DHFL/CSD/2020-21/1865

Date: 8th September, 2020

The Manager Listing Department The BSE Limited. Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai- 400 001.	The Manager Listing Department National Stock Exchange of India Limited, 'Exchange Plaza', C-1, Block G, Bandra- Kurla Complex, Bandra (East), Mumbai- 400 051.
Kind Attn. DCS –CRD	Kind Attn. Head – Listing
Stock Code : 511072	Stock Code : DHFL

Sub.: Notice of the 36th Annual General Meeting and Annual Report 2019-20

Dear Sir/Madam,

Pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), please find attached herewith the Notice of the Thirty Sixth (36th) Annual General Meeting of the members of the Company scheduled to be held on Wednesday, September 30, 2020 at 10.00 a.m. through Video Conferencing (VC) / Other Audio Visual Means (OAVM).

Further, in terms of Regulation 34 of SEBI Listing Regulations, please find attached herewith a copy of the Annual Report of the Company for the financial year 2019-20.

Please note that in accordance with MCA Circulars dated May 5, 2020, April 8, 2020 and April 13, 2020 read with SEBI Circular dated May 12, 2020, the Notice of the 36th AGM and Annual Report 2019-20 are sent by email to those Members whose email addresses are registered with the Depository Participant(s)/ Registrar & Share Transfer Agent.

The aforesaid Notice of the Thirty Sixth (36th) Annual General Meeting and the Annual Report 2019-20 are also available on the website of the Company.

This is for your information and records.

Thanking you,

Yours sincerely,
for **Dewan Housing Finance Corporation Limited**

Dewan Housing Finance Corporation Ltd. Mumbai

S. N. Baheti
Company Secretary
ACS: 5535
Encl.: as above

DEWAN HOUSING FINANCE CORPORATION LIMITED

Corporate Identity Number (CIN) – L65910MH1984PLC032639
National Office: HDIL Towers, Ground Floor & 6th Floor, Anant Kanekar Marg, Station Road, Bandra (East), Mumbai - 400051
Maharashtra, India. Tel.: (022) 7158 3333, Fax: (022) 7158 3344
Registered Office: Warden House, 2nd Floor, Sir P. M. Road, Fort, Mumbai - 400 001.
Toll Free No. 1800 22 3435, Customer Care No. : 1800 3000 1919
Visit us at : www.dhfl.com, email:– response@dhfl.com

NOTICE OF THIRTY SIXTH (36th) ANNUAL GENERAL MEETING

BACKGROUND:

The Reserve Bank of India (RBI) vide Press Release dated November 20, 2019 in exercise of the powers conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934 (RBI Act) superseded the Board of Directors of your Company on November 20, 2019 owing to governance concerns and defaults by your Company in meeting various payment obligations and the RBI appointed Mr. R. Subramaniakumar, ex-MD and CEO of Indian Overseas Bank as the Administrator of your Company under Section 45-IE (2) of the RBI Act. Thereafter, RBI vide its Press Release dated November 22, 2019, in exercise of the powers conferred under Section 45-IE 5(a) of the RBI Act, constituted a three (3) member Advisory Committee to assist the Administrator in discharge of his duties and to advise the Administrator in the operations of your Company during the Corporate Insolvency Resolution Process (CIRP). As per the framework of the Advisory Committee as approved by RBI, primary responsibility of the Advisory Committee is to guide the Administrator to undertake all steps that will maximize the value for all stakeholders of your Company through a successful resolution. Since the Administrator also takes over the responsibility of the Board of Directors of your Company, the Advisory Committee will support the Administrator in fulfillment of his role and responsibilities. The members of the Advisory Committee are Dr Rajiv Lall, erstwhile Non-Executive Chairman, IDFC First Bank Ltd., Mr. N S Kannan, Managing Director and CEO, ICICI Prudential Life Insurance Co. Ltd. and Mr. NS Venkatesh, Chief Executive, Association of Mutual Funds in India.

On November 29, 2019, the RBI filed a Petition before the Hon'ble National Company Law Tribunal, Mumbai Bench (Hon'ble NCLT/ Adjudicating Authority) under Section 227 read with Section 239(2)(zk) of the Insolvency and Bankruptcy Code, 2016 (IBC / IBC Code / Code) read with Rules 5 and 6 of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudication Authority) Rules, 2019 (FSP Rules), to initiate CIRP against your Company. Accordingly, in terms of Rule 5(b)(i) of the FSP Rules, an interim moratorium came into effect on the date of filing of the application to initiate CIRP. Thereafter, CIRP was initiated against your Company by an Order dated December 3, 2019 of the Hon'ble NCLT. The Hon'ble NCLT, vide the said order, confirmed the appointment of the Administrator to perform the functions of an Interim Resolution Professional / Resolution Professional to complete the CIRP of your Company as required under the provisions of the Code and also announced commencement of the moratorium under Section 14 of the Code with effect from November 29, 2019.

Accordingly, your Company is presently undergoing CIRP under the provisions of the Code along with the Regulations and Rules thereunder.

NOTICE is hereby given that the Thirty Sixth (36th) Annual General Meeting (AGM) of the Members of Dewan Housing Finance Corporation Limited (the Company) will be held on Wednesday, September 30, 2020 at 10.00 a.m. IST through Video Conferencing (VC) / Other Audio Visual Means (OAVM) in accordance with the relevant Circulars issued by the Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI), to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated) of the Company for the financial year ended March 31, 2020 and the Board's Report (Report of Advisory Committee Chaired by the Administrator) and Statutory Auditors thereon.

R. Subramaniakumar
Administrator of Dewan Housing Finance Corporation Limited
6th Floor, HDIL Towers, Anant Kanekar Marg, Station Road,
Bandra (East), Mumbai 400 051

For and on behalf of
Dewan Housing Finance Corporation Limited

(a Company under Corporate Insolvency Resolution Process by an Order dated December 3, 2019 passed by Hon'ble NCLT, Mumbai)

The Administrator has been appointed under Rule 5(a)(iii) of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 under the Insolvency and Bankruptcy Code, 2016. The affairs, business and property of Dewan Housing Finance Corporation Limited are being managed by the Administrator, Mr. R. Subramaniakumar, who acts as agent of the Company only and without any personal liability.

Registered Office:
Warden House, 2nd Floor,
Sir P. M. Road, Fort, Mumbai - 400 001.
CIN: L65910MH1984PLC032639
Tel No - 022 7158 3333
Email – secretarial@dhfl.com

Place: Mumbai
Date: September 5, 2020

NOTES:

1. In view of the global COVID-19 pandemic, the Ministry of Corporate Affairs (MCA) has vide General Circular No. 20/2020 dated May 5, 2020 read with General Circular Nos. 14/2020 dated April 8, 2020 and 17/2020 dated April 13, 2020 and SEBI vide Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, (collectively referred to as the Circulars), have allowed companies to conduct the Annual General Meeting (AGM) through Video Conferencing (VC) or Other Audio Visual Means (OAVM) without the physical presence of the Members at a common venue. In compliance with the Circulars, the 36th AGM of the Company is being held through VC/OAVM. The process and manner for attending the 36th AGM through VC/OAVM is provided hereunder. The proceedings of the AGM shall be deemed to be conducted at the National Office of the Company which shall be the deemed venue of the AGM.

2. Pursuant to the provisions of Section 105 the Companies Act, a Member entitled to attend and vote at the AGM is entitled to appoint a Proxy to attend and vote on his/her behalf and the Proxy need not be a Member of the Company. However, since this AGM is being held pursuant to the Circulars as mentioned hereinabove through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM. In view of the above, Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.

3. Members attending the AGM through VC/OAVM shall be reckoned for the purpose of quorum for the AGM as per Section 103 of the Companies Act, 2013 the (Act).

4. Members under the category of Institutional Investors are encouraged to participate at and vote at the AGM through VC/OAVM. Body Corporate(s) intending to authorize their representative(s) to participate at the AGM are requested to email to the Company at secretarial@dhfl.com or to the Scrutinizer at scrutinizer@snaco.net or upload it on the e-voting portal, a certified true copy of the relevant resolution / Power of Attorney authorizing their representative(s) to attend and vote on their behalf at the AGM, together with attested specimen signature of the duly authorised representative(s).

5. The Register of Members and the Share Transfer books of the Company will remain closed from Wednesday, September 23, 2020, to Wednesday, September 30, 2020, (both days inclusive) for the purpose of 36th AGM.

6. Members of the Company are requested to update their e-mail address to enable the Company to send communications electronically.

7. Pursuant to General Circular No. 20/2020 dated May 5, 2020 issued by the MCA read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, Notice of the 36th AGM and Annual Report for the financial year 2019-20 are being sent electronically to those Members whose email addresses are registered with the Depository Participant (DP) /Registrar and Transfer Agent (RTA).

   Members may also note that the Notice of the 36th AGM will be available on the Company's website at URL - https://www.dhfl.com/investors/shareholders-notices-and-voting-results/agmegm-notices-and-results and the website of Link Intime India Private Limited at https://instavote.linkintime.co.in. Annual Report for financial year 2019-20 will be available at URL: https://www.dhfl.com/investors/annual-reports.

8. The certificate from the Statutory Auditors certifying that the Employees Stock Options Schemes and Employee Stock Appreciation Rights Plan are being implemented in accordance with the provisions of the SEBI (Share Based Employee Benefits) Regulations, 2014 and the resolutions passed by the Members of the Company as well as the Statutory Registers and the documents referred in this Notice shall be available for inspection by the Members through electronic mode. Members who wish to inspect such documents are requested to send an email to secretarial@dhfl.com mentioning their name, folio no. / Client ID and DP ID and the documents they wish to inspect.

9. In case of joint holders attending the AGM, only such joint holder whose name appears first in order of names will be entitled to vote.

10. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the Company's website at URL: https://www.dhfl.com/docs/default-source/investors/nomination-form/nomination-form.pdf

    Members who hold shares singly in Dematerialised form are advised to make a nomination through their Depository Participant.

11. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the details of such folios together with their share certificates to RTA, for consolidation of their holding into single folio.

12. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form

are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat account. Members holding shares in physical form can submit their PAN details to the Company or to the RTA.

SEBI has also mandated that for registration of transfer of securities, the transferor(s) and transferee(s) shall furnish a copy of their PAN card to the Company for registration of transfer of securities.

13. Information in relation to transfer to Investors Education and Protection Fund (IEPF) pursuant to the requirements of the Companies Act, 2013 is detailed in Board's Report (Report of Advisory Committee Chaired by the Administrator) of the Company, a part of Annual Report for the financial report 2019-20.

14. Members of the Company are requested to contact RTA of the Company Link Intime India Pvt. Ltd., C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400083 or email at rnt.helpdesk@linkintime.co.in in case of any change of address or any other queries relating to their shares.

15. GENERAL INSTRUCTIONS FOR VOTING, ATTENDING AGM ETC.

1. Pursuant to the provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules 2014, as substituted by the Companies (Management and Administration) Amendment Rules, 2015, as amended, and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide to its Members, facility to exercise their right to vote on resolution proposed to be considered at the 36th AGM by electronic means i.e. "remote e-voting". The facility of casting the votes by the Members during the remote e-voting prior to the date of AGM, using an electronic voting system will be provided by Link Intime India Pvt. Ltd. (LIIPL).

2. The remote e-voting period commences from Sunday, September 27, 2020 (9.00 a.m. IST) and ends on Tuesday, September 29, 2020 (5.00 p.m. IST). During this period, the Members of the Company holding shares either in physical form or in dematerialized form as on the "cut-off date" being Wednesday, September 23, 2020, may cast their vote through remote e-voting. Any person who is not a Member as on the cut-off date should treat this Notice for information purposes only. The remote e-voting module shall be disabled / blocked for voting thereafter.

3. The facility for e-voting shall also be available at the AGM. Members who have already cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote at the AGM. Only those Members who attend the AGM and have not cast their votes through remote e-voting and are otherwise not barred from doing so will be allowed to vote through the e-voting facility available at the AGM.

4. Any person, who acquires shares of the Company and becomes its Member after dispatch of Notice of the AGM and holds shares as on the cut-off date for voting i.e. Wednesday, September 23, 2020, may obtain the login ID and password by sending a request at enotices@linkintime.co.in by mentioning their Folio No.(s)/ DP ID and Client ID No.(s). However, if he/she is already registered with LIIPL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

5. The voting rights of the Members shall be in proportion to the shares held by them on the paid up equity share capital of the Company as on cut-off date, being Wednesday, September 23, 2020. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on cut-off date only shall be entitled to avail the facility of remote e-voting or voting at the AGM.

6. Ms. Aparna Gadgil, Company Secretary, Partner of S. N. Ananthasubramanian & Co., Practicing Company Secretaries, Mumbai has been appointed as the Scrutinizer to scrutinize the voting process (both remote e-voting and voting process at the AGM) in a fair and transparent manner.

7. The Scrutinizer shall submit a scrutinizer's report of the total votes cast in favour or against, if any, to the Administrator or a person authorized by the Administrator in writing, who shall countersign the same and declare the results of the voting forthwith within 48 hours of conclusion of the AGM.

8. The results as declared by the Administrator or a person authorized by the Administrator in writing, along with the Scrutinizer's Report shall be immediately placed on the website of the Company i.e. www.dhfl.com and LIIPL i.e. https://instavote.linkintime.co.in after the declaration of results. The results shall also be simultaneously communicated to BSE Limited and National Stock Exchange of India Ltd.

9. The resolution listed in the Notice of the 36th AGM shall be deemed to be passed on the date of the AGM, subject to the receipt of the requisite number of votes in favour of the resolution.

16. INSTRUCTIONS FOR REMOTE E-VOTING

The details of the process and manner of remote e-voting is explained herein below:

1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in.

   Those who are the first time users of LIIPL e-voting platform or holding shares in physical mode have to mandatorily generate their own Password, as under:-

   - Click on **'Sign Up'** under **'SHARE HOLDER'** tab and register with your following details: -

     A. User ID: Enter your User ID

     - Members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID.

     - Members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID.

     - Members holding shares in physical form shall provide Event No. **200345** + Folio Number registered with the Company.

     B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable).

     C. DOB/DOI: Enter the Date of Birth (DOB)/ Date of Incorporation (DOI) (As recorded with your DP/ Company - in DD/MM/YYYY format).

     D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/ Company.

     - Members holding shares in **CDSL demat account shall provide either 'C' or 'D', above**.

     - Members holding shares in **NSDL demat account shall provide 'D', above**.

     - Members holding shares in **physical form** but have not recorded **'C'** and **'D'**, shall provide their Folio number in **'D'** above.

     - Set the password of your choice (The password should contain minimum 8 characters, at least one Special Character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter).

     - Click 'confirm' (Your password is now generated).

2. Click on 'Login' under **'SHARE HOLDER'** tab.

3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'.

4. After successful login, you will be able to see the notification for e-voting. Select 'View' icon for 'DHFL / Event number **200345**'.

5. E-voting page will appear.

6. Refer the Resolution description and cast your vote by selecting your desired option **'Favour/Against'** (If you wish to view the entire Resolution details, click on the **'View Resolution'** file link).

7. After selecting the desired option i.e. **'Favour/ Against'**, click on **'Submit'**. A confirmation box will be displayed. If you wish to confirm your vote, click on **'Yes'**, else to change your vote, click on **'No'** and accordingly modify your vote.

8. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIIPL at https://instavote.linkintime.co.in and register themselves as **'Custodian / Mutual Fund / Corporate Body'**. They are also required to upload a scanned certified true copy of the board resolution / power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the **'Custodian/Mutual Fund/Corporate Body'** login for the Scrutinizer to verify the same. Alternatively, you may email the aforesaid documents to scrutinizer@snaco.net or secrearial@dhfl.com.

   If you have forgotten the password:

   - Click on **'Login'** under **'SHARE HOLDER'** tab and further Click **'forgot password?'**

   - Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on **'Submit'**.

   - In case member is having valid email address, Password will be sent to his/her registered e-mail address.

- Member can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/ DOI, Bank Account Number (last four digits) etc. as mentioned above.

- The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

In case Members have any queries regarding e-voting, they may refer the **Frequently Asked Questions (FAQs) and InstaVote e-Voting manual** available at https://instavote.linkintime.co.in, under Help section or send an email to enotices@linkintime.co.in or call on +91 (022) 4918 2505/4918 6000.

17. PROCESS AND MANNER FOR ATTENDING AGM THROUGH INSTAMEET

For a smooth experience of AGM proceedings, Members who are registered for the event are requested to download and install the Webex application in advance on the device that you would be using to attend the meeting by clicking on the link https://www.webex.com/downloads.html/. Members also have an option to click on the URL provided to attend the meeting. Please read the instructions carefully and participate in the meeting. For any support, Members may also call the RTA on the dedicated number provided in the instructions.

1. Open the internet browser and launch the URL for InstaMeet **https://instameet.linkintime.co.in** and register with your following details:-

   a. Demat Account No. or Folio No.: Enter your 16-digit Demat Account No. or Folio Number registered with the Company.

   b. PAN: Enter your 10-digit Permanent Account Number.

   c. Mobile Number

   d. Email ID

2. Click "Go to Meeting"

3. Members can log in and join 30 minutes prior to the schedule time of the AGM and window for joining the meeting shall be kept open till the expiry of 15 minutes after the scheduled time. The Company shall provide VC/OAVM facility to Members to attend the AGM. The said facility will be available for 1000 Members on first come first served basis. This will not include large members (i.e. Members with 2% or more shareholding), institutional investors, key managerial personnel, auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

In case Members have any queries or need assistance with using the technology before or during the meeting, they can address them to instameet@linkintime.co.in or call on +91 (022) 4918 6175.

Instructions for Members to Speak during the AGM through InstaMeet:

1. Members who would like to speak during the meeting must register their request mentioning their name, demat account number/folio number, email id, mobile number at secretarial@dhfl.com from Friday, September 25, 2020 to Sunday, September, 27, 2020.

2. Speakers will only be allowed to express their views/ ask questions on first come first served basis during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

3. Members who would like to ask questions, may send the same in advance mentioning their name, demat account number/folio number, email id, mobile number at secretarial@dhfl.com from Friday, September 25, 2020 to Sunday, September, 27, 2020. The same will be replied by the Company suitably.

4. Members will get confirmation on first come first served basis depending upon the provision made by the Company.

5. Members will receive 'speaking serial number' once they mark attendance for the meeting. Members are requested to speak only when Moderator of the meeting will announce the name and serial number for speaking.

