HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED

HDFC

TWENTY-FIRST ANNUAL REPORT 1997-98

Cover theme

Change

v.t. to alter or make different :
n. the act of changing :
alteration or variation of any kind

Chamber's Twentieth Century Dictionary of the English Language

... laws and institutions must go hand in hand with the progress of the human mind. As that becomes more developed, more enlightened, as new discoveries are made, new truths disclosed and manners and opinions change with the change of circumstance, institutions must advance also, and keep pace with the times.

Thomas Jefferson

HIGHLIGHTS

OPERATIONAL HIGHLIGHTS

	1993-94	1994-95	1995-96	1996-97	1997-98	Cumulative
Loan Approvals (Rs. in crores)	1,024.77	1,494.55	2,071.46	2,521.70	3,251.27	14,837.88
Loan Disbursements (Rs. in crores)	889.07	1,211.66	1,683.55	2,100.78	2,753.61	12,232.99
Cumulative Investment made possible in the housing sector (Rs. in crores)	11,275.47	15,137.77	19,928.88	26,207.51	32,710.05	

1 Crore = 10 million
1 Lac = 100,000

FINANCIAL HIGHLIGHTS

(Rs. in crores)

	1993-94	1994-95	1995-96	1996-97	1997-98
Gross Income	608.15	780.33	982.18	1,265.33	1,444.68
Profit After Tax	105.36	146.15	195.69	247.89	293.36
Shareholders' Funds	500.28	874.85	1,501.82	1,662.75	1,777.24
Share Capital - Equity	92.24	101.24	119.11	119.11	119.11
- Preference	–	–	50.00	50.00	–
Reserves and Surplus	408.04	773.61	1,332.71	1,493.64	1,658.13
Long Term Borrowings	2,101.56	2,583.10	2,552.34	3,035.47	3,724.66
Deposits	1,458.18	1,853.24	2,512.69	3,502.19	4,423.79
Loans Outstanding	3,071.19	3,747.55	4,740.68	5,709.32	6,944.07
Dividend per share (Rs.)	28	32	37	45	75*
Book Value per Share (Rs.)	542	864	1,219	1,354	1,492
Earnings per Share (Rs.)	114	144	161	203	243

* Includes special dividend of Rs. 20 per share to mark the completion of HDFC's 20th anniversary.

CONTENTS

MD	✓			BKC	✓
CS	✓			DPY	✓
RO	✓			DIV	✓
TRA	✓			AC	✓
AGM	✓	✓		SHI	✓
YE	✓	✓	✓		

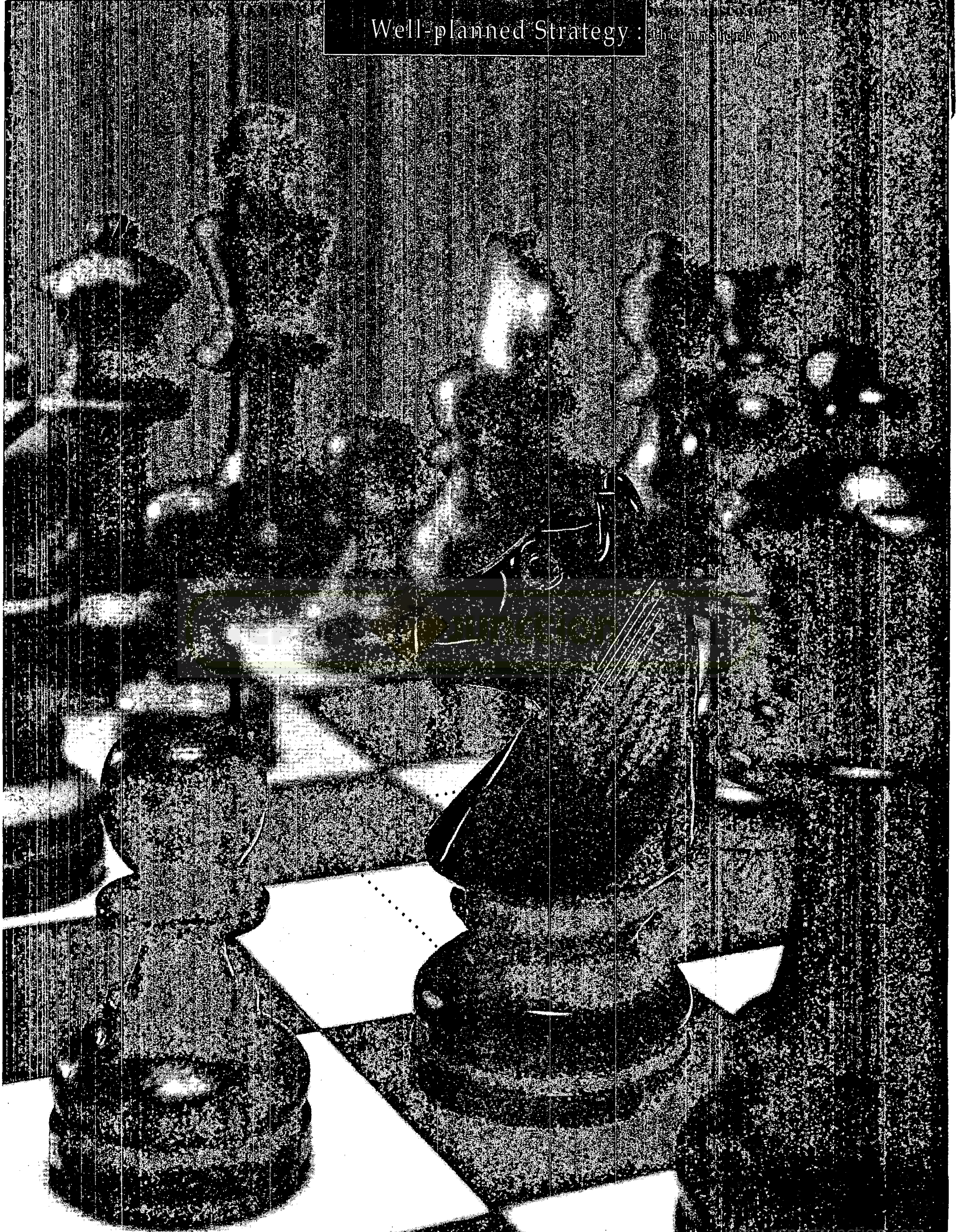
Our 3rd decade launches us into an arena of challenge, the arena of change.

