other non-housing loan products.



DREAMS ARE EVERYWHERE

Dreams continue to flourish across the length and breadth of the country. HDFC aims to give them wings with customised loan products like Rural Housing Finance and HDFC Reach, coupled with a wide distribution network. The front-line is well-trained to understand and address every individual's loan requirement.