6. Please remember 'speaking serial number' and start your conversation with panelist by switching on audio of your device.

7. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

Instructions for Members to Vote during the AGM through InstaMeet:

Once the electronic voting is activated by the Scrutinizer/ Moderator during the meeting, members who have not exercised their vote through the remote e-voting can cast the vote as under: -

1. On the Shareholders VC page, click on the link for e-Voting 'Cast your vote'.

2. Enter Demat Account No./Folio No. and OTP (received on the registered mobile number/ registered Email ID) received during registration for InstaMeet and click on 'Submit'.

3. After successful login, you will see 'Resolution Description' and against the same the option **'Favour/Against'** for voting.

4. Cast your vote by selecting appropriate option i.e. **'Favour/Against'** as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under **'Favour/Against'**.

5. After selecting the appropriate option i.e. **'Favour/ Against'** as desired and you have decided to vote, click on 'Save'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Confirm', else to change your vote, click on 'Back' and accordingly modify your vote.

6. Once you confirm your vote on the Resolution, you will not be allowed to modify or change your vote subsequently.

Note: Members present at the AGM through InstaMeet facility and who have not cast their vote on the Resolution through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting facility during the meeting till the expiry of 15 minutes after the AGM is concluded.

Members are encouraged to join the AGM through Tablets/Laptops connected through broadband for better experience. Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the currency of the AGM. Please note that Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate such kind of glitches.

In case Members have any queries regarding remote e-voting, attending the AGM, through Instameet or e-voting at the AGM they can address them to instameet@linkintime.co.in or call on +91 (022) 4918 6175.

R. Subramaniakumar
Administrator of Dewan Housing Finance Corporation Limited
6th Floor, HDIL Towers, Anant Kanekar Marg, Station Road, Bandra (East), Mumbai 400 051

For and on behalf of
Dewan Housing Finance Corporation Limited

(a Company under Corporate Insolvency Resolution Process by an order dated December 3, 2019 passed by Hon' NCLT, Mumbai)

The Administrator has been appointed under Rule 5(a)(iii) of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 under the Insolvency and Bankruptcy Code, 2016. The affairs, business and property of Dewan Housing Finance Corporation Limited are being managed by the Administrator, R. Subramaniakumar, who acts as agent of the Company only and without any personal liability.

Place: Mumbai
Date: September 5, 2020

DHFL

Changing Rules Changing Lives

Annual Report 2019-20

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Disclaimer on forward looking statements

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried, wherever possible, to identify such statements by using words, such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with discussion on future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind. We undertake no obligation or liability to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

View this annual report online
https://www.dhfl.com/investors/annual-reports/

DHFL Portfolio

Expanding Reach

Our pan India network coupled with localized outreach strategy, enables us to virtually reach out to our customers right at their doorsteps. Our distribution network - one of the largest in the industry is focused on semi-urban and tier II and III towns, thereby facilitating value-led growth for our customers and stakeholders.

Competitive Edge

Our growth over the past 36 years has been facilitated by our competitive strengths, enabling us to develop and sustain a leading position in the affordable housing finance segment in India.

Message from the Administrator

(Appointed under Insolvency & Bankruptcy Code, 2016)

Dear Stakeholders,

I am writing this to you while we are in the midst of a global pandemic and my sympathies are with each one of us who is affected and I sincerely wish for the good health and safety of all of us.

I take this opportunity to present the 36th Annual Report and financial statements of Dewan Housing Finance Corporation Limited (DHFL/ the Company) for the financial year ended March 31, 2020.

Reviewing the year gone by...

The first two-quarters of the Company's attention was to arrive at a resolution through an Inter Creditor Agreement. However, considering concerns mentioned in the order dated November 20, 2019, Reserve Bank of India ("RBI") superseded the board under the powers vested on it via Section 45-IE of the RBI Act, 1934 and I was appointed as the Administrator of your Company and was further mandated with timely resolution underInsolvency and Bankruptcy Code, 2016 (IBC).

As DHFL became the first financial service providerto undergo a Corporate Insolvency Resolution Process ("CIRP"), it was required of me to lead the way to ensure the Company is run as a going concern. In this task, I was assisted by a three-member Advisory Committee appointed by the RBI to ensure oversight and guidance in various aspects of operations.Despite several challenges arising out of being a first such instance, legacy issues within the Company and it's vast scale of operations, the Company achieved all major CIRP milestones within the timeframe stipulated by the IBC and was able to attract several interests from Prospective Resolution Applicants.

During the CIRP, i.e. post my appointment, several steps were taken to ensure that the Company is compliant to the regulatory framework and is able to operate as a going concern. A specific focus was kept on strengthening the Company's corporate governance, improving risk management framework, and drastically reduce the Company's operating cost through a drive of austerity. With the effort and contribution of every employee, your Company is now a better governed and efficient corporation.

Financial performance

The NBFC sector has been one of theworst affected sectors with liquidity issues in the past 2 years and while it was in the process of recovering from these bruises, the pandemic has aggravated the problems.

Furthermore, the Company was also having its own historical shortcomings, which are reflected in this year's financial performance as the Company reported net loss of ₹ 13,612.32 crore for the financial year 2019-20 and Company's Gross Income for the financial year 2019-20 dropped by 27.59% to ₹ 9,343.12 crore.

Adapting to the New Normal

This pandemic has presented several challenges to the Company, however, we have used this as an opportunity to solve problems in the most unique manner such as conducting virtual meetings of the Committee of Creditors and Advisory Committee, digitalisation of collections process and continuous communication with investors for data sharing and discussions.

To ensure the safety of all the employees without compromising on the operations, the Company adapted by implementing alternate technology, Work from Home (WFH) enablement, and other functional and connectivity support for all the employees.

Wayforward

During these unprecedented times, it shall remain our continuous endeavour to restore normalcy in operations while we move towards a very critical juncture of the CIRP as we invite resolution plans from the Prospective Resolution Applicants.

I would like to use this opportunity to thank all our customers who continue to show faith in the company, the employees who are working tirelessly to keep the company operational, the lenders who have supported and co-operated in the entire process, the investors who remain optimistic, the prospective resolution applicants for showing interest in the company and lastly my fellow members of Advisory Committee for guiding me in every step of the process.

Regards,
R Subramaniakumar
Administrator

DHFL Network

The numbers on the map indicate the serial numbers in the chart on page no. 05. For details of the complete postal addresses of all the centres, branches and offices forming part of the DHFL network, please log on to www.dhfl.com.

Map not to scale. For illustrative purposes only.

Sl. No.	State	Zonal/Regional/ Representative office/CPU	Branch	Micro Branch	Registered/ Corporate/ National office	Disbursement Hub	Total
1	Andhra Pradesh	0	9	8	0	0	**17**
2	Assam	0	1	0	0	0	**1**
3	Bihar	0	1	0	0	0	**1**
4	Chhattisgarh	0	1	1	0	0	**2**
5	Goa	0	1	0	0	0	**1**
6	Gujarat	1	11	12	0	0	**14**
7	Haryana	1	9	2	0	0	**12**
8	Himachal Pradesh	0	0	2	0	0	**2**
9	Jharkhand	0	2	1	0	0	**3**
10	Karnataka	1	17	14	0	0	**32**
11	Kerala	1	6	9	0	0	**16**
12	Madhya Pradesh	1	9	7	0	0	**17**
13	Maharashtra	3	45	16	3	4	**71**
14	Odisha	0	2	0	0	0	**2**
15	Punjab	0	7	5	0	0	**12**
16	Rajasthan	1	9	6	0	0	**16**
17	Tamil Nadu	1	18	18	0	0	**37**
18	Telangana	2	9	2	0	0	**13**
19	Uttar Pradesh	2	15	4	0	0	**21**
20	Uttarakhand	0	3	0	0	0	**3**
21	West Bengal	1	4	2	0	0	**7**
22	Chandigarh	1	1	0	0	0	**2**
23	New Delhi	1	1	0	0	0	**2**
24	Puduchery	0	1	0	0	0	**1**
	London	1	0	0	0	0	**1**
	Dubai	1	0	0	0	0	**1**
	Total	**19**	**182**	**99**	**3**	**4**	**307**

Registered Office:
Warden House, 2nd Floor,
Sir P. M. Road, Fort,
Mumbai 400 001.

Corporate Office:
TCG Financial Center, 10th Floor,
BKC Road, Bandra Kurla Complex,
Bandra (East), Mumbai 400 098.

National Office:
HDIL Towers, Ground & Sixth Floor,
Anant Kanekar Marg, Station Road, Bandra
(East), Mumbai - 400051, Maharashtra.

Board's Report

(Report of Advisory Committee Chaired by the Administrator)

Dear Members,

The Reserve Bank of India (RBI) vide Press Release dated November 20, 2019 in exercise of the powers conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934 (RBI Act) superseded the Board of Directors of your Company on November 20, 2019 owing to governance concerns and defaults by your Company in meeting various payment obligations and the RBI appointed Mr. R. Subramaniakumar, ex-MD and CEO of Indian Overseas Bank as the Administrator of your Company under Section 45-IE (2) of the RBI Act. Thereafter, RBI vide its Press Release dated November 22, 2019, in exercise of the powers conferred under Section 45-IE 5(a) of the RBI Act, constituted a three (3) member Advisory Committee to assist the Administrator in discharge of his duties and to advise the Administrator in the operations of your Company during the Corporate Insolvency Resolution Process (CIRP). As per the framework of the Advisory Committee as approved by RBI, primary responsibility of the Advisory Committee is to guide the Administrator to undertake all steps that will maximize the value for all stakeholders of your Company through a successful resolution. Since the Administrator also takes over the responsibility of the Board of Directors of your Company, the Advisory Committee will support the Administrator in fulfillment of his role and responsibilities. The members of the Advisory Committee are Dr Rajiv Lall, erstwhile Non-Executive Chairman, IDFC First Bank Ltd., Mr. N S Kannan, Managing Director and CEO, ICICI Prudential Life Insurance Co. Ltd. and Mr. NS Venkatesh, Chief Executive, Association of Mutual Funds in India.

On November 29, 2019, the RBI filed a Petition before the Hon'ble National Company Law Tribunal, Mumbai Bench (Hon'ble NCLT/ Adjudicating Authority) under Section 227 read with Section 239(2)(zk) of the Insolvency and Bankruptcy Code, 2016 (IBC / IBC Code / Code) read with Rules 5 and 6 of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudication Authority) Rules, 2019 (FSP Rules), to initiate CIRP against your Company. Accordingly, in terms of Rule 5(b)(i) of the FSP Rules, an interim moratorium came into effect on the date of filing of the application to initiate CIRP. Thereafter, CIRP was initiated against your Company by an Order dated December 3, 2019 of the Hon'ble NCLT. The Hon'ble NCLT, vide the said Order, confirmed the appointment of the Administrator to perform the functions of an Interim Resolution Professional / Resolution Professional to complete the CIRP of your Company as required under the provisions of the Code and also announced commencement of the moratorium under Section 14 of the Code with effect from November 29, 2019.

Accordingly, your Company is presently undergoing CIRP under the provisions of the Code along with the Regulations and Rules thereunder and the Administrator performing the duties of the Resolution Professional under the Code along with the Advisory Committee is presenting this Report.

In consequence of the aforesaid changes the Advisory Committee is presenting the Standalone and Consolidated Reports on the operations and business performance, along with the audited financial statements for the financial year ended March 31, 2020.

KEY FINANCIALS

During the financial year 2018-19, your Company adopted Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with the Companies (Indian Accounting Standards) Rules, 2015. Accordingly, the financial statements for the year ended March 31, 2020 have been prepared as per the Ind AS.

The financial performance of your Company for the financial year ended March 31, 2020 is summarized below:

(₹ in crore)

Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Gross Income	9,343.12	12,902.52	9,578.85	12,911.66
Less: Finance Costs	5,725.18	9,392.85	5,736.21	9,416.91
Net loss on fair value changes	14,996.48	2,458.37	15,034.71	2,458.37
Impairment on financial instruments	6,241.13	1,084.98	6,242.13	1,008.97
Overheads & Provisions	548.91	1,080.15	548.91	1,080.27
Depreciation and amortization expense	79.41	51.15	79.41	51.15
Profit/ (Loss) before Tax	**(18,247.99)**	**(1,164.98)**	**(18,062.52)**	**(1,104.01)**
Less: Current Tax	(11.33)	538.32	(11.33)	538.32
Deferred Tax	(4,624.34)	(667.25)	(4,624.34)	(658.40)
Net Profit/ (Loss) after tax	**(13,612.32)**	**(1,036.05)**	**(13,426.85)**	**(983.93)**

(₹ in crore)

Particulars	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Add: Share of net profits of associates and joint ventures	-	-	(28.96)	18.02
Add: Balance brought forward from the previous year	1,248.07	2,377.73	1,083.36	2,143.19
Add/(Less): Other Comprehensive Income	(1.15)	0.93	(1.15)	0.07
Add/(Less): Change in accounting Policy	1.47	-	1.47	0.88
Surplus available for appropriations	**(12,363.93)**	**1,342.61**	**(12,372.12)**	**1,178.23**
Appropriations				
Equity Dividend (Final)	-	78.41	-	78.41
Tax on Dividends	-	16.13	-	16.46
Balance carried over to Balance Sheet	(12,363.93)	1,248.07	(12,372.12)	1,083.36
Total	**(12,363.93)**	**1,342.61**	**(12,372.12)**	**1,178.23**
Earnings Per Share				
Basic (in ₹)	(433.76)	(33.02)	(428.77)	(30.78)
Diluted (in ₹)	(433.76)	(33.02)	(428.77)	(30.78)

Appropriations from Net Profit are as detailed in the table given above

TRANSFER TO RESERVES

During the year under review, your Company incurred a net loss of ₹ 13,612.32 crore mainly on account of increased provisioning and higher impact of impairment on financial instruments and consequently, no transfers were made to the reserves out of the amount available for appropriation.

CORPORATE INSOLVENCY RESOLUTION PROCESS

The Administrator under Section 13 of the Code read with Regulation 6 of the Corporate Insolvency Resolution Process (CIRP) Regulations had issued a public announcement as prescribed in Form A on December 5, 2019 for attention of the creditors of your Company to submit their claims against your Company. The Administrator, on receipt of the claims from the creditors has prepared a list of creditors (including Financial, Operational, Workmen & Employees and Other Creditors) along with their security Interest therein pursuant to Regulation 13(2)(c) of the CIRP Regulations and such list of creditors has been made available to the stakeholders of your Company on your Company's website. The claims have been admitted based on the information available in the books of accounts and records available with your Company and the information provided by the respective creditors in this regard.

It is pertinent to note that the admission of claims is a part of the CIRP and the same are subject to revision / modification till such date they are finalized.

The Administrator after preparing the list of claims of the creditors of the claims has constituted of the Committee of Creditors (COC) of your Company u/s 21 of the Code read with Regulation 17 of the CIRP Regulations. The Committee of Creditors is comprised of financial creditors of your Company as per Section 21 of the Code read with Regulation 17 of the CIRP Regulations. The Committee of Creditors has met 6 (six) times since initiation of CIRP till the date of this Report.

The Administrator after his appointment and with the approval / ratification of Committee of Creditors of your Company, as constituted by him in accordance with Section 18(c) and 21(1) of the Code and the Regulation 17(1) of the CIRP regulations, appointed Mr. Sunil Kumar Bansal as the Chief Financial Officer (CFO) of your Company and Mr. Satya Narayan Baheti as the Company Secretary (CS) of your Company. Mr. Vaijinath M Gavarshetty was appointed as the Chief Executive Officer (CEO) of your Company by the erstwhile Board of Directors at its meeting held on September 28, 2019 on the recommendations of the erstwhile Nomination & Remuneration Committee of your Company and pursuant to the approval and recommendations of the erstwhile core committee of the lenders of your Company constituted pursuant to the Inter-Creditor Agreement executed amongst certain lenders of your Company in terms of the June 7, 2019 circular issued by RBI. While Mr. Vaijinath M Gavarshetty was appointed with effect from October 1, 2019, he assumed the office as CEO of your Company with effect from November 21, 2019. As part of the CIRP of your Company, the Administrator, Advisory Committee and the present management team have taken various initiatives to ensure 'going concern' status of your Company as required u/s 20 of the Code. Further, the Code and Regulations thereunder stipulate prior approval by the Committee of Creditors for certain actions to be taken during the process, including as provided u/s 28 of the Code. The Administrator and the Advisory Committee as set up by the RBI to assist the Administrator in discharge of his duties, exercise oversight on the operations of your Company apart from running the CIRP in accordance with the provisions of the Code and Regulations under IBC, 2016. The Administrator appointed Ernst & Young LLP and AZB Partners as Process and Legal advisors, respectively to assist him in completion of the CIRP of your Company.

The present management under the guidance of the Administrator has undertaken various initiatives recently including efforts to strengthen the policies and processes, functioning of the IT System; loan / security documentation, legal, internal audit, internal financial controls and updating risk control matrices, information security, operational and credit management risk and fraud risk management, through in-house resources and engagement of external professional experts/consultants. The management team has also initiated steps for comprehensive compliance of various applicable rules and regulations within your Company. The improvement process is a continuous effort and the same has been extended due to the operational issues arising out of the COVID-19 pandemic and the resultant lockdown.

These initiatives will strengthen your Company's overall governance structure and control environment. On conclusion and implementation of all such initiatives, it is expected that the operational efficiency will improve and operational issues will get addressed.

The Administrator acting as the Resolution Professional under the provisions of the Code has appointed a Transaction Avoidance Auditor (referred as "TAA") - Grant Thornton India LLP to ascertain if your Company has entered into transactions as specified in terms of provisions of the Code specifically u/s 43, 45, 50, 66 of the Code.

As per the terms of the order issued to the TAA, the three (3) reports are required to be submitted by the TAA -

(a) Report 1: Transaction Audit Report for preferential, undervalued, intent to defraud, fraudulent and wrongful trading and extortionate credit transactions to be conducted within the relevant time period as prescribed under the Insolvency and Bankruptcy Code, 2016

Transactions to be conducted in accordance with the following time periods.

i. Transactions made with any person within the period of 1 year preceding the insolvency commencement date; and

ii. Transactions made with a related party within the period of 2 years preceding the insolvency commencement date.