By its very definition, while change denotes alteration, mutability, it sheathes an inherent truth: the incontrovertible fact that CHANGE is inevitable, and necessary. And given today's global business environment - of which we in India are a part - change, experienced within the organisation and without, is highlighted in our annual report this year, as HDFC completes twenty.

Through all these years, the principles of right action, built on the basis of


In the face of change.
The more original the method,
the truer one's arm

fairness, kindness, efficiency and effectiveness, which HDFC adopted, at its very inception, have remained with us, immutable and unchanging in the face of all the changes the organisation has encountered. These key principles have provided the strength and the sustenance to take on fresh challenges. They have helped to build trust between people, strengthen communications, and foster meaningful relationships both inside HDFC, as well as with our customers, and thereby accorded HDFC the ability to tackle radically new situations and issues, both sensitively and resourcefully. It has yielded rich dividends in flexible and creative participative management. For change brings


Well-planned Strategy : the masterly moves

with it, new perceptions of needs, things and people : a new way of looking at ourselves, and putting our observations into action.

Change for us has also meant an opportunity to implement a continuing HDFC tenet: of being proactive on service. For our customers, individually, as much as for ourselves, the importance has been significant: of easy reach and increased accessibility: of quick communications; of understanding and anticipating customer needs. It has all added up to learning to use change meaningfully, and with integrity.

BOARD OF DIRECTORS

Mr. Deepak S. Parekh	Chairman
Mr. Keshub Mahindra	Vice Chairman
Mr. S. B. Patel	
Mr. N. Vaghul	
Mr. B. S. Mehta	
Mr. D. M. Sukthankar	
Mr. D. N. Ghosh	
Mr. M. Narasimham	
Dr. S. A. Dave	
Mr. R. K. Bhargava	
Mr. S. Venkitaramanan	
Dr. R. S. Tarneja	
Mr. N. M. Munjee	
Mr. K. M. Mistry	Executive Director
Mr. D. M. Satwalekar	Managing Director

SENIOR EXECUTIVES

GENERAL MANAGERS

Mr. M. G. Barve
Treasury

Mr. T. S. Chandrasekhar
HDFC Developers Ltd.

Mr. J. Chatterjee
Eastern Region

Ms. R. S. Karnad
Northern Region

Mr. S. G. Mehta
Business Development

Mr. R. V. S. Rao
Southern Region

Mr. S. N. Shroff
Corporate Legal

COMPANY SECRETARY

Mr. Susir Kumar M.

