



HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED

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Ref. No. SE/ 2016-17/61

June 3, 2016

BSE Limited
Limited
P. J. Towers
Dalal Street
Mumbai 400 001.

National Stock Exchange of India
Exchange Plaza, 5th Flr, Plot No. C/1
Bandra-Kurla Complex, Bandra (East)
Mumbai 400 051.

Kind Attn: DCS - CRD

Kind Attn: Head - Listing

Dear Sirs,

Sub: Completion of transfer of shares

Ref: Intimation under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This has reference to our intimation dated December 17, 2015, wherein the Corporation had informed the stock exchanges, that subject to receipt of requisite approvals, the Corporation had agreed to sell 12,33,57,262 equity shares of Rs. 10 each of HDFC ERGO General Insurance Company Limited (HDFC ERGO), a subsidiary of the Corporation, representing 22.902% of HDFC ERGO's issued and paid-up share capital to ERGO International AG, Düsseldorf (ERGO) at a price of ₹ 90.973 per equity share, aggregating to a consideration of ₹ 1,122 crore.

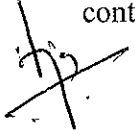
The Corporation has today concluded the transfer of the said shares at the price as stated above resulting in a pre tax profit of ₹ 922 crore. As HDFC Ergo is an unlisted entity, the capital gains tax on the sale of shares is ₹ 197 crore, resulting in a post tax profit of ₹ 725 crore. The aforesaid profit figures are subject to audit by the statutory auditors of the Corporation.

As a result of the sale of shares, the Corporation's holding in HDFC Ergo now stands at 50.73%, while ERGO's share is 48.74%.

We further wish to inform you that, the Corporation has over the years, as a prudent measure, ensured that it maintains a balance in the Provision for Contingencies Account which is higher than the regulatory requirement. This has been the practice for nearly two decades.

In accordance with past practice and with the objective of further strengthening the Corporation's balance sheet, the Corporation believes that it would be prudent to utilise the one-off pre tax gains to shore up the Provision for Contingencies Account and thereby build an additional buffer against any unexpected risk in the future.

Accordingly, the Corporation proposes to make an additional special provision of ₹ 275 crore being 30% of the pre-tax gains on this transaction towards standard assets and other contingencies.


Regd. Office: Ramon House, H T Parckh Marg, 169, Backbay Reclamation, Churchgate, Mumbai 400 020.
Tel: 61766000, 61766100. Fax: 022 - 22811205. Corporate Identity Number: L70100MH1977PLC019916

It may be noted that the special provision is being done voluntarily and is not on account of any regulatory requirement. Further, the provision is in respect of standard assets.

Regulatory provision on standard assets and provisioning for non-performing loans will continue to be made as per current practice in the quarterly accounts.

The proposed special provision is subject to approval by the Board of Directors.

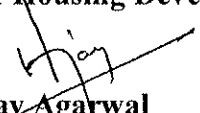
We request you to kindly take note of the same and arrange to make the necessary announcement(s).

Kindly acknowledge the receipt.

Thanking you,

Yours faithfully,

For **Housing Development Finance Corporation Limited**


Ajay Agarwal
Company Secretary