(b) Report 2: Transaction audit report for

i. Preferential, undervalued and extortionate credit transactions to be conducted in accordance with the following time periods

a) Transaction made with any person within the period of 3 years preceding the insolvency commencement date; and

b) Transaction made with a related party within the period of 5 years preceding the insolvency commencement date.

ii. Transactions with intent to defraud and fraudulent and wrongful trading.

(c) Report 3: Report as stipulated under scope of work identify and review irregular accounts from the angle of possible fraud. Further, specifically review the underlying documents and security made available and its enforceability in the aforesaid scope of work.

The Administrator on the advise of the Advisory Committee and in consultation with the process advisors and legal advisors will file necessary applications before the Hon'ble NCLT as and when reports under the above sections are submitted by the TAA. First of such filing was done on August 30, 2020, with the Hon'ble NCLT based on the TAA Report received in the regard and application prepared by the legal advisors. The disclosure in relation to said filing as approved by the Advisory Committee on the advise of the legal advisors and the process advisors and submitted by your Company to the stock exchanges pursuant to the provisions of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) is annexed at "Annexure - 1" to this Report. Further, the Statutory Auditor has expressed their concern in this matter in para 4 of the Audit Report, issued with a Disclaimer of Opinion, for the Financial Year ended March 31, 2020.

PERFORMANCE

While in major part of the financial year under review the business of your Company was minuscule at a low level, by February 2020 the retail lending operations were recommenced primarily to cater to the Lower and Middle Income segment, however, the same also got impacted due to the COVID-19 pandemic and consequent extended lock-down.

RBI on June 7, 2019 had issued "Prudential Framework for Resolution of Stressed Assets" for early resolution of stressed assets in a transparent and time-bound manner, giving complete discretion to lenders with regard to design and implementation of Resolution Plans. As your Company was under stress due to liquidity issue of the industry as well its own, and also due to various adverse media reports on the functioning of your Company, the lenders initiated appropriate action.

As per this framework, lenders shall undertake a prima facie review of the borrower account within thirty days from such default (Review Period). During this Review Period of thirty days, lenders may decide on the resolution strategy, including the nature of the Resolution Plan (RP), the approach for implementation of the RP, etc. In cases where RP is to be implemented, all lenders shall enter into an Inter Creditor Agreement (ICA), during the above-said Review Period, to provide for ground rules for finalization

and implementation of the RP. RP shall be implemented within 180 days from the end of Review Period. The ICA shall provide that any decision agreed by lenders representing 75% by value of total outstanding and 60% of lenders by number shall be binding upon all the lenders. The RP may involve any action / plan / reorganization including, but not limited to, regularization of the account by payment of all over dues by the borrower entity, sale of the exposures to other entities / investors, change in ownership and restructuring.

Your Company which was already working with creditors for a restructuring plan with possible stake sale to strategic investors, was brought under the new guidelines of RBI and an ICA process was set into motion. By July 5, 2019, all major banks signed the ICA and RP process could be initiated immediately thereafter. 27 banks including all term lending banks and banks holding Non-Convertible Debentures (NCDs), NHB, LIC and NABARD signed the ICA in due course of time. Your Company and lenders, each appointed leading RP advisors to help draft the Plan. All key processes for drafting RP, including valuation / liquidation valuation, legal due diligence and rating process for RP rating were undertaken. Over the next 90 days during July and September 2019 multiple sittings were organized with ICA members. Joint Lenders Forum (JLF) including Non-Convertible Debentures (NCDs) and Fixed Deposit holders were held to explain the RP framework under consideration. Voting process was undertaken to obtain mandate from NCD holders through the Trustee. Enabling a change in the management control was a key aspect of the RP in making, including a possible lenders' led stake buy-out as an interim arrangement, were kept open as options to be explored.

Considering the large investors base under NCD, obtaining mandate from 60% of investors by number proved challenging. First round of voting by NCD holders could garner only 28% in favor from public investors. Mutual Funds (MF) too could not sign ICA reportedly due to the requirement to set aside your Company bonds in a side pocket prior to the default date, a condition which many MFs could not meet.

The ICA members and JLF however remained on consultative mode to find an acceptable solution to different class of investors; a flexibility which ICA offered. Multiple RP models were carved out towards this end and to secure the mandate from the requisite majority of lenders. Early September 2019 saw a leading MF moving Hon'ble High Court of Bombay restraining your Company from making any payments to any creditors. This was followed by various litigations against your Company which impeded the ICA work from moving in an environment of coordinated approach. Consultative process came to halt. The option was to go for a court led process.

With the introduction of Section 227 of the IBC on November 15, 2019 by the Central Government bringing Financial Institutions under the ambit of IBC process, the action shifted with RBI moving in and taking control of the affairs of your Company with the supersession of the Board of Directors of your Company and appointment of Administrator as stated earlier in this Report.

Standalone

During the financial year under review, your Company made total loan disbursements of ₹ 1,553 crore as against ₹ 28,770.61 crore in the previous financial year. During the financial year under review, the Gross NPAs as a percentage of the outstanding loans were 62.97% as against 5.27% in the previous year. The net NPAs as a percentage of the outstanding loans were 44.77% during the Financial Year under review as against 4.01% in the previous year.

The standalone and consolidated financial statements for the year ended March 31, 2020 have been prepared as per the Ind AS.

For the financial year under review, your Company suffered a Loss Before Taxes of ₹ 18,247.99 crore as against ₹ 1,164.98 crore in the previous financial year and Loss After Tax for the year under review is ₹ 13,612.32 crore as against ₹ 1,036.05 crore in the previous financial year, mainly on account of Net Loss on Fair Value Changes of ₹ 14,996.48 crore and ₹ 6,241.13 crore towards impairment on financial instruments during the financial year under review.

Consolidated

During the financial year under review, your Company's total revenue on consolidated basis stood at ₹ 9,578.85 crore, lower than ₹ 12,911.66 crore in the previous financial year. The overall operational expenses for the financial year under review were ₹ 27,641.37 crore, as against ₹ 14,015.67 crore in the previous financial year. Operating Loss Before Tax for the year under review stood at ₹ 18,062.52 crore as compared to ₹ 1,104.01 crore in the previous financial year. The Loss After Tax for year under review stood at ₹ 13,455.81 crore as against ₹ 965.91 crore in the previous financial year.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF YOUR COMPANY

No specific material changes and commitments, unless as disclosed in this Report, affecting the financial position of your Company have occurred between the end of the financial year under review, i.e. March 31, 2020 and the date of this Report.

DIVIDEND

Owing to the loss incurred by your Company for the financial year under review, no dividend has been declared/recommended on Equity Shares for the financial year ended March 31, 2020.

The Dividend Distribution Policy is available on the website of your Company at the URL https://www.dhfl.com/docs/default-source/investors/dividend-distribution-policy/dividend-distribution-policy-jan-2018.pdf and forms part of this Report as "Annexure - 2".

TRANSFER OF UNCLAIMED DIVIDEND / DEPOSITS AND SHARES TO INVESTOR EDUCATION & PROTECTION FUND (IEPF)

Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013, rules made thereunder and Investor

Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 read with the relevant circulars and amendments thereto, the amount of dividend / deposits remaining unpaid or unclaimed for a period of 7 (seven) years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF) as constituted by the Central Government.

Further, as per the provisions of Section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer & Refund) Rules 2016, the shares in respect of which the dividend has not been claimed for seven (7) consecutive years are required to be transferred by your Company to the designated Demat account of the IEPF Authority.

Unpaid / Unclaimed Dividend

During the financial year under review, in October, 2019 your Company has transferred unclaimed final dividend of ₹ 0.08 crore pertaining to the financial year 2011-12 to the Investor Education and Protection Fund (IEPF) established by the Central Government after the expiry of seven years from the date of transfer to unpaid dividend account.

Transfer of Shares to IEPF

Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and the rules made thereunder, on September 30, 2019, your Company transferred 14,074 equity shares of ₹ 10 each to Investor Education and Protection Fund (IEPF) established by the Central Government in respect of which the dividend remained unpaid/unclaimed for a period of seven consecutive years i.e. from 2011-12 till the due date of October 2, 2019 after following the prescribed procedure.

Unclaimed Deposits

During the financial year under review till October, 2019, an amount of ₹ 0.14 crore was transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government, being the amount of deposits along with interest thereon, that remained unclaimed and unpaid for a period of seven years from the date it became first due for payment.

Pursuant to the Order dated December 3, 2019 passed by the Hon'ble NCLT, Mumbai the CIRP has been initiated for your Company and the moratorium has been commenced under Section 14 of the Code read with Rule 5(b)(i) of FSP Rules effective from November 29, 2019.

As on March 31, 2020, an amount equal to ₹ 4,96,780 pertaining to the Interim Dividend 2012-13, was transferable by your Company to IEPF. Further, 11,208 equity shares of ₹ 10 each in respect of which the dividend remained unpaid/unclaimed for a period of seven consecutive years i.e. from interim dividend 2012-13 till the due date of December 28, 2019 were also required to be transferred to IEPF. Additionally, as on March 31, 2020 amount due for transfer to IEPF was ₹ 59,27,629 with respect to unpaid/ unclaimed matured deposits along with the interest accrued thereon. However, the same have not been transferred as any alienation of the assets of your Company post insolvency commencement date is prohibited by the moratorium under Section 14 of the Code, as per the legal advise received by your Company from the legal advisor. Further, as per Section 238 of the Code, provisions of IBC prevail over any other law to the extent of any inconsistency. Therefore, as per the legal advise received by your Company from the legal advisor, if these amounts are transferred to IEPF post insolvency commencement date (i.e. after December 3, 2019) or any time during the moratorium period it would violate the provisions of Section 14 of the Code read with Rule 5(b)(i) of FSP Rules. Accordingly, your Company has requested the IEPF Authority vide its letter dated April 15, 2020 to advise your Company on how the compliance with Section 125(2)(c) of the Companies Act, 2013 may be achieved. It has also been brought to the notice of IEPF Authority that it may file a proof of claim in the relevant form of CIRP Regulations for the monetary claims against your Company, arising prior to insolvency commencement date, which will be duly evaluated on merits by the Administrator. The dues arising from such claims will be addressed on the basis of the outcome of the CIRP and considered in accordance with the due process as laid out in the Code read with the FSP Insolvency Rules.

LENDING OPERATIONS

Your Company did not undertake any major lending operation in the financial year, due to various external factors. However, your Company has made significant efforts to strengthen its base to commence retail lending activities, by initiating review of its policies and processes, to come out stronger and sharper.

However, the COVID-19 pandemic outbreak and the resultant lockdown in the country had impacted various functions of your Company including Head Office and branch operations, collections and field visits and also new disbursements. During the initial phases of lockdown till about May 31, 2020, wherein strict restrictions on mobility were in force, your Company's Head Office and branches, micro-branches remained shut and could not function, in compliance with the Government guidelines. Due to swift adaption of alternate technology, Work from Home (WFH) enablement and other functional and connectivity support, a large number of employees of your Company were able to carry on with the day-to-day operations even during the lockdown.

In the month of April 2020 and May 2020, about 32% and 36% of the retail borrowers respectively, availed moratorium. During this period, the retail collections of your Company were impacted on account of the moratorium availed by the borrowers and due to the restricted movement of collections and field officers. In the month of April 2020, your Company's team contacted about 60% of its retail borrowers who had availed moratorium facility to explain them about the impact of moratorium on their loan accounts and also encouraged them to make the regular payments as per the monthly EMI payment cycle. In June 2020, even while the moratorium was extended to the customers, extensive awareness and collections campaign helped your Company reduce its under-moratorium borrower position from 36% in May 2020 to 27% in June 2020 in terms of count.

During the lockdown period, your Company also undertook an exercise to identify potentially stressed accounts and follow-up was ensured. With comprehensive efforts to improve collections, your Company has been able to significantly reduce the quantum of its overdue (irregular) retail accounts.

The retail disbursement process of your Company, which was commenced in the end of February 2020, was impacted during the lockdown owing to the restriction on conducting field visits for due-diligence and other verification processes. The outsourced call centre activities of your Company were affected during the lockdown, however, the agency was able to revive the operations with WFH enablement within 10 days and the teams commenced the operations in limited way and gradually scaled to near full level by end of May 2020.

Your Company has been closely monitoring the prevalent situation and would continue to take all necessary steps as required to maximise the value of your Company and continue the organisation as a going concern.

Moratorium of loans as per RBI Guidelines

To address and mitigate the burden of debt servicing owing to COVID – 19, and continuity of viable business, the RBI issued guidelines on March 27, 2020 permitting all commercial banks, co-operative banks, all-India Financial Institutions and NBFCs including Housing Finance Companies and micro-finance institutions to give moratorium to customers on payment of installments falling due between March 1, 2020 to May 31, 2020. Further in view of the extension of lockdown and continuity, RBI has further extended the same for three months i.e. from June 1, 2020 to August 31, 2020.

Accordingly, as per your Company's policy on providing moratorium to the borrowers your Company started offering moratorium to the customers of your Company.

Further, RBI vide Circular dated April 17, 2020 has issued detailed instructions with regard to asset classification and provisioning norms.

Your Company has complied with the applicable guidelines issued by RBI from time to time in this regard.

Securitisation / Assignment of Loans

During the financial year under review, your Company has sold/ assigned multiple pools of ₹ 6,108.85 crore. Your Company will, however, continue to collect the Equated Monthly Installments (EMIs) receivable from the borrowers in most of the cases, on behalf of the acquirer of the loans and remit the same to the latter after retaining its portion in terms of the individual agreements.

In line with the Notification vide no. S.O. 464 (E) dated January 30, 2020 issued by the Ministry of Corporate Affairs (MCA), your Company continues to discharge its obligations as a servicing or collection agent where it is contractually obliged to do so. As part of such obligation, your Company continues to collect the Equated Monthly Installments (EMIs) receivable from the borrowers on behalf of the acquirer of the loans and remit the applicable amounts to the latter in line with the underlying transaction documents.

COST REDUCTION MEASURES

Cost has been another focus area for your Company during the CIRP period. Your Company has undertaken a comprehensive review of all cost elements, and all unwanted costs have been eliminated while all necessary costs are being optimised. Your Company has formed various internal committees to look deeper into activities that have high cost outlays and how can those costs be optimised. As a result most of the outsourcing agreements and lease agreements have been reviewed and re-negotiated, and there is a concerted focus on grooming employees in multi-tasking to ensure all non-technical vacancies are filled internally. As a result of these concerted efforts your Company has not only been able to reduce costs significantly, but more importantly your Company has been able to set in motion a process that will reap rich dividends to your Company in the next few years.

Various officers of your Company have also voluntarily come forward to accept reduction in salary amount willingly because your Company was under CIRP and there was cost cutting drive all across.

SHARE CAPITAL

A) Authorized Share Capital

During the financial year under review, there has been change in the authorized share capital of your Company. The Authorized share capital of your Company as at March 31, 2020 stood at ₹ 10,90,39,00,240 divided into (i) 84,03,90,024 equity shares of ₹ 10/- each aggregating to ₹ 840,39,00,240 and (ii) 25,00,000 non-convertible redeemable cumulative preference shares of ₹ 1,000/- each aggregating to ₹ 250,00,00,000.

B) Issued and Paid-up Share Capital

(1) Equity Share Capital

During the year under review, there has not been any change in the issued and paid-up share capital of your Company. The issued and paid-up equity share capital of your Company as at March 31, 2020 was ₹ 313,82,30,240 divided into 31,38,23,024 equity shares of ₹ 10/- each.

Your Company has neither issued any shares with differential voting rights nor any Sweat Equity shares, during the financial year under review.

(2) Preference Share Capital

No preference shares have been issued by your Company so far.

RESOURCE MOBILISATION

Your Company vide special resolution passed by the Members of your Company, under Section 180(1)(c) of the Companies Act, 2013, at the 33rd Annual General Meeting held on July 21, 2017, authorized the Board of Directors to borrow money upon such terms and conditions as the Board may think fit in excess of the aggregate of paid-up share capital and free reserves of your Company upto an amount of ₹ 2,00,000 crore and the total amount so borrowed shall remain within the limits as prescribed by National Housing Bank.

Your Company had issued and allotted from time to time various non-convertible debentures, sub-ordinated debts, perpetual debts, by way of public issue and private placement basis, However during the financial year under review, your Company did not borrow through any instrument such as Non-Convertible Debentures, External Commercial Borrowings, Masala Bonds, Subordinate Debt, Perpetual Debt, bank borrowings etc.

Upon commencement of the CIRP of your Company, interim moratorium / moratorium under Section 14 of Insolvency and Bankruptcy Code, 2016 (IBC Code) was imposed with effect from November 29, 2019. The moratorium on initiation and continuation of legal proceedings, including debt enforcement action ensures a stand-still period during which creditors cannot resort to individual enforcement action. The interest on the debt borrowed has also ceased to accrue from the date of commencement of CIRP, and no interest shall be applicable for the CIRP period as per legal opinion obtained by your Company. Further, any such payment of interest and principal may amount to according preferential treatment to a set of creditors to the prejudice of other stakeholders. In accordance with law, all creditors are bound by the process laid out under the IBC Code.

Deposits

Your Company is a deposit accepting Housing Finance Company, registered with National Housing Bank (NHB), however, your Company has stopped accepting or renewing deposits w.e.f. May 20, 2019 due to downgrading of its credit rating below the investment grade as prescribed under Housing Finance Companies (NHB) Directions, 2010 and further directions from authorities. The total deposits reduced by 23% to ₹ 5,355.72 crore as on March 31, 2020 as compared to ₹ 6,915.55 crore as on March 31, 2019.

Commercial Papers

Your Company has not borrowed any funds through Commercial Papers during the financial year under review. As at March 31, 2020, Commercial Papers outstanding amount stood at ₹ 100 crore (Face Value).

SECURITY COVERAGE FOR THE BORROWINGS

The security details of the aforesaid secured borrowings made by your Company are mentioned at Note No. 17 and 18 in the Notes to accounts forming part of the audited (standalone) financial statements for the financial year ended March 31, 2020.

CREDIT RATINGS

Due to a series of defaults in repaying debts/ borrowings your Company suffered consistent downgrades in its credit ratings of various loan facilities / financial instruments, since February 2019. On June 5, 2019, the credit rating was downgraded to 'default grade.'

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Your Company being a housing finance Company, the disclosure regarding particulars of loans made, guarantees given and securities provided in the ordinary course of its business is exempted as per the provisions of Section 186(11) of the Companies Act, 2013. Details of the investments made by your Company pursuant to the provisions of Section 186 of the Companies Act, 2013 are given in the Note No. 9 in the Notes to accounts forming part of the audited (standalone) financial statements for the financial year ended March 31, 2020.