REGISTERED OFFICE

Ramon House,
169, Backbay Reclamation,
Churchgate, Mumbai 400 020.
Tel. No. : 22-2836255, 2820282
Fax : 22-2046758, 2046834
email : info@hdfcindia.com
internet : www.hdfcindia.com

SHARE DEPARTMENT

Tel Rasayan Bhavan
Tilak Road, Dadar T.T.,
Mumbai 400 014.
Tel. No. : 22-4146267, 4146268
Fax : 22-4147301

AUDITORS

S. B. Billimoria & Company
Chartered Accountants

BRANCH AUDITORS

Ratan Mama & Company
Chartered Accountants

DEPUTY GENERAL MANAGERS

Mr. R. Anand

Mr. R. Arivazhagan

Mr. K. O. Chacko

Mr. A. S. Chawan

Mr. J. C. A. D'Souza

Ms. M. Ganguli

Mr. N. M. Gyara

Mr. I. Koreishi

Mr. K. G. Krishnamurthy

Mr. S. Menon

Mr. S. N. Nagendra

Mr. P. S. Parasnis

Mr. S. Ramanath

Mr. V. S. Rangan

Mr. V. N. Rao

Mr. M. Sivaramakrishna

Mr. B. V. Sundararajan

Mr. V. P. Warty

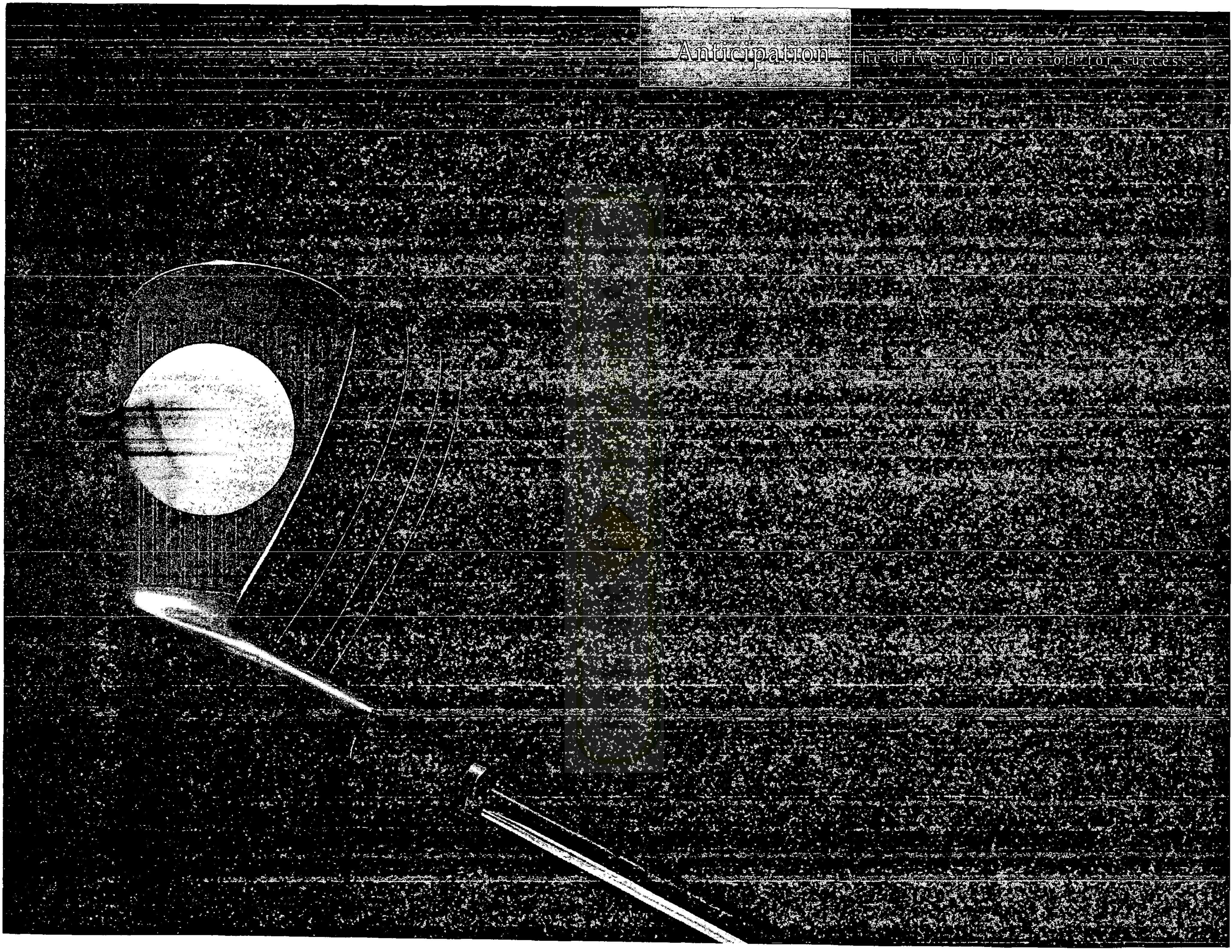
SOLICITORS AND ADVOCATES

Amarchand & Mangaldas & Suresh A. Shroff & Company

Wadia Ghandy & Company

PRINCIPAL BANKERS

Central Bank of India
State Bank of India
Canara Bank
Bank of India
HDFC Bank Ltd.
Corporation Bank
Indian Overseas Bank


Anticipation ... the drive which tees off for success