CAPITAL ADEQUACY

As required under Housing Finance Companies (NHB) Directions, 2010, [NHB Directions, 2010], your Company is presently required to maintain a minimum capital adequacy of 13% on a stand-alone basis. The following table sets out your Company's Capital Adequacy Ratios as at March 31, 2018, 2019 and 2020:

Particulars	As on March, 31		
	2020	2019	2018
Capital Adequacy Ratio	-1.83%	14.07%	15.29%

During the year under review, the National Housing Bank amended the capital adequacy requirements for Housing Finance Companies (HFCs). Accordingly, the minimum stipulated capital adequacy ratio for the year ended March 31, 2020 was increased from 12% to 13% and the minimum Tier I capital was increased from 6% to 10%. Going forward, as stipulated the minimum capital adequacy ratio for HFCs would increase to 14% on or before March 31, 2021 and 15% on or before March 31, 2022.

The Capital Adequacy Ratio (CAR) of your Company was at -1.83 % as on March 31, 2020, as compared to the regulatory requirement of 13% as disclosed at point no. 69.3.1 in the Notes to Accounts, "Disclosure Required by the National Housing Bank".

The NHB Directions, 2010 also require that your Company transfers minimum 20% of its annual profits to a reserve fund. Due to net loss incurred during the financial year under review, no transfer was made by your Company.

Pursuant to Section 14 of the Code read with Rule 5(b)(ii) of the FSP Rules the license or registration which authorises the financial service provider to engage in the business of providing financial services shall not be suspended or canceled during the moratorium period and the Corporate Insolvency Resolution Process.

In view of the same, while your Company could not fulfill the requirements of CAR and transfer to reserve fund as per NHB requirements, the licenses or similar grants given to your Company to operate as a Housing Finance Company by any authority is not to be suspended or terminated on the grounds of insolvency during the CIRP.

NON-PERFORMING ASSETS AND PROVISIONS FOR CONTINGENCY

The following table sets forth your Company's gross NPAs, net NPAs, cumulative provisions and write-offs for the periods indicated:

(₹ in crore)

	Financial Year ended March 2020				Financial Year ended March 2019			
	Retail	ICD	Wholesale	Total	Retail	ICD	Wholesale	Total
Gross Non-Performing Assets	7,146.98	3,390.43	39,689.97	50,227.38	24,66.71	1,746.81	824.76	5,038.28
% of Gross NPA to Total Loan Portfolio	21.32%	100.00%	92.61%	62.97%	4.18%	32.16%	2.65%	5.27%
Net Non-Performing Assets	3,092.95	2,001.63	30,617.97	35,712.56	2,113.99	1,438.42	279.01	3,831.42
% of Net NPA to Total Loan Portfolio	9.23%	59.04%	71.44%	44.77%	3.58%	26.49%	0.90%	4.01%
Total cumulative provision on Loans	4,320.06	1,388.80	9,101.08	14,809.94	892.17	308.39	606.54	1,807.10
Write-off	163.13	-	41.24	204.37	112.93	-	99.33	212.26

Recovery & Collections

During the earlier management's tenure, the follow up of wholesale accounts was only from Head Office. In the present CIRP period, the wholesale accounts have been allotted to the zonal heads where the Project is operational. Your Company has formed distinct teams for retail and wholesale with task-force consisting of legal, credit, operations and collections with focused number of Projects. Under retail, NPA monitoring and recovery action has been brought under separate vertical and the speciliased teams are working towards maximizing the recovery. Amongst various actions being taken, now your Company is focusing on actions such as asset tracing, attachment of salary/cash flow of defaulters, action against guarantors, willful defaulter actions, repossession of properties and auctioning thereof under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act). Your Company has a very robust and comprehensive collections setup comprising of call centers, field agents, law firms and auctioneers to deal with various stages of default while adhering to NHB guidelines. Your Company has been filing requisite particulars of mortgaged properties with CERSAI as per the prevailing guidelines issued by CERSAI. Major CERSAI registration action was initiated during the CIRP and the backlog left by the previous management is presently being cleared.

Your Company has established a closed monitoring mechanism for all the Projects financed by them and periodical visits are being initiated. The legal actions are being initiated against defaulting borrowers including the directors of the defaulting borrower.

INVESTMENTS

The Investment Committee of your Company is responsible for approving investments in line with the Investment Policy and limits as set out by the erstwhile Board / the Advisory Committee, from time to time. The Investment Policy is reviewed and revised in line with the market conditions and business requirements from time to time. The investment function is carried out primarily to support the core business of housing finance to ensure adequate levels of liquidity and to maintain investment in approved securities in respect of public deposits raised as per the norms of National Housing Bank. During the earlier management's tenure till October 2019, your Company was having liquidity issues and hence the treasury functions were curtailed. During CIRP, the risk appetite of your Company was assessed carefully by the Advisory Committee along with the Committee of Creditors (CoC) and a conscious decision of parking the surplus funds with overnight fund schemes of mutual funds and/or deposits with banks has been taken.

During the financial year under review, your Company made a loss of ₹ 2 crore (pre CIRP) from mutual fund and other treasury operations and earned ₹ 204 crore by way of interest on bonds (including SLR bonds) and deposits placed with banks.

As per National Housing Bank guidelines, Housing Finance Companies are required to maintain Statutory Liquid Ratio (SLR) in respect of public deposits raised. Currently, the SLR requirement is 13% of the public deposits. As at March 31, 2020, your Company has invested ₹ 721.28 crore (book value - gross) in approved securities comprising of government securities, government guaranteed (State and Central) bonds, State Development Loans and by way of bank deposits for ₹ 588.86 crore. It is being maintained within the limits prescribed by National Housing Bank.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

As on March 31, 2020, your Company has four (4) wholly owned subsidiaries viz., DHFL Advisory & Investments Private Limited (DAIPL), DHFL Investments Limited (DIL), DHFL Holdings Limited (DHL), DHFL Changing Lives Foundation (DCLF), a Section 8 Company; one (1) joint venture viz., Pramerica Life Insurance Limited (PLIL) (formerly known as DHFL Pramerica Life Insurance Company Limited) and one (1) associate Company viz., DHFL Ventures Trustee Company Private Limited (DHFL Ventures).

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, your Company has prepared Consolidated Financial Statements of your Company which forms part of this Annual Report. However, based on an Agreement dated March 31, 2017 executed by the erstwhile management, the financial statements of DIL have never been consolidated with your Company as per

decision of erstwhile management of your Company. Further, a Statement containing salient features of financial statements of the subsidiaries, joint venture entities and associate companies in the prescribed format AOC-1, pursuant to the provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 forms part of this Report as "Annexure - 3". The Statement also provides details of performance and financial position of each of these companies.

In accordance with the provisions of Section 136 of the Companies Act, 2013 read with the applicable rules, the audited accounts of the subsidiary/ies, joint venture entity and associate Company, are available on your Company's website i.e. www.dhfl.com.

These documents shall also be available for inspection till the date of the ensuing Annual General Meeting.

During the financial year under review, your Company under erstwhile management sold the entire stake held by it in the Joint-Venture Company, DHFL Pramerica Asset Managers Private Limited (presently known as PGIM India Asset Management Private Limited) (i.e. 17.12% directly and 32.88% through DAIPL) and DHFL Pramerica Trustees Private Limited (presently known as PGIM India Trustees Private Limited) to PGLH of Delaware and the transaction was consummated on July 31, 2019. Consequent upon said disinvestment on July 31, 2019, both DHFL Pramerica Asset Managers Private Limited and DHFL Pramerica Trustees Private Limited ceased to be Joint Venture companies of your Company.

Further, during the financial year under review, your Company under erstwhile management completed the sale/transfer of its entire stake held in Aadhar Housing Finance Limited (AHFL) (formerly DHFL Vysya Housing Finance Limited) i.e. 23,01,090 equity shares (equivalent to 9.15% of AHFL) to BCP Topco VII Pte. Ltd. (BCP Topco), which is controlled by private equity funds managed by Blackstone and consummated the transaction on June 10, 2019. Consequent upon sale/transfer on June 10, 2019, AHFL ceased to be an associate company of your Company. BCP Topco had withheld certain amount from the total sale consideration owing to alleged non-fulfillment of certain conditions by the erstwhile promoters group. During the CIRP, your Company has been making various efforts to recover the said withheld amount from BCP Topco.

Your Company under erstwhile management, during the current financial year, also completed the sale/transfer of its entire stake held in Avanse Financial Services Limited (Avanse) i.e. 1,92,50,719 (30.63%) equity shares to Olive Vine Investment Limited, an affiliate of the Warburg Pincus group and consummated the transaction on July 30, 2019. Consequent upon sale/transfer on July 30, 2019, Avanse ceased to be an associate company of your Company.

INFORMATION TECHNOLOGY

Your Company has a digital transformation program which comprises of technology enablers for business growth and operational efficiency. The journey towards digital transformation involves enhancing customer and employee experience by strengthening enterprise architecture and expanding the digital footprint to meet evolving business needs. Deposit part of the Tech 2.0 program was successfully implemented in 2017 while rest of the application such as loan, Accounting, Treasury etc. were not implemented. Entire Tech 2.0 program was reviewed by third party in CIRP and it was decided to implement some of the applications on the basis of cost, stage of the implementation and time to implement. Rest of the application where cost and time implication are high, have been kept in abeyance.

As part of this program, best-fit solutions were being implemented/ enhanced in the areas of (i) customer relationship management to achieve higher customer satisfaction and enhanced marketing and sales effectiveness; (ii) digital channels to provide for effective interaction between your Company and its customers and business partners/agents (iii) enhancing deposits system (iv) complete digitization of processes and document management to facilitate the centralization of processes (v) Mobility solutions for collections management, customer on-boarding and technical verifications (vi) loan origination and management system middleware enhancements (viii) Integration with fintech solutions for improving operational efficiency.

CUSTOMER SERVICE

Your Company has established a multi level customer query and grievance redressal process which provides many alternative channels for the customer to approach your Company. Details of the same are regularly updated on your Company's web-site. Customer service and monitoring process have been accorded a paramount importance across the organizational hierarchy with the prime objective of prompt and efficient services to the customer.

3R INITIATIVES TAKEN BY YOUR COMPANY

Your Company has taken up a project "Mission 3R (Reassess, Reorient, Restructure)" which has been launched to improve operational efficiency. Purpose of the mission is to enhance revenue of your Company, achieve operational efficiency, improve productivity and to ensure compliance. Cross functional teams from following functions of your Company (with inputs from CIRP advisors) were formed to brainstorm on ideas to achieve the program objectives:

- Sales, Credit, Operations;
- Collections/ Recovery, RCU, Compliance, Legal;
- Wholesale, Technical, Liabilities, Accounts;
- HR, Admin, IT, Audit, Treasury

The initiatives would be implemented and prioritized based on impact of initiative, ease of implementation and cost of implementation. Outcomes expected are as follows:

- Enhanced productivity and utilization of manpower across functions;
- Leaner Organization Structure;
- Cost Reduction / Lower cost to serve;
- Lesser redundancy and repetition of tasks;
- Automation / Digitization of manual tasks

HUMAN RESOURCES

Human Resources are the most important asset of any financial services organization. In the backdrop of the crisis that your Company was in, your Company faced increased attrition during the first half of the financial year. While the challenges ensued, your Company conducted various restructuring activities internally to manage the people crisis. For all key exists, the succession plan triggered in, and your Company was able to immediately fill all key leadership positions ensuring continuity and stability. The erstwhile management was unable to fill up the KMPs and the positions vacated by the senior management who left your Company in the first half of the financial year. During the CIRP, your Company was also able to attract talent, through lateral hiring, to fill key management positions which have enabled your Company to bring in best Industry practices of governance and compliance.

Your Company also undertook proactive measures to ring-fence critical talent through a Deferred Incentive Plan which was initiated during the ICA process and effectively finalized during the CIRP. This has helped your Company to reduce attrition significantly, and has also created a positive impact on business operations and continuity.

Your Company also actively encouraged cross utilization of resources to avoid the need of hiring from the market, and also to nurture multi-tasking skills in employees. This ensured that all employees of your Company were productively employed, and also helped your Company save on hiring costs. and wherever necessary strengthened its hiring process to ensure economical quality hires.

While being cost conscious during the CIRP period, your Company implemented projects through cross functional teams to help it move into the next phase of leadership and strategic partnership. This ensures the system and its machinery to remain active for the business continuity and growth. Furthermore, your Company has also drawn out its a succession plans to maintain business readiness for the next stages of change.

During this period, your Company re-assessed all its internal policies and practices and brought in measures to make them more compliant as well as mitigate risks that it was being exposed to.

During the end of the fiscal your Company, along with the entire globe, faced an unprecedented situation of a pandemic. Business Continuity and Employee Safety Plan was activated to ensure compliance with all national and local guidelines, at the same time maintaining continuity of business operations, specific functional guidelines were designed. Continuity of all functions was ensured without any downtime through a robust BCP strategy and collaborative cross-functional efforts.

Engagement through effective communication

Your Company also enhanced its internal communication channels to ensure effective two-way communication for information to reach the last mile. This was done to ensure all information about large changes in your Company are available to employees from management first rather than external information sources which may not always be reliable.

Engagement programs focusing on learning and alignment of your Company to the larger community were put together for employees of your Company to foster confidence among employees, as well as cross-functional programs to boost team-spirit among peers.

With the commencement of CIRP, the continuous engagement with the entire workforce through Webinar/Townhall meetings was initiated to ensure constant flow of information and keep the morale of the workforce high and reduce attrition.

With the various interventions, throughout the functions your Company saw a sharp decrease in attrition. As on March 31, 2020, your Company's total workforce was 2,179 as against 3,320 on March 31, 2019. The manpower is in line with your Company's operations and geographical reach, especially in Tier II and Tier III cities, towns and peripheral suburbs.

Learning and Development

The Learning and Development (L&D) department's role is to align employee goals and performance with that of your Company's. The department is responsible for identifying skill gaps among employees and teams and then develop training modules and deliver them to bridge those gaps basis your Company's learning strategy.

The department operates on the foundation that your Company's employees are the greatest asset. The department plays a critical role liaising with cross functional teams to identify employee learning needs, ensure the employees are able to meet the challenges of their jobs and that they are aligned to the business goals of your Company. It has been working closely with the learners to ensure the training interventions improve productivity and motivate them to perform with renewed vigor and zeal. The L&D team is evolving to constantly upgrade their skills and knowledge and utilize the knowledge and expertise of Subject Matter Experts from the different functions to meet your Company's goal. The team has utilized their in-house capability to develop content and train the employees on their online learning management system, classroom and virtually through the webex platform. The L&D team has been constantly training the employees on the changes in the policies and documentation process to ensure all operate with the new plans.

In the last financial year training was imparted to 2,100 on roll employees and 2,543 off roll employees, covering all Mandatory Modules which ensures the employees are aware and updated on important policy guidelines namely Information Security, Know Your Customer & Anti Money Laundering, Prevention of Sexual Harassment, and Code of Business Ethics.

The Mandatory Induction program for the new joinees is conducted Online as part of the employee on boarding, it provides an overall view of your Company's vision and mission, ensures the new joinee is aware and updated of the important policy guidelines namely Information Security, Know your Customer and Anti Money Laundering, Prevention of Sexual Harassment and Code of Business Ethics.

In keeping with its importance and in compliance with National Housing Bank norms, trainings on Know Your Customer Anti Money Laundering with a total coverage of 2,075 employees were also imparted at all levels within your Company.

Taking concrete steps based on the study findings, is helping your Company in building a stronger and more engaged workforce. Customer focus remains at the core of all L&D initiatives.

Your Company's Human Resources initiatives and L&D systems are designed to ensure an active employee engagement process, leading to better organizational capability and vitality for maintaining a competitive edge and in pursuing its ambitious growth plans.

To further enable insurance product solicitation, procuring and servicing on behalf of your Company, 203 employees were identified across Branch Network of your Company to be the 'Insurance – Specified Person(s)', who were sponsored post commencement of CIRP to undergo Insurance Regulatory and Development Authority of India (IRDAI) prescribed mandatory 75 Hours of Training and Examination to fulfill requirements of obtaining Certificate of Registration with IRDAI.

EMPLOYEE REMUNERATION

The Board of Directors of your Company has been superseded by the Reserve Bank of India on November 20, 2019 as noted above. The ratio of the remuneration of each erstwhile director holding position of director during the year under review to the median employees' remuneration and other details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended by the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016, forms part of this Report as "Annexure - 4".

The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended by the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 forms part of this Report. However, as per first proviso to Section 136(1) of the Act and second proviso of Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Report and Financial Statements are being sent to the Members of your Company excluding the said statement. Any Member interested in obtaining a copy of the said statement may write to the Secretarial Department at the Registered Office of your Company.

EMPLOYEES STOCK OPTION SCHEME (ESOP)/ EMPLOYEE STOCK APPRECIATION RIGHTS (ESARs)

Your Company had formulated employee stock option schemes/ employee stock appreciation rights plan with an intent to reward the employees of your Company for their performance and to motivate them to contribute to the growth and profitability of your Company.

During the financial year under review, all the Employee Stock Appreciation Rights (ESARs) granted under Grant IV and Grant VI of the ESAR Plan 2015 were completed on account of exercise/ lapse from time to time of all the options granted thereunder. The applicable disclosures as stipulated under SEBI (Share Based Employee Benefits) Regulations, 2014 (SEBI SBEB Regulations), for the financial year under review, form part of this Report as "Annexure - 5" and in terms of Regulation 14 of SEBI SBEB Regulations the said details are also available on the website of your Company at the URL: https://www.dhfl.com/investors/esos-esar-disclosures

Your Company has received a certificate from its auditors confirming that the Employee Stock Options Schemes/ Employee Stock Appreciation Rights Plan have been implemented in accordance with SEBI SBEB Regulations and is as per the respective resolutions passed by the Members of your Company. The said certificate would be available for the inspection by the Members of your Company.

DISCLOSURE UNDER SUB-SECTION (3) OF SECTION 134 OF COMPANIES ACT, 2013, READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014

A. Conservation of Energy

The operations of your Company are not energy intensive. However, your Company has always been conscious of the need for conservation of energy and has been sensitive in making progress towards this initiative. Adequate measures are always taken to ensure optimum utilisation and maximum possible saving of energy at the offices and branches of your Company.

Your Company constantly improves on and installs various energy saving devices. Your Company replaces old electrical drives and has been switching from conventional lighting systems to LED lights at most of the branches in metro areas which also conserve energy.

B. Technology Absorption

Your Company has taken positive steps towards digital transformation to enhance customer experience, provide superior customer service, improve operational efficiency to support evolving business needs. However, during CIRP, an end-to-end Information Technology review was undertaken through a third party expert and the gaps were identified in the legacy as well Tech 2.0 which has been under implementation for past 5 years. During the CIRP

period, some of the gaps are being addressed by initiating appropriate BPR measures and enhancing the current systems.

By expanding digital footprint, your Company has embraced various mobility solutions to improve productivity and efficiency in customer on boarding, collections and technical verification processes. In addition, your Company is doing continuous enhancement of the core technology architecture to provide a scalable future ready platform to support and enable your Company's growth. The new technology platform covers all functions starting from sales to loan underwriting and management, customer relationship management, financial accounting and collections management.

Your Company is also adopting various analytics solutions to provide better insights about its customers and internal operations, and take informed decisions based on advanced and predictive analytics, especially during the CIRP.

C. Foreign Exchange Earnings and Outgo

There were no foreign exchange earnings during the year.

During the financial year under review, your Company's expenditure in foreign currency decreased by 57.09% from ₹ 198.79 crore in the financial year ended March 31, 2019 to ₹ 85.30 crore for the financial year ended March 31, 2020. The decrease in foreign exchange expenses was due to non payment of interest on external commercial borrowings.

INSURANCE

Your Company has insured its various properties and facilities against the risk of fire, theft, risk of financial loss due to fraud and other perils, etc. and has also obtained Directors' and Officers' Liability Insurance Policy which covers your Company's Directors and Officers (employees in managerial or supervisory position) against the risk of financial loss including the expenses pertaining to legal representation expenses arising in the normal course of business. Also the Public Liability policy availed covers the legal liability arising out of third party bodily injury or third party property damage in Company premises.

Further, your Company has obtained money policy to cover "money in safe and till counter and money in transit" for your Company's branches and various offices. All the vehicles owned by your Company are also duly insured.

Your Company also has in place a group mediclaim policy for its employees and their dependent family members, as well as group term life and group personal accident policies, which provide uniform benefits to all the employees.

Your Company is registered with Insurance and Regulatory Development Authority of India (IRDAI) to act as a Corporate Agent (Composite) for distribution and solicitation of life and general insurance products of Pramerica Life Insurance Limited (formerly DHFL Pramerica Life Insurance Limited), Cholamandalam MS General Insurance Company Limited and Navi General Insurance Limited (formerly DHFL General Insurance Limited), respectively. However, during the CIRP, all the above engagements are being reviewed.

Your Company serves as group administrator for group health and/or personal accident insurance policy for its customers and also solicits property (fire & standard perils) retail general insurance product to ensure adequate insurance coverage for the properties financed during the tenure of the loan.

Your Company also has in place a policy on Open Architecture for Retail Insurance Business, in terms of the Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015, which lays down the manner of soliciting and servicing insurance products and addresses the manner of adopting the philosophy of open architecture and its implementation.

VIGIL MECHANISM (WHISTLE BLOWER POLICY)

Pursuant to the provisions of Section 177 (9) and (10) of the Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has in place a Whistle Blower Policy, which provides for a vigil mechanism that encourages and supports its Directors and employees to report instances of illegal activities, unethical behavior, actual or suspected, fraud or violation of your Company's Code of Conduct and Code of Business Ethics.

The said policy is available on the website of your Company at the URL: https://www.dhfl.com/docs/default-source/investors/whistle-blower-policy/whistle-blower-policy-revised.pdf

During the CIRP, your Company appointed a Vigilance Officer and reviewed the Staff Accountability Policy with the intent to implement the relevant guidelines in true spirit.

PREVENTION, PROHIBITION & REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

As per the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, your Company has in place a Policy on Prevention, Prohibition & Redressal of Sexual Harassment of Women at Workplace and has a robust mechanism to redress the complaints reported thereunder. An Internal Complaints Committee has been constituted, which comprises of internal members and an external member who has experience in the subject field.

Pursuant to the provisions of Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the complaints received thereunder and the details relating thereto are as follows:

a. Number of complaints received in the year: Nil

b. Number of complaints disposed of during the year: Nil

c. Number of cases pending more than ninety days: Nil

d. Number of workshops or awareness programmes against sexual harassment carried out: Your Company

on a regular basis sensitizes its employees on prevention of sexual harassment through various workshops, awareness programmes which are conducted at branch, regional, zonal and national level.

e. Nature of action taken by the employer or district officer: Nil

RISK MANAGEMENT

Your Company's Risk management setup was strengthened and made effective with the commencement of CIRP.

Your Company has a Risk Management Committee (RMC), which post commencement of the CIRP has been revived with the approval of the Advisory Committee. CRO was made to report to the Chief Executive Officer and directed to establish Operational Risk Management Committee (ORMC), Credit Risk Management Committee (CRMC) and Information Security Committee that comprises of members of its senior management team and these were established during CIRP. These committees meet on a periodic basis to assess the risk management system and the emergent risks your Company is exposed to.

Your Company is striving to manage its risk in a proactive manner and has adopted structured and disciplined approach to risk management by developing and implementing risk management framework. With a view to manage its risk effectively, your Company has put in place an Enterprise Risk Management Policy which covers a formalized Risk Management Structure, along with other aspects of Risk Management i.e. Credit Risk Management, Operational Risk Management and Fraud Risk Management. The Risk Management Committee of your Company, on periodic basis, assess the risk management systems, processes and minimization procedures of your Company. During the financial year under review, during the CIRP period, the risk management policy of your Company was revised to align the same with the changing business environment.

During the financial year under review, as per the NHB requirement, your Company appointed the Chief Risk Officer (CRO) in July 2019 and set-up the Enterprise Risk team in September 2019. The Internal Audit function continues to report to the CRO as an interim arrangement during the presently ongoing CIRP process.

The Comprehensive Risk Management Policy was amended on October 17, 2019 to create the Enterprise Risk Management Policy to establish the Risk Management structure and spell out the roles and responsibility of ORMC and CRMC. Further, the details of various aspects of Operational and Credit Risk Management along with assessment process and procedures were included in the subject policy.

BUSINESS CONTINUITY PLAN

Your Company has put in place a new Business Continuity Policy (BCP) framework in place which is based on the 4 pillars viz. People, Processes, Information Technology & Infrastructure and Vendor Management. As per the new Policy, the BCP structure has been made more clear and precise. The new policy framework encompasses a wide range of subject matters as follows:

- BCP planning and readiness for all types and levels of disasters;
- BCP Invoking – redefined communication structure to remove the funnel approach and enable real-time action and reporting;
- Business Impact Analysis (BIA) – with details of activities and processes that would be carried out during disaster;
- Function Continuity Plan – to ensure continuity of each function's operations against the Business Impact Analysis (BIA);
- End-to-end BCP Management through R, A, C, I matrix (Responsible, Accountable, Consult, Inform) to cover People, Processes, Information Technology & Infrastructure and Vendor Management;
- Vendor Contingency Plan – Vendor Readiness and BCP management;
- BCP Information – Version Control; Common FTP Server (restricted users), Knowledge base on Policy (workline for all employees), Policy extract on website (all stakeholders).
- Adherence to NHB guidelines – Circular–90-2017-18 on presence of BCP for IT;

A BCP Committee comprising of top management team of your Company has been formed to oversee the BCP implementation and monitoring.

NOMINATION (INCLUDING BOARDS' DIVERSITY) REMUNERATION & EVALUATION POLICY (NRE POLICY) & PERFORMANCE EVALUATION

Prior to supersession of the Board of Directors of your Company by the RBI on November 20, 2019, your Company had combination of Executive and Non-Executive Directors as well as Independent Directors including a Woman Independent Director on its Board of Directors.

The Nomination (including Boards' Diversity), Remuneration & Evaluation Policy (NRE Policy) of your Company, has been formulated as per the provisions of Section 178 of Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Additional details with respect to the said policy are given in the Report on Corporate Governance forming part of this Annual Report.

The said policy is available on the website of your Company at the URL: https://www.dhfl.com/docs/default-source/investors/nomination-(including-boards-diversity)-remuneration-and-evaluation-policy-of-the-company/nomination-remuneration-evaluation-policy-revised.pdf

The Board of Directors of your Company was superseded by RBI on November 20, 2019 as noted above. No separate meeting of the Independent Directors was held during the financial year under review nor has the evaluation of performance of Directors, Board or the Committees thereof was carried out till the appointment of Administrator by RBI.

Since your Company is undergoing Corporate Insolvency Resolution Process under the IBC Code, the role of the Board and Committees is being fulfilled by the Administrator supported by the Advisory Committee.

CORPORATE SOCIAL RESPONSIBILITY

Your Company has in place a Corporate Social Responsibility Policy (CSR Policy), as per the provisions of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, which, inter-alia, lays down the guidelines and mechanism for undertaking socially useful projects for welfare and sustainable development of the community at large.

Education being the key to social empowerment, your Company had adopted Early Childhood Care and Education (ECCE) as a core thematic area for its CSR and implemented it through the wholly owned subsidiary of your Company viz. DHFL Changing Lives Foundation. Further, in keeping with its presence in the financial sector of the country and the sectors responsibility to help the lower income segment, your Company adopted 'Financial Literacy" and "Skills Development" as two other key areas for its CSR investments.

Your Company has been incurring losses during the last two financial years. The loss suffered by your Company during the year under review was ₹ 13,612.32 crore vis-à-vis loss of ₹ 1036.05 crore for the financial year 2018-19. During the year under review, your Company faced severe liquidity crunch, which inter-alia resulted in defaults in payment of dues to the deposit holders, lenders etc., consequently the credit rating of your Company has been downgraded to the default rating in June 2019.

The Reserve Bank of India (RBI) superseded the Board of Directors of your Company as mentioned earlier in the Report.

In view of the above, your Company could spend only ₹ 0.06 crore during the year under review and it was not possible to spend the full amount as required under Section 135 of the Companies Act, 2013. Your Company is however committed to remain a socially responsible organization supporting the national aspirations and missions. The Annual Report on CSR activities forms part of this Report as "Annexure - 6".

LISTING OF SHARES

The Equity Shares of your Company continue to remain listed on BSE Limited and the National Stock Exchange of India Limited.

DISTRIBUTION NETWORK

The distribution network of your Company is designed to reach out to the Lower and Middle Income (LMI) segment and tap a growing potential customer base throughout India. Your Company maintains a pan-India marketing and distribution network with a presence across at 305 locations throughout India, including 182 Branches, 99 Micro Branches, 17 Zonal/ Regional/CPU Offices, 4 Disbursement Hubs, 1 Registered Office, 1 Corporate Office and 1 National Office as on March 31, 2020. Additionally, as on March 31, 2020 your Company had international representative offices located in London and Dubai. However, as part of expenditure control and efficicency improvement, these overseas representative offcies are in the process of being closed during the CIRP period.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Reserve Bank of India superseded the Board of Directors of your Company and appointed Mr. R. Subramaniakumar as the Administrator (the Administrator) of your Company on November 20, 2019 and accordingly powers of the Board are vested in the Administrator. Further, RBI, in exercise of powers conferred under Section 45-IE 5(a) of the RBI Act, 1934, on November 22, 2019 constituted a three member Advisory Committee to assist the Administrator of your Company in discharge of his duties. The members of the Advisory Committee are Dr Rajiv Lall, erstwhile Non-Executive Chairman, IDFC First Bank Ltd., Mr. N S Kannan, Managing Director and CEO, ICICI Prudential Life Insurance Co. Ltd. and Mr. NS Venkatesh, Chief Executive, Association of Mutual Funds of India.

The Board of Directors of your Company as at November 20, 2019 (i.e. the date of supersession of the erstwhile board of directors) consisted of six Directors, out of which three were Independent Directors, two were Non-Executive Directors and one was Executive Director designated as a Chairman & Managing Director.

The following changes occurred in the composition of the erstwhile Board of Directors and Key Managerial Personnel during the financial year under review and until the date of this Report in addition to the changes as mentioned above:

Members of your Company at the 35th Annual General Meeting (AGM) held on September 28, 2019 had approved the appointment of the following as directors (1) Mr. Alok Kumar Misra (DIN: 00163959), Mr. Sunjoy Joshi (DIN: 00449318) both effective from March 26, 2019 and Dr. Deepali Pant Joshi (DIN: 07139051) effective from May 8, 2019 were appointed as Independent Directors of your Company for a period of five consecutive years (2) Mr. Srinath Sridharan (DIN: 03359570), was appointed as a Non-Executive Director of your Company effective from March 26, 2019, liable to retire by rotation; and (3) Mr. Dheeraj Wadhawan (DIN: 00096026), Non-Executive Director who retired by rotation at the said AGM and being eligible, offered himself for re-appointment and was re-appointed. All these directors were superseded by RBI exercising the powers vested with RBI as explained earlier in the Report.

During the year under review, no stock options were issued to any of the Directors of your Company.

During the year under review, Mr. Vaijinath M Gavarshetty was appointed as the Chief Executive Officer (CEO) of your Company effective from October 1, 2019 by the erstwhile Board of Directors of your Company. Mr. Vaijinath M Gavarshetty assumed his office as CEO of your Company with effect from November 21, 2019.

The positions of Chief Financial Officer and Company Secretary were vacant for long and the following were appointed by Administrator and confirmed / ratified by Committee of Creditors (COC), as the power for appointment is vested with COC.

Mr. Sunil Kumar Bansal was appointed as the Chief Financial Officer of your Company with effect from December 4, 2019 and Mr. Satya Narayan Baheti was appointed as the Company Secretary of your Company with effect from December 9, 2019.

BOARD MEETINGS

During the year 2019-20, prior to supersession of Board of Directors by RBI, 10 (Ten) Board Meetings were convened and held. The intervening gap between the said Board Meetings was within the period prescribed under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details of the Board composition, its meetings held during the year along with the attendance of the respective Directors thereat are set out in the Report on Corporate Governance forming part of this Annual Report.

Board Committees

Prior to the supersession of the Board of Directors by the RBI, your Company had a duly constituted Audit Committee as per the provisions of Section 177 of the Companies Act, 2013 and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The erstwhile Board of Directors also had other committees which included Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Risk Management Committee, Finance Committee, Corporate Social Responsibility Committee, Review Committee for Declaration of Wilful Defaulters to Credit Information Companies (CICs), Special Committee for Sale of Strategic Investments and Special Committee for Resolution Plan.

The details of the composition of the erstwhile Committees of the Board including their respective constitution, role as existing till November 20, 2019 are included in the Report on Corporate Governance forming part of this Annual Report.

With the Corporate Insolvency Resolution Process (CIRP), Advisory Committee functions as various sub committees as well, excepting those exempted for Company under CIRP. Many items which were not regularly monitored by erstwhile Board has also been taken up for discussion in the advisory Committee Meeting.

ADVISORY COMMITTEE

RBI vide its Press Release dated November 22, 2019, in exercise of the powers conferred under Section 45 IE 5(a) of the RBI Act, constituted a three (3) member Advisory Committee to assist the Administrator in discharge of his duties and to advise the Administrator in the operations of the your Company during the Corporate Insolvency Resolution Process (CIRP).

Further, RBI vide Press Release dated December 4, 2019, notified that RBI has decided that even after initiation of CIRP of your Company vide NCLT order dated December 3, 2019, the Advisory Committee shall continue as the Advisory Committee constituted under Rule 5 (c) of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019. The Advisory Committee shall advise the Administrator in the operations of your Company during the Corporate Insolvency Resolution Process (CIRP).

The Administrator is the Chairman of the meetings and the minimum quorum is Chairman and atleast two advisors. As on the date of this Report, 41 Advisory Committee Meetings were held covering a very wide range of agenda pertaining to the CIRP matters as well as your Company's status as a going concern. The Advisory Committee oversees the operations of your Company and also the CIRP. They undertake the task as otherwise vested with the Board of your Company. They function akin to Board.

PARTICULARS OF CONTRACTS AND AGREEMENTS WITH RELATED PARTIES

Your Company has in place a Related Party Transaction Policy as per the provisions of Companies Act, 2013 read with the rules made thereunder and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which describes the related party transactions requiring requisite approvals and requirements of appropriate reporting and disclosure of transactions between your Company and its related parties. The said policy also defines the materiality of related party transactions and lays down the procedures of dealing with such transactions.

As per the records of your Company, after the CIRP there were no material related party transactions entered by your Company. Thus, the disclosure of related party transaction as per Section 134(3)(b) of the Companies Act, 2013 in the prescribed Form AOC – 2 is not applicable for CIRP period.

For the financial year ended March 31, 2020, the details of the related party transactions entered into by your Company in the ordinary course of business at arm's length basis are mentioned in the notes to the accounts forming part of the audited (standalone) financial statements.

As part of the CIRP, your Company is required to undertake Related Party Transactions after approval of the Committee of Creditors as per the provisions of Section 28 of the Code. According your Company has identified related parties as per Section 5(24) of the Code and appropriate approvals are sought from CoC for such transactions. The TAA appointed in respect of the Company has also provided a list of Related Parties as per Sec. 5(24) of the Code as part of his Report.

Pursuant to Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016, the Related Party Transaction Policy of your Company forms part of this Report as "Annexure - 7". The said policy is available on the website of your Company at URL https://www.dhfl.com/docs/default-source/investors/related-party-transaction-policy-of-the-company/related-party-transaction-policy_27-06-2018.pdf.

As RBI superseded the erstwhile Board of Directors of your Company owing to lack of Governance, amongst various other reasons, the present management emphasizes good governance practices as paramount for your Company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATOR OR COURT OR TRIBUNALS

There were no significant and material orders passed by any Regulator or Court or Tribunal which would impact the going concern status of your Company and its future operations except as mentioned below:

An Order dated May 29, 2020 was passed by the Adjudicating Officer(AO) of SEBI levying a penalty of ₹ 20 lakh on your Company in relation to shortfall / non creation of Debenture Redemption Reserve during past 3 years (financial year 2016-17 onwards) / Debenture Reserve Fund (April- 2019) and late submission of financial results for financial year 2018-19, both pertaining to the period before initiation of CIRP. Based on advice of the Legal Advisors, your Company has filed an appeal in the matter with the Hon'ble Securities Appellate Tribunal, mainly on questions of jurisdiction and interpretation of legal provisions while not defending the actions/inactions of the earlier management in the subject matter.

Further, the interim moratorium / moratorium u/s 14 of IBC as declared in respect of your Company, prohibits all of the following, namely:

(a) the institution of suits or continuation of pending suits or proceedings against the corporate debtor including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority;

(b) transferring, encumbering, alienating or disposing off by the corporate debtor any of its assets or any legal right or beneficial interest therein;

(c) any action to foreclose, recover or enforce any security interest created by the corporate debtor in respect of its property including any action under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (54 of 2002);

(d) the recovery of any property by an owner or lessor where such property is occupied by or in the possession of the corporate debtor.

INTERNAL AUDIT & INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

Your Company has an Internal Audit Department, which provides comprehensive audit coverage of functional areas and operations of your Company to examine the adequacy of and compliance with policies, procedures, statutory and regulatory requirements. Annual audit plan is placed before the Audit Committee / Advisory Committee and adherence to the plan is reported quarterly to the Audit Committee / Advisory Committee.

Compliance status of audit observations and follow up actions thereon are reported to the Audit Committee / Advisory Committee. The Audit Committee / Advisory Committee reviews and evaluates adequacy and effectiveness of your Company's internal control environment and monitors the implementation of audit recommendations.

Internal Audit is an independent and objective assurance and consulting activity designed to add value and improve your Company's operations. The Internal Audit function continues to report to the Chief Risk Officer (CRO) of your Company as an interim arrangement during the presently ongoing CIRP process. Internal Audit function is accountable to the Board of Directors through the Chairman of the Audit Committee / Advisory Committee through the Administrator. Internal audit also assists the management in identifying operational risks for revenue leakage and opportunities for cost savings and revenue enhancements; ensures working within the regulatory and statutory framework and facilitates early detection and prevention of frauds.

However, during the CIRP period it is observed that internal audit effectiveness was lacking during the earlier period and its independence is being established now with a view to prevent the lapses identified by the transaction avoidance auditor.

SECRETARIAL AUDIT REPORT, ANNUAL SECRETARIAL COMPLIANCE AUDIT REPORT AND CORPORATE GOVERNANCE CERTIFICATE

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations), the management of your Company appointed M/s. Vinod Kothari & Company, Practicing Company Secretaries, to undertake the Secretarial Audit of your Company for the financial year 2019-20. The Secretarial Audit Report for the financial year 2019-20 forms part of this Report as "Annexure - 8".

Pursuant to SEBI Circular CIR/CFD/CMD1/27/2019 dated February 8, 2019, Amruta Giradkar and Associates, Practicing Company Secretaries, Mumbai undertook the Annual Secretarial Compliance Audit of your Company for the financial year 2019-20 (ASCR). The ASCR has been submitted by your Company to BSE Limited and the National Stock Exchange of India Limited on July, 29, 2020 and the same is available on the websites of Stock Exchanges and on the website of your Company.

The certificate by Ms. Amruta Giradkar & Associates, Practicing Company Secretary, with relation to compliance with the conditions of Corporate Governance as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Report as "Annexure - 9".

The Secretarial Audit Report contains certain observations at Annexure II and certain qualifications at Annexure III of the Report; similarly the ASCR and CGC also contain certain observations, qualifications and remarks. The responses to all the aforesaid observations, qualifications and remarks are given herein below:

Response to para 1 of Annexure II and paras 1.3, 3, 5.1, 5.2, 6.2, 6.3, 6.4 of Annexure III to the Secretarial Audit Report: Pursuant to the provisions of Companies Act, 2013 (the Act) and the General Circular No. 08/2020 dated March 6, 2020 issued by the Ministry of Corporate Affairs (MCA), your Company has duly filed the Order passed by the Hon'ble NCLT, Mumbai on December 3, 2019 with MCA in e-form INC-28. The said form is pending for approval with the concerned ROC. Your Company has also requested the concerned ROC for approval of the said form. After completion of the action with relation to the said e-form INC-28 by ROC and other relevant authorities, your Company would be able to file other pending forms with the MCA as mentioned in the aforesaid paras of the secretarial audit report.

Response to para 2 of Annexure II to the Secretarial Audit Report: Pursuant to the aforementioned Order dated December 3, 2019 passed by the Hon'ble NCLT, Mumbai the Corporate Insolvency Resolution Process (CIRP) has been initiated for your Company and the interim moratorium / moratorium has been commenced under Section 14 of the Code, effective from November 29, 2019. As on March 31, 2020, an amount equal to ₹ 4,96,780 was transferable by your Company to IEPF pertaining to the Interim Dividend 2012-13. Further, as on March 31, 2020, amount due for transfer to IEPF was ₹ 59,27,629 with respect to unpaid/ unclaimed matured deposits along with the interest accrued thereon. However, the same have not been transferred as any alienation of the assets of your Company post insolvency commencement date is prohibited by the moratorium under Section 14 of the Code, as per the legal advise received by your Company from the legal advisor. Further, as per Section 238 of the Code, provisions of IBC prevail over any other law to the extent of any inconsistency. Therefore, as per the legal advise received by your Company from the legal advisor, if these amounts are transferred to IEPF post insolvency commencement date (i.e. after December 3, 2019) or any time during the moratorium period it would violate the provisions of Section 14 of the Code read with Rule 5(b)(i) of FSP Rules. Accordingly, your Company has requested the IEPF Authority vide its letter dated April 15, 2020 to advise your Company on how the compliance with Section 125(2)(c) of the Companies Act, 2013 may be achieved. It has also been brought to the notice of IEPF Authority that it may file a proof of claim in the relevant form of CIRP Regulations for the monetary claims against your Company, arising prior to insolvency commencement date, which will be duly evaluated on merits by the Administrator. The dues arising from such claims will be addressed on the basis of the outcome of the CIRP and considered in accordance with the due process as laid out in the Code read with the FSP Insolvency Rules.

Response to para 3 of Annexure II to the Secretarial Audit Report: As per the provisions of the Companies Act, 2013, Independent Directors of your Company are required to hold at least one meeting in a financial year, without the attendance of non-independent directors and members of management. The last meeting of the Independent Directors was held on January 25, 2019. However as the board was superseded in the month of November, 2019, no such meeting was held after the last meeting held on January 25, 2019.

Response to para 4 of Annexure II to the Secretarial Audit Report; and point no. 3(a) & 3(b) of CCG and paras (b)2, (b)5, (b)7 and (b)8 of the ASCR: Since the Compliance Officer i.e. Company Secretary, Chief Executive Officer and Chief Financial Officer of your Company had resigned in the last quarter of the Financial Year 2018-19, the Board of Directors pursuant to resolution passed on March 29, 2019, had inter-alia, authorised the erstwhile Chairman & Managing Director of your Company to submit any filings or communications to the stock exchanges or any other authorities as may be required under applicable laws and to sign any letters, communications or any other related documents in this connection.

Response to para 5 of Annexure II to the Secretarial Audit Report: As per Reg. 54(1) of SEBI Listing Regulations, in respect of listed NCDs, your Company is required to maintain hundred per cent asset cover sufficient to discharge the principal amount at all times for the non-convertible debt securities issued. Your Company having come under CIRP from December 3, 2019, the assets coverage shortage related aspects are expected to be addressed under a resolution plan to be approved by NCLT, which would provide for settlement of dues of creditors as per the provisions of the IBC Code.

Response to para 6 of Annexure II to the Secretarial Audit Report and para (b)11 of ASCR: Your Company has made the disclosure by way of a letter to the Stock Exchanges with reference to para 3(C2) of SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2019/140 dated November 21, 2019 to the effect that your Company is currently under moratorium pursuant to Section 14 of the IBC Code since November 29, 2019 and hence, your Company is not in a position to make payment of interest or principal to any of the lenders of your Company including the NCDs holders and that the payments to the lenders remains in abeyance and will be subject to the outcome of the CIRP process.

Response to para 7 of Annexure II to the Secretarial Audit Report: As per the regulation 7(2)(a) & (b) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 the promoters, directors, designated persons etc. are required to inform your Company of trades falling under the said regulations, and no provision of the said regulations requires your Company to follow specific process for the same. However, your Company has taken note of the observation and would endeavour to take appropriate action in this regard subject to the financial and other constraints.

Response to para 8 of Annexure II to the Secretarial Audit Report: In response to NHB's letter dated November 20, 2019 with regard refinance recall notice, and February 5, 2020 and February 24, 2020 with regard to Assets of Third Party, your Company vide its letter dated March 17, 2020 submitted its clarifications and justification to NHB. Further, NHB vide its letter dated May 4, 2020 did not accept your Company's justification and on July 27, 2020 NHB filed a petition in the National Company Law Tribunal, Mumbai in the subject matter which is being contested by your Company.

Response to para 9 of Annexure II to the Secretarial Audit Report: In response to the NHB Show Cause Notice dated September 2, 2019, the erstwhile management of your Company had submitted its replies vide letters dated September 17, 2019 and November 7, 2019, stating therein that there was no non-compliance and that sufficient liquid assets in terms of NHB guidelines have been maintained.

Response to para 10 of Annexure II to the Secretarial Audit Report: Statutory Auditors certifies on annual basis with regard adherence to Para 3 of the NHB Directions which impose limits on public deposits vis-à-vis the net owned funds. The statutory auditors have certified Schedule II for half year ended September, 2019 based on the unaudited financial statement as on September 30, 2019. It may be added here that the net owned funds figure as on March 31, 2020 was negative.

Response to para 1.1 of Annexure III to the Secretarial Audit Report: Since the board resolution passed was subject to approval of the Members of your Company and Board of Directors did not have final authority to implement the action stated in the resolution, Form MGT 14 in respect of the said board resolution was not filed.

Response to para 1.2 of Annexure III to the Secretarial Audit Report: Your Company, vide letter dated April 17, 2020 has advised the erstwhile director to sign the minutes, being related to pre-CIRP period and the communication and co-ordination with the erstwhile directors for signing the same is in process. Further, as per the provisions of the Companies Act, 2013 read with the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI), if a director does not comment on the draft minutes of the Board / Board Committees within 7 days of such circulation of draft minutes, the said minutes shall be deemed to have been approved by such director.

Response to para 1.4 of Annexure III to the Secretarial Audit Report: The permission of Board of Directors was not sought as required under the provisions of Companies Act, 2013 as the matter was not bought to the notice of the board by the concerned director, period pertain to erstwhile management

Response to para 1.5, 1.6 and 8.1(ii) of Annexure III to the Secretarial Audit Report and para (b)1, (d)3, (d)4 of the ASCR: The erstwhile management of your Company could not appoint within the prescribed time limit owing to various factors, hence there was a delay. However, they appointed Mr. Vaijinath M Gavarshetty, as CEO vide their appointment letter dated October 1, 2019. The Administrator after assuming his office upon supersession of Board of Directors by RBI, appointed the Chief Financial Officer and Company Secretary with the approval / ratification of COC.

Response to para 2.1 of Annexure III to the Secretarial Audit Report and para (b)6 of ASCR and point no. 3(c) of CCG: During the financial year 2018-19 i.e. prior to supersession of the Board of Directors by the RBI, your Company had granted short term loan of ₹ 30 crore to Wadhawan Global Capital Limited (WGC). However, instead of obtaining prior approval of the Audit Committee, the said related party transaction was ratified by the erstwhile Audit Committee members on May 3, 2019 and by the erstwhile Board of Directors on May 5, 2019 i.e. within the period of three months prescribed under the Companies Act, 2013.

Response to para 2.2 of Annexure III to the Secretarial Audit Report: In March, 2018, your Company had granted a Property Term Loan of ₹ 27.97 crore to Wadhawan Holdings Private Limited, a related party of your Company without taking prior approval of Audit Committee/Board of Directors. The said transaction was ratified by the erstwhile Audit Committee members and the erstwhile Board of Directors on July 13, 2019.

Response to para 4.1.i and 8.4 of Annexure III to the Secretarial Audit Report: Your Company has filed an appeal before Securities Appellate Tribunal (SAT) against the Order No. Order/SR/SM/2020-21/7991/25 dated May 29, 2020 passed by Adjudicating Officer of SEBI imposing the penalty on your Company the same is pending before the SAT. SAT vide its Order dated July 15, 2020 has inter-alia directed that the matter to be listed on September 15, 2020 and that no recovery shall be made for your Company until further order.

Response to para 4.1.ii of Annexure III to the Secretarial Audit Report: Your Company had defaulted in its repayment obligations in June 2019 and as a result, the 'no default statement' was not applicable. However, post discussions with rating agencies, the statement in a suitably modified format was submitted regularly.

Response to para 4.2 of Annexure III to the Secretarial Audit Report: Post March 2019, upon resignation of CEO and CFO of your Company, CEO/CFO certificate to the concerned issuing and paying agent (IPA) could not be issued. Your Company had made relevant disclosures in the public domain (through stock exchanges) about the default in payment of commercial paper on June 25, 2019. Post that, your Company had also made relevant disclosures about working on a resolution plan under June 7, 2019 circular of RBI.

Response to para 4.3.i of Annexure III to the Secretarial Audit Report: The delay in submission was due to discussions and coordination with AD Bank regarding the compliance and also due to required operational clarity.

Response to para 4.3.ii of Annexure III to the Secretarial Audit Report: Your Company's ECBs had been fully hedged. However,

starting June 2019, banks with whom your Company had hedging contracts started pre-terminating the derivative contracts. Your Company had approached few banks to get limits / enter into fresh contracts to cover up the unhedged exposures but was unable to get fresh derivative limits.

Response to para 5.3, 8.1(i) of Annexure III to the Secretarial Audit Report and paras (b)9, (d)1, (d)2 of ASCR: The reasons for delayed submissions of the financial results for the quarter and financial year ended March 31, 2019, June 30, 2019, September 30, 2019 and December 31, 2020 as per the letters submitted by your Company to the stock exchanges, are as follows:- (a) For March 31,2019: In view of the requirement of submission of the Ind AS compliant Audited Standalone and Consolidated Financial Results for the first time requiring additional resources, time and effort as also full time engagement of accounts and finance team in various non-routine audits and due diligence by various parties, there was a delay in submission. (b) For June 30, 2019: In view of the requirement of submission of the quarterly consolidated financial statements becoming applicable from the quarter ended June 30, 2019 requiring additional time and effort as also full time engagement of accounts and finance teams in various non-routine audits and the due diligence by various parties there was a delay in submission. (c) For September 30, 2019: For the delay in submission of the said financial results by your Company was on account of resignation of the erstwhile Statutory Auditors and reasonable time required by the new Statutory Auditors to review the financial results. (d) For December 31, 2019: Since your Company had submitted the financial results for the quarter/ half year ended September 30, 2019 on January 22, 2020 with a delay, hence there was a delay in finalization of financial results for the quarter and nine months ended December 31, 2019.

Response to para 5.4 of Annexure III to the Secretarial Audit Report and para (b)10 of ASCR: The Notice sent to the Members of your Company convening the 35th Annual General Meeting contained the resolution seeking approval of the members of your Company inter-alia for appointment of the M/s. K. K. Mankeshwar & Co. as Statutory Auditors of your Company. The said resolution provided that the appointment of the said auditors shall be at such remuneration, taxes and out of pocket expenses, as may be determined and recommended by the Audit Committee in consultation with the Statutory Auditors and approved by the Board of Directors of your Company, hence, the details of the remuneration were not included in the said Notice.

Response to para 6.1 of Annexure III to the Secretarial Audit Report and para (b)3 of ASCR: There was an inadvertent delay of one day in filing the intimation pursuant to regulation 13 (3) of SEBI Listing Regulations and the said intimation was filed with stock exchanges on October 22, 2019 instead of October 21, 2019.

Response to para 7.1 of Annexure III to the Secretarial Audit Report: The statutory auditors have certified Schedule II for half year ended September, 2019 based on the unaudited financial statement as on September 30, 2019.

Response to para 7.2 of Annexure III to the Secretarial Audit Report: Your Company holds 100% of equity share capital of DHFL Investments Limited (DIL), however, based on the agreement dated March 31, 2017, your Company does not exercise control over DIL and hence is not considered as a subsidiary company for the purpose of preparation of the Ind AS Financial Statements, as per the opinion received by your Company.

Response to para 7.3 of Annexure III to the Secretarial Audit Report: Due to resignation of erstwhile Joint Statutory Auditors of your Company, the audit of the annual returns i.e. return under HFC (NHB) Directions along with the Auditors' Certificate – Schedule I and return on prudential norms Schedule II (Capital Adequacy Ratio) for the financial year ended March 31, 2019 could not be completed and hence your Company was not able to submit the same to NHB. However both provisional returns were submitted to NHB. In light of the above and other unavoidable circumstances, the declaration of subsequent quarterly financial results of your Company during the financial year 2019-20 were also delayed as a result of which there were delays in filing of certain regulatory returns with NHB. However the March 2020 results were published well within the time, despite the complications and your Company being under CIRP.

Response to para 7.4 of Annexure III to the Secretarial Audit Report: As per the ALM Policy of your Company the Asset-Liability Committee (ALCO) meetings are required to be chaired by the CEO and in his absence the meeting is required to be chaired by the CFO. Owing to the resignations of both CEO and CFO of your Company during the quarter ended March 31, 2019 and continuing vacancies in the said positions, the ALCO meetings were headed by a Senior Management Personnel designated as Senior Vice President & Executive Assistant to the Chairman, who was a member of the ALCO committee. However during the CIRP, post November 2019, the meetings are chaired by CEO.

Response to para 7.5 of Annexure III to the Secretarial Audit Report: Your Company had duly registered on the Central Know Your Customer Registry (CKYC) portal and subsequently completed the testing requirements. However, prior to proposed deployment, due to certain internal developments and pending process approvals followed by revisions in the KYC Guidelines and CKYC reporting format requirements, the overall activity was put on hold till further notice. Further, your Company has since concluded on the revised SOP requirements and your Company is coordinating with the CKYC authorities to proceed with re-testing your Company's readiness for the process prior to final deployment. All these efforts are being taken only during CIRP period.

Response to para 8.2 of Annexure III to the Secretarial Audit Report: NHB had issued to your Company the Show Cause Notice dated April 12, 2019 and in reply thereto your Company had, inter-alia, submitted to NHB that the resignation of Mr. Harshil Mehta, the erstwhile Joint Managing Director & CEO of your Company with effect from February 13, 2019 and appointment of Mr. Srinath Sridharan as Additional Director in the category of Non-Executive Director of your Company with effect from March 26, 2019 were in the ordinary course of functioning of your Company and that

there was no change in the management of your Company, which resulted in change in more than 30% of the Directors and also that since there was no non-compliance of Clause 3(i)(c) of Housing Finance Companies – Approval of Acquisition or Transfer of Control (NHB) Directions, 2016, your Company had requested NHB that the said Show Cause Notice and the penalty proposed therein may kindly be withdrawn. However, the said submission was not accepted by NHB and penalty of ₹ 5,000 was levied on your Company by NHB, which has been duly paid.

Response to para 8.3 of Annexure III to the Secretarial Audit Report: The NHB vide its letter dated 26th September, 2019 had issued a show- cause notice to your Company stating that your Company has breached para 2(b) of the Fair Practice Code issued by your Company and also further violated the NHB Policy Circular NHB (ND)/DRS/Pol. No. 30 dated September 23, 2009. In terms of the said policy requires that the person mortgaging the property need to disclose the name of HFC. The same was not found by NHB. Your Company vide its letter dated October 7, 2019 had requested NHB that the said Show Cause Notice and the penalty proposed therein may kindly be withdrawn. However, the said submission was not accepted by NHB and penalty of ₹ 5,000 was levied on your Company by NHB, which has been duly paid.

Response to para 8.5 of Annexure III to the Secretarial Audit Report: During the service tax audit conducted in financial year 2019-20 for the period from 2013-14 to June 2017, the service tax auditors highlighted that service tax was payable on notice pay recovered from employees. As per the view of your Company, service tax is not payable on such notice pay recoveries. However, as the said view of your Company was not agreed, your Company paid the service tax along with applicable interest and penalty on the same.

Response to para (b)4 of ASCR: Provisions of SEBI Listing Regulations provide that an Independent Director of the Company resigns or is removed from the Board of Directors of the listed entity shall be replaced by a new Independent Director at the earliest but not later than the immediate next Board Meeting or three months of such vacancy whichever is later.

STATUTORY AUDITORS

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration Number 117366W/W-100018) and M/s. Chaturvedi Shah LLP, Chartered Accountants (Firm Registration Number 101720W/W10035) had resigned as the Joint Statutory Auditors of your Company with effect from August 2, 2019 and August 22, 2019, respectively. Members of your Company at the 35th AGM held on September 28, 2019 had appointed M/s. K. K. Mankeshwar & Co., Chartered Accountants (Firm Registration Number 106009W), as the Statutory Auditors of your Company, to fill the casual vacancy created upon resignation of the Statutory Auditors, with effect from August 26, 2019 till the conclusion of 35th Annual General Meeting of your Company, and also from the conclusion of the 35th Annual General Meeting of your Company till the conclusion of the 40th Annual General Meeting of your Company. The same auditor is continued during the CIRP period also, since any change require approval of COC also.

Auditors Report

The Report of the Statutory Auditors to the members for the financial year under review contains disclaimer of opinion and the management's response to the Basis for Disclaimer of Opinion contained in the Statutory Auditors' Report (hereinafter referred to as "the Basis for Disclaimer of Opinion") are as follows:-

The Reserve Bank of India (RBI) had superseded the Board of Directors of Dewan Housing Finance Corporation Limited (Company) and appointed Mr. R. Subramaniakumar as the Administrator of your Company in terms of Section 45-IE of the Reserve Bank of India Act, 1934 (RBI Act). Accordingly, the Administrator is vested with powers of the Board of Directors of your Company, pursuant to the aforesaid press release of the RBI. The RBI, in exercise of powers conferred under Section 45 IE 5(a) of the RBI Act, had constituted a three member Advisory Committee to assist the Administrator of your Company in discharge of his duties. Further, pursuant to an order dated 3rd December, 2019 of the National Company Law Tribunal, Mumbai Bench (NCLT), Corporate Insolvency Resolution Process (CIRP) has been initiated against your Company as per the provisions of the Insolvency and Bankruptcy Code, 2016 (Code).

The Administrator (assisted by the Advisory Committee), at the Advisory Committee Meeting held on June 20, 2020 have inter-alia, considered and taken on record the Ind AS Audited Financial Results (Standalone & Consolidated) of your Company for financial year ended March 31, 2020, as per Regulation 33, 52 and other applicable regulations of the SEBI Listing Regulations and in compliance with the Ind AS as per the provisions of the Companies (Indian Accounting Standards) Rules, 2015

Response to point No. 1 of the Basis for Disclaimer of Opinion: The Reserve Bank of India (RBI) vide Press Release dated November 20, 2019 in exercise of the powers conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934 (RBI Act) superseded the Board of Directors of your Company and appointed an Administrator under Section 45-IE (2) of the RBI Act. Thereafter, RBI vide its Press Release dated November 22, 2019, in exercise of the powers conferred under Section 45 IE 5(a) of the RBI Act 1934, constituted a three (3) Member Advisory Committee to assist the Administrator in the discharge of his duties.

On November 29, 2019, the RBI filed the Petition before the NCLT under Rule 5(a)(i) of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudication Authority) Rules, 2019 (FSP Rules) to initiate CIRP against your Company read with Section 227 of the Code. Accordingly, in terms of Rule 5(b)(i) of the FSP Rules, an interim moratorium came into effect on the filing of the application to initiate CIRP.

Further, CIRP was initiated against your Company under Section 227 read with of Section 239(2)(zk) of the Code and read with Rules 5 and 6 of the FSP Rules by an Order dated December 3, 2019 of the Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT/Adjudicating Authority). The Adjudicating Authority, vide the above Order, appointed the Administrator to perform all

the functions of a Resolution Professional to complete the CIRP of your Company as required under the provisions of the Code.

As per the said NCLT order dated December 3, 2019, a moratorium in terms of the Sec. 14 of the Code is applicable on your Company.

The Administrator, Advisors and KMPs have not been able to analyze in depth the accuracy, validity, completeness or authenticity of the information and figures mentioned in the audited financial statements as they have joined after November 20, 2019.

Moreover, the entire Present Management i.e. Administrator, CEO, CFO and CS has been involved in the affairs of your Company for less than four months in the entire financial year 2019-20. Further, since March 25, 2020 lockdown was imposed in the Country on account of COVID-19 causing a complete shutdown of offices which extended beyond the financial year 2020 till May 31, 2020.

As a part of CIRP of your Company, a Transaction Audit to determine avoidable transactions in terms of Section 43, 45, 49, 50 and 66 of the IBC Code and an exercise to determine the liquidation value and fair valuation of your Company is underway. These activities could not be conclusively completed till the signing of the financial statements in view of the disruption caused due to the lockdown restrictions. The outcome of such Transaction Audit may provide additional facts/information about the past data with respect to your Company.

The Administrator has signed the audited financials solely for the purpose of compliance and discharging his duties during CIRP period of your Company and in accordance with the provisions of the IBC, read with the Regulations and Rules thereunder, and based on the explanations, clarifications, certifications, representations and statements made by the existing staff of your Company in relation to the data pertaining to the period prior to the joining of the Present Management and does not have personal knowledge of the past affairs, finances and operations of your Company.

Response to point No. 2 of the Basis for Disclaimer of Opinion: The Administrator and the Advisory Committee was set up by the RBI to assist the Administrator in discharge of his duties to exercise oversight on the operations of your Company apart from running the CIRP process in accordance with the provisions of the Code and Regulation under IBC 2016 the Present Management has undertaken various steps and several initiatives recently including various efforts to strengthen the financial policies and processes, functioning of the IT system, loan / security documentation, legal audit, internal financial controls and updating risk control matrices, information security, operational and credit management risk and fraud risk management, through in-house resources and engagement of external professional experts/consultants. The management team has also initiated steps for comprehensive compliance of various applicable Rules and Regulations within your Company. The betterment process is a continuous effort, however, the same could not be fully concluded and implemented by March 31, 2020 due to the time essentially required; and the same is impacted due to the COVID-19 situation and the resultant lockdown The Present Management team believes that these initiatives will strengthen Company's overall governance structure and control environment. On conclusion and implementation of all such initiatives, it is believed that the operational efficiency will improve and operational issues will get addressed.

Your Company will continue to focus on affordable segment of housing and mid-tier segment which will allow it to have a perfect asset mix. Your Company will keep exploring cross-selling opportunities which can play a major role in improving the overall disbursement and profitability.

Response to point No. 3 of the Basis for Disclaimer of Opinion: The Administrator, Advisors and KMPs have not been able to analyze in depth the accuracy, validity, completeness or authenticity of the information and figures mentioned in the audited financial statements as they have joined after November 20, 2019.

Moreover, the entire Present Management has been involved in the affairs of your Company for less than four months in the entire financial year 2019-20. Further, since March 23, 2020 lockdown was imposed in the Country on account of COVID-19 causing a complete shutdown of offices which extended beyond the financial year 2020 till May 31, 2020.

The standalone financial results of your Company for the year ended March 31, 2020 have been taken on record by the Administrator while discharging the powers of the erstwhile Board of Directors of your Company which were conferred upon him by the RBI vide its press release November 20, 2019 and subsequently, powers conferred upon him in accordance with the NCLT Order dated December 3, 2019 to run your Company as a going concern during CIRP. Hence the financial statements for the year ended March 31, 2020 have been prepared on "going concern" assumptions.

Response to point No. 4 of the Basis for Disclaimer of Opinion: The Ministry of Corporate Affairs (MCA), has initiated investigation in the month of December 2019, into the affairs of your Company under Section 212(1) of the Companies Act, 2013 through Serious Fraud Investigation Office (SFIO). Further, Enforcement Directorate (ED) has also initiated investigation in connection with the loans given by your Company to certain borrowers. Central Bureau of Investigation (CBI) has also started investigation in connection with certain loan granted by your Company Apart from this CBI is also investigating into the matter of amounts invested by a state government entity - Provident Fund in the Fixed Deposits of your Company. Your Company is fully co-operating with all the investigating agencies.

Response to point No. 5 of the Basis for Disclaimer of Opinion: The investments/ advances by way of unsecured Inter Corporate Deposit (ICD) aggregating ₹ 5,65,269 lakh were outstanding as at March 31, 2019. Of these, ICDs aggregating ₹ 93,835 lakh have since been repaid by the borrowers and ICDs, aggregating to ₹ 1,30,661 lakh have been converted during the period of previous management into term loans during the period prior to November 20, 2019, resulting in an outstanding of ₹ 3,78,624 lakh under

ICDs, including interest receivable as of March 31, 2020. The recoverability or otherwise of the remaining amount is yet to be ascertained, and hence the appropriate provision amounting to ₹ 2,25,032 lakh has been made as a prudent measure. Due to non-availability of the recovery data, your Company has considered the Loss Given Default Percentage (LGD%) as specified in the guidelines issued by RBI in the circular "Implementation of Internal Rating Based Approached for Calculating of Capital Charge for Credit Risk" as a proxy LGD%. This is based on the industry practice followed in the cases where the companies do not have the trend of recovery experience.

Response to point No. 6 of the Basis for Disclaimer of Opinion : In respect of certain Project / Mortgage Loans, the Management is actively engaged with the loanees to remediate certain lacunae in loan documentation wherever possible.

Response to point No. 7 of the Basis for Disclaimer of Opinion: The wholesale loan portfolio aggregating to ₹ 49,58,544 lakh (pursuant to classification of this portfolio to "held for sale" in the previous year ended on March 31,2019) has been "fair valued" as at March 31 2020 at ₹ 30,73,231 lakh, with the resulting fair value loss aggregating ₹ 18,85,313 lakh. Out of this, fair value loss aggregating ₹ 3,25,629 lakh has been accounted up to March 31, 2019 and balance loss of ₹ 15,59,684 lakh has been charged to the Statement of Profit and Loss for the year ended March 31,2020. The basis of valuation of the portfolio is changed during the quarter ended March 31, 2020 by discounting the cash flow assessed by the external registered valuer as against the contractual cash flow used by the erstwhile management in the previous year and during the nine months ended on December 31, 2019. Further, as an outcome of valuation exercise to be completed during the CIRP, this may undergo change. However, the said valuation will be as on December 3, 2019, the date of commencement of CIRP. The recoverability or otherwise of these loans is yet to be ascertained and hence the appropriate provision has been made as a prudent measure on fair valuation method as per Ind AS provisions.

Response to point No. 8 of the Basis for Disclaimer of Opinion : The Present Management in the process of analyzing and reconciling its total assets have observed that an amount of ₹ 3,01,868 lakh have not been reconciled and could not be mapped to any security against which this amounts was disbursed in the past. The process of identifying and mapping of this amount to any scheme under which they were disbursed and further steps to be taken basis the findings, are being addressed as a part of CIRP and the same is underway and the Transaction Audit report may reveal further details in this regard. In the light of the above position and in the absence of internal confirmations, it has been decided as a prudent measure to treat the amount as loss assets as per asset classification norms and also due to non-availability of any security, your Company has fully provided for this amount while preparing the financials of your Company for the year ended March 31, 2020. However, the same has been identified as fraudulent transaction under Section 66 by Transaction Avoidance Auditor and now application has been filed in the Hon'ble NCLT as per the code. Initial reporting has also been made to NHB.

Response to point No. 9 of the Basis for Disclaimer of Opinion : Your Company has made substantial amount of provisioning were made as of March 31 2020 as per prudential norms stipulated by NHB, leading to negative net owned fund of ₹ 4,537 crore and adverse CRAR of -1.83%. Further, the loss aggregating ₹ 13,575.15 crore incurred by your Company during the year ended March 31, 2020, has rendered your Company not being able to comply with the regulatory requirements of NHB in respect of the Net Owned Fund (NOF) and which also resulted in contraventions of the provisions of NHB Act, 1987, Directions and Guidelines thereunder.

National Company Law Tribunal (NCLT) has admitted petition application filed by the RBI under sub-Clause (i) of clause (a) of Rule 5 of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudication Authority) Rules, 2019 (FSP Rules) read with Section 227 of the Code. The purpose of the ongoing CIRP is to find a resolution to your Company and carry on the day to day operations only to continue your Company as a going concern. Also, actions being taken now are being shared with the Committee of Creditors (COC), which is represented by NHB as well. Progress made under CIRP is regularly reported to the Committee of Creditors, in which NHB is also duly represented. The Code provides for a Resolution Plan to be put forward by the prospective Resolution Applicants. The requirements for an acceptable Resolution Plan, as per CIRP Regulations (Regulation 38), inter-alia, are as under:

A Resolution Plan shall provide for: (a) the term of the plan and its implementation schedule; (b) the management and control of the business of the corporate debtor during its term; and (c) adequate means for supervising its implementation.

A Resolution Plan shall demonstrate that (a) it addresses the cause of default; (b) it is feasible and viable; (c) it has provisions for its effective implementation; (d) it has provisions for approvals required and the timeline for the same; and (e) the resolution applicant has the capability to implement the Resolution Plan.

Some of the critical adverse parameters like Capital Adequacy, Asset Quality, Earnings, Liquidity etc. can be only addressed with successful implementation of a resolution plan which is part of the CIRP being perused.

Therefore, despite following a going concern approach, the present management team has a limited scope to effect improvements in the working of your Company and the successful Resolution Applicant would only be expected to be in a position to meet all the regulatory norms of business and improvement expectations

Response to point No. 10 of the Basis for Disclaimer of Opinion: Your Company had applied Ind AS 109 with respect to Expected Credit Losses (ECL) for the first time for the year ended March 31, 2019. During the current period, your Company has revisited the underlying assumptions required to calculate the provisions for ECL on the retail loan portfolio to remediate the deficiencies in the underlying assumptions as followed in the previous year

Response to point No. 11 of the Basis for Disclaimer of Opinion: Pursuant to the admission of your Company under the IBC, with a view to reflecting fairly the position for the purpose of presentation in respect of your Company's obligation tor interest and principal amount in respect of all the borrowings, your Company has not provided for interest amount of ₹ 2,36,133 lakh on borrowings since insolvency commencement date i.e. December 3, 2019, based on the opinion obtained from legal advisors. Under the IBC, the treatment of creditors under the resolution plan is as per debts due as on the insolvency commencement date and therefore, no interest is accrued and payable after this date. If the interest was accrued on borrowings, the loss year would have been higher by ₹ 1,75,612 lakh (net of tax). The same has been undertaken as per the legal advise and views of the experts.

Response to point No. 12 of the Basis for Disclaimer of Opinion : Your Company 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, your Company has re-measured its deferred tax assets (including re-measuring the opening balance as at April 1, 2019 and has taken a charge of ₹ 40,907 lakh relating to the same in the current financial year) basis the rate provided in the said section. The full impact of above mentioned change has been recognized in the financials for the year ended March 31, 2020.

Further your Company has credited a net sum of ₹ 4,60,985 lakh to the Statement of Profit and Loss for the year ended March 31, 2020 on account of deferred tax asset created as per Ind AS – 'Income Taxes'. Your Company is running as a going concern as per the provisions of the Code which requires the Administrator to preserve the value of your Company and maintain it as a going concern. Further, various bidders have expressed interest in submitting a Resolution Plan for your Company which is in an indicator of your Company's running as a 'going concern' in future.

Response to point No. 13 of the Basis for Disclaimer of Opinion: Your Company in the past has incurred cost for development of customized software for its operations and recording of transactions which has been carried as intangible asset under development, the balance of which as at March 31, 2020 is ₹ 10,517 lakh. Considering the factors, as stated your Company is of the view that no adjustments is required to be made to the carrying of the intangible assets under the development pursuant to the requirement of Ind AS 36 on impaired Assets.

Response to point No. 14 of the Basis for Disclaimer of Opinion: Your Company is currently undergoing Corporate Insolvency Resolution Process (CIRP) under the provisions of the Insolvency and Bankruptcy Code, 2016 (Code). The CIRP is to facilitate a sustainable resolution plan for your Company.

The present management has undertaken various good governance initiatives recently including various efforts to strengthen of the financial policies and processes, cost cutting steps, functioning of the IT system; loan / security documentation, legal audit, internal financial controls and updating risk control matrices, information security, operational and credit management risk and fraud risk management, through in-house resources and engagement of external professional experts/consultants. However, the same could not be fully concluded and implemented by March 31, 2020 due to the time essentially required; and the same is impacted due to the COVID-19 situation and the resultant lockdown.

The management team has also initiated steps for comprehensive compliance of various applicable rules and regulations within your Company. The betterment process is a continuous effort and the same is impacted due to the COVID 19 situation and the resultant lockdown. The Company believes that financial position of your Company will improve upon implementation of approved resolution plan by committee of creditors and NCLT.

Response to point No. 15 of the Basis for Disclaimer of Opinion: The Present Management in the process of analyzing and reconciling its total assets have observed that an amount of ₹ 3,01,868 lakh have not been reconciled and could not be mapped to any security against which this amounts was disbursed in the past. The process of identifying and mapping of this amount to any scheme under which they were disbursed and further steps to be taken basis the findings, are being addressed as a part of CIRP and the same is underway and the Transaction Audit report may reveal further details in this regard.

The Administrator on the advise of the Advisory Committee and in consultation with the process advisors and legal advisors will file an application before the Hon'ble NCLT as and when reports under the above sections are received from the TAA. First such filing was done on August 30, 2020. The disclosure in relation to said filing as approved by the Advisory Committee on the advise of the legal advisors and the process advisors and submitted by your Company to the stock exchanges pursuant to the provisions of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) is annexed at "Annexure - 1" to this Report.

In the light of the above position and in the absence of internal confirmations, it has been decided as a prudent measure to treat the amount as loss assets as per asset classification norms and also due to non-availability of any security, your Company has fully provided for this amount while preparing the financials of your Company for the year ended March 31, 2020.

Response to point No. 16 of the Basis for Disclaimer of Opinion : In certain instances, the amount of the claim admitted or to be admitted by the Administrator under CIRP process may differ from the amount reflecting in the books of accounts of your Company. The audited financial results are drawn on the basis of the figures appearing in the books of accounts of your Company as on March 31, 2020. The Administrator, the Advisors, KMPs stated that the figures may be interpreted solely for the purpose of satisfying the requirement for filing of yearly/ quarterly audited financial results and that these figures could change during the CIRP process or thereafter depending upon the findings made during the CIRP process or thereafter.

Response to point No. 17 of the Basis for Disclaimer of Opinion : The Reserve Bank of India (RBI) vide Press Release dated November 20, 2019 in exercise of the powers conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934 (RBI Act) superseded the Board of Directors of your Company and appointed an Administrator under Section 45-IE (2) of the RBI Act. Thereafter, RBI vide its Press Release dated November 22, 2019, in exercise of the powers conferred under Section 45 IE 5(a) of the RBI Act, 1934, constituted a three (3) member Advisory Committee to assist the Administrator in the discharge of his duties. On November 29, 2019, the RBI filed the Petition before the NCLT under sub-Clause (i) of clause (a) of Rule 5 of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudication Authority) Rules, 2019 (FSP Rules) to initiate CIRP against your Company read with Section 227 of the Code. Accordingly, in terms of Rule 5(b)(i) of the FSP Rules, an interim moratorium came into effect on the filing of the application to initiate CIRP. Further, CIRP was initiated against your Company under Section 227 read with clause (zk) of sub - section (2) of section 239 of the Code and read with rules 5 and 6 of the FSP Rules by an order dated December 3, 2019 of the Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT/Adjudicating Authority). The Adjudicating Authority, vide the above order, appointed the Administrator to perform all the functions of a resolution professional to complete the CIRP of your Company as required under the provisions of the Code. The moratorium was declared by the NCLT. As per the said NCLT order dated 3rd December, 2019, a moratorium in terms of the Sec. 14 of the Code is applicable on your Company.

The Administrator after his appointment and with the approval of Committee of Creditors of your Company, as constituted by him in accordance with Section 18(c) and 21(1) of the Code and the Regulation 17(1) of the CIRP regulations, appointed the Company Secretary (CS) and the Chief Financial Officer (CFO). The Key Managerial Personnel (KMPs or Present Management) the Chief Executive Officer (CEO), was appointed on 1-10-2019 by the erstwhile management. CEO, the Company Secretary (CS) and the Chief Financial Officer (CFO) along with the Senior management of your Company has ensured that your Company continues to operate a s a "Going Concern".The Administrator and the Advisory Committee as set up by the RBI to assist the Administrator in discharge of his duties exercise oversight on the operations of your Company apart from running the CIR process in accordance with the provisions of the Code and Regulations under IBC, 2016. The Present Management has undertaken various good governance initiatives recently including various efforts to strengthen of the financial policies and processes, functioning of the IT system; loan / security documentation, legal audit, internal financial controls and updating risk control matrices, risk and fraud risk management, through in-house resources and engagement of external professional experts/ consultants. The management team has also initiated steps for comprehensive compliance of various applicable rules and regulations within your Company. The betterment process is a continuous effort, however, the same could not be fully concluded and implemented by March 31, 2020 due to the time essentially required; and the same is impacted due to the COVID-19 situation and the resultant lockdown and the same is impacted due to the COVID-19 situation and the resultant lockdown.

These initiatives will strengthen Company's overall governance structure and control environment. On conclusion and implementation of all such initiatives, it is believed that the operational efficiency will improve and operational issues will get addressed.

Response to point No. 18 of the Basis for Disclaimer of Opinion : The Company has taken steps to identify legal and other shortcomings in securing the loan assets and initiated corrective steps wherever possible. Simultaneously provision coverage are stepped up based on fair valuation of the loans. The Company under CIRP process is required to identify and address any past act or acts which are prejudicial or likely to be prejudicial to the interest of your Company and the same is in progress

Response to point No. 19 of the Basis for Disclaimer of Opinion : The World Health Organisation has declared the novel coronavirus (COVID-19) as a pandemic on March 11, 2020. Besides the impact of this outbreak on human life, it has also disrupted the financial, economic and social structures of the entire world. The Central Government in India also declared a national lockdown from March 25, 2020 to May 31, 2020, through various notifications, and subsequently the Central Government has announced Unlock 1.0 till June 30, 2020. During unlock 1.0 period private offices are allowed to operate with 10% of the staff with certain conditions initially and restricted the movement as a preventive/ precautionary measures to avoid the spread of COVID-19. Your Company remains fully compliant with the guidelines and directions of both Central and State Government. The situation has caused uncertainty and impacted the collections and other operations of your Company. However, with various remote working measures, your Company has been able to restore its normal operations except certain functions which require physical movement e.g. field level visits. With unlock 1.0, the branches of your Company were made operational including National Office and the field visits have commenced.

In order to give effect to the RBI guidelines on regulatory measures on COVID-19 - Regulatory Package, your Company has offered moratorium to its eligible customers for a period for installments falling due between March 1, 2020 and August 31, 2020 based on approved policy in this regard. Your Company has taken various steps to ensure the effective implementation of the moratorium policy and continues to monitor the impact of such moratorium on its portfolio, ~35% of account holders by number availed Moratorium as of May, 2020. The recovery from the moratorium accounts is forthcoming with the Unlock 1.0 and commencement of field visits. It is believed that the recovery will further improve in Moratorium accounts.

Response to the Report on Other Legal and Regulatory Requirements under the Basis for Disclaimer of Opinion has been covered in the aforesaid responses.

Further, in response to para 3 j (iii) of Report on Other Legal and Regulatory Requirements in the said Report, your Company

has been adhering to the timelines for the transfer of amounts of unclaimed dividends, deposits and shares to the Investor Education and Protection Fund (IEPF).

As required under Section 124 of the Companies Act, 2013, your Company has transferred unclaimed dividend of the year 2011-12 ₹ 8 lakh (₹ 9 lakh) and towards unclaimed deposits and interest accrued thereon ₹ 14 lakh (₹ 26 lakh) to Investor Education & Protection Fund (IEPF) during the year, till stay order of received from Hon'ble Bombay High Court with general delay ranging from 1 to 16 days in transferring unclaimed public deposits. Further, during the year ₹ 59 lakh unclaimed Deposit and ₹ 5 lakh of unclaimed dividend was due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the yearend in respect of Unclaimed Matured Deposits which was not deposited into IEPF, pursuant to stay order issued by Hon'ble Bombay High Court and after RBI initiated the CIRP process against your Company.

DIRECTORS' RESPONSIBILITY STATEMENT:

The financial statements of your Company for the financial year ended March 31, 2020 have been taken on record by the Administrator while discharging the powers of the erstwhile Board of Directors of your Company which were conferred upon him by the RBI vide its press release dated November 20, 2019 and subsequently, powers conferred upon him in accordance with the NCLT Order dated December 3, 2019 to run your Company as a going concern during CIRP. Hence the financial statements for the year ended March 31, 2020 have been prepared on "going concern" assumptions.

The Administrator, Advisors and KMPs have not been able to analyse in depth the accuracy validity, completeness or authenticity of the information and figures mentioned in the audited financial statements as they have joined after November 20, 2019. Moreover, the entire Present Management has been involved in the affairs of your Company for less than four months in the entire financial year 2019-20. Further, since March 25, 2020 lockdown was imposed in the Country on account of COVID-19 causing a complete shutdown of offices which extended beyond the financial year 2020 and May 31, 2020.

In certain instances, the amount of the claim admitted or to be admitted by the Administrator under CIRP process may differ from the amount reflecting in the books of accounts of your Company. The audited financial statements are drawn on the basis of figures appearing in the books of accounts of your Company as on March 31, 2020.

The Administrator has signed the financial statements solely for the purpose of compliance and discharging his duties during CIRP period of your Company and in accordance with the provisions of the IBC, read with the regulations and rules thereunder, and based on the explanations, clarifications, certifications, representations and statement made by the existing staff of your Company in relation to the data pertaining to the period prior to the joining of the present management and does not have knowledge of the past affairs, finances and operations of your Company.

REPORT ON CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section titled 'Report on Corporate Governance' forms part of this Annual Report which also includes certain disclosures that are required, as per the Companies Act, 2013.

Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016, a separate section titled 'Management Discussion and Analysis' forms part of this Annual Report.

BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, a separate section titled Business Responsibility Report (BRR) forms part of this Annual Report which describes your Company's performance and activities from environmental, social and governance perspective. The BRR is also available on the website of your Company at the URL: https://www.dhfl.com/docs/default-source/default-document-library/business-responsibility-report.pdf

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92 of the Companies Act, 2013 and the Rules framed thereunder, as amended the extract of the Annual Return as at March 31, 2020, in the prescribed Form MGT-9 and the Annual Return as at March 31, 2020, in the prescribed Form MGT-7 are available on website of your Company at the URL: https://www.dhfl.com/docs/default-source/default-document-library/form-no-mgt-9--extract-of-annul-return.pdf and https://www.dhfl.com/docs/default-source/default-document-library/annual-return-as-on-31st-march-2020.pdf, respectively.

For and on behalf of the Board (Advisory Committee)

R. Subramaniakumar
Administrator of Dewan Housing Finance Corporation Limited
6th Floor, HDIL Towers, Anant Kanekar Marg, Station Road,
Bandra (East), Mumbai 400 051

For and on behalf of Dewan Housing Finance Corporation Limited (a Company under Corporate Insolvency Resolution Process by an Order dated December 3, 2019 passed by Hon'ble NCLT, Mumbai). The Administrator has been appointed under Rule 5(a)(iii) of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 under the Insolvency and Bankruptcy Code, 2016. The affairs, business and property of Dewan Housing Finance Corporation Limited are being managed by the Administrator, R. Subramaniakumar, who acts as agent of the Company only and without any personal liability.

Place: Mumbai
Date: September 5, 2020

Annexure - 1

to the Board's Report (Report of Advisory Committee Chaired by the Administrator)

INTIMATION MADE TO BSE & NSE UNDER REGULATION 30 OF SEBI LISTING REGULATIONS REGARDING FILING OF APPLICATION UNDER SECTION 66 OF IBC CODE

September 2, 2020

1. With reference to the above, this disclosure is being made pursuant to Clause 6 of Para A of Annexure I to the circular dated September 09, 2015 on "Continuous Disclosure Requirements for Listed Entities under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015" issued by the Securities and Exchange Board of India **("Circular")**.

2. The Administrator of Dewan Housing Finance Corporation Limited **("Company")**, appointed under the (IBC) Code, to carry out the duties under Code, obtained assistance from a reputed professional agency, Grant Thornton (GT or Transaction Auditor) to conduct investigation of the affairs of the Company.

3. Accordingly, the Administrator of the Company received an initial report from the professional agency appointed as the transaction auditor, indicating that there are certain transactions which are fraudulent in nature, as per Section 66 of the Code. Basis the investigation and observations of the transaction auditor, the Administrator has filed an application in respect of disbursements made to certain entities, referred to as the Bandra Books Entities, before the Mumbai bench of the National Company Law Tribunal **("NCLT")** under Section 60(5) and Section 66 of the Code on August 30, 2020 against Kapil Wadhawan, Dheeraj Wadhawan, Township Developers India Ltd, Wadhawan Holdings Private Limited, Dheeraj Township Developers Private Limited, Wadhawan Consolidated Holdings Pvt. Ltd., Wadhawan Global Hotels & Resorts Pvt. Ltd, Wadhawan Lifestyle Retail Pvt. Ltd. and certain other entities **("Application")**. It is to be noted that this is an initial filing based on the report submitted by the transaction auditor and further filings may be undertaken, in due course.

4. In accordance with Clause 6.1 of the Circular, please find below the relevant information regarding the concerned transactions:

   (a) **Nature of fraud:** The Application is in relation to certain fraudulent transactions undertaken by the Company in the past.

   (b) **Estimated impact on the listed entity:** As per the transaction auditor report shared with the Administrator, the monetary impact of the above transactions covered under the Application amount to:

      (i) INR 14,046 crores, being the amount outstanding in the books of the Company as on June 30, 2019;

      (ii) INR 3,348 crores being amount considered as due and outstanding towards notional loss to the Company on account of fraudulently charging lower rate of interest to certain entities referred to in the Application as the Bandra Book Entities.

      Thus, the total impact of such transactions as detailed in the Transaction Auditor's Report has been sought from the relevant entities involved, along with the interest for the relevant period, through the said application filed with the Hon'ble NCLT.

   (c) **Time of occurrence:** As per the report prepared by the transaction auditor, the concerned transactions occurred during Financial Year 2006-2007 to 2018-19.

   (d) **Person(s) involved:** Based on the Transaction Auditor's report, the application has been filed with the Hon'ble NCLT, Mumbai against 87 respondents, including Kapil Wadhawan, Dheeraj Wadhawan, Township Developers India Ltd, Wadhawan Holdings Private Limited, Dheeraj Township Developers Private Limited, Wadhawan Consolidated Holdings Pvt. Ltd., Wadhawan Global Hotels & Resorts Pvt. Ltd, Wadhawan Lifestyle Retail Pvt. Ltd. and certain others entities as reported by the transaction auditor.

   (e) **Estimate amount involved:** The preliminary estimation included in the Application places the monetary impact of the concerned transactions at approximately INR 14,046 crores, as being the amount outstanding in the books of the Company as on June 30, 2019 and additionally INR 3,348 crores being the amount considered as due and outstanding towards notional loss to the Company on account of charging lower rate of interest to certain entities referred to in the Application as the Bandra Book Entities.

   (f) **Reporting to authorities:** The Application has been filed before the NCLT under Section 60(5) and Section 66 of the Code on August 30, 2020.

5. All relevant details regarding these proceedings have been included in the application filed before the National Company Law Tribunal, Mumbai and is presently pending consideration.

Annexure - 2

to the Board's Report (Report of Advisory Committee Chaired by the Administrator)

DIVIDEND DISTRIBUTION POLICY

I. Preamble

Pursuant to the provisions of Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016, **["Listing Regulations"]** vide circular no. SEBI/LAD-NRO/GN/2016-17/008 dated July 8, 2016, the Board of Directors of your Company at its meeting held on October 17, 2016, have approved and adopted the Dividend Distribution Policy **["Policy"]** of your Company.

Regulation 43A of the Listing Regulations makes it mandatory for the top five hundred listed entities based on their market capitalization calculated as on March 31 of every financial year to formulate Dividend Distribution Policy.

Your Company being one of the top five hundred listed companies as per the market capitalization as on the last day of the immediately preceding financial year, i.e. March 31, 2016, frames this Policy to comply with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

II. Objective

This Policy aims to ensure that your Company makes rationale decision with regard to the amount to be distributed to the equity and preference shareholders as dividend after retaining sufficient funds for your Company's growth, to meet its long-term objective and other purposes.

This Policy lays down various parameters which shall be considered by the Board of Directors of your Company before recommendation/ declaration of Dividend to its shareholders.

III. Definitions

a. **"Act"** means the Companies Act, 2013 and rules made thereunder [including any amendments or re-enactments thereof].

b. **"Applicable laws"** shall mean to include Companies Act 2013 and rules made thereunder, [including any amendments or re-enactments thereof], Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, [including any amendments or re-enactments thereof], Rules / guidelines / notifications / circulars issued by National Housing Bank and any other regulation, rules, acts, guidelines as may be applicable to the distribution of dividend.

c. **"Board" or "Board of Directors"** shall mean Board of Directors of the Company, as constituted from time to time.

d. **"Company"** shall mean Dewan Housing Finance Corporation Limited.

e. **"Dividend"** includes any interim dividend; which is in conformity with Section 2(35) of the Companies Act, 2013 read with Companies (Declaration and Payment of Dividend) Rules, 2014.

f. **"Financial Year"** shall mean the period starting from 1st day of April and ending on the 31st day of March every year.

g. **"Free Reserves"** shall mean the free reserves as defined under Section 2 (43) of the Act.

IV. Parameters Governing the Distribution of Dividend

1. Factors for recommendation/declaration of Dividend.

a. Internal Factors (Financial Parameters)

The Board shall consider the below mentioned financial parameters for the purpose of recommendation/ declaration of dividend:

i. Current year's net operating profit

ii. Capital expenditure and working capital requirements

iii. Financial commitments w.r.t. the outstanding borrowings and interest thereon.

iv. Financial requirement for business expansion and/or diversification, acquisition. etc. of new businesses.

v. Provisioning for financial implications arising out of unforeseen events and/or contingencies.

vi. Past dividend trend

b. External Factors

The Board shall also consider the below mentioned external factors at the time of taking a decision w.r.t recommendation/declaration of dividend:

i. Applicable laws and Regulations including taxation laws.

ii. Economic conditions

iii. Prevalent market practices

2. Circumstances under which the shareholders of the Company may or may not expect dividend.

The decision to recommend/declare the dividend by the Board of Directors shall primarily depend on the factors listed out at point no. 1 above. However, the shareholders of the Company may not expect dividend in the below mentioned circumstances:

i. In the event of a growth opportunity where the Company may be required to allocate a significant amount of capital.

ii. In the event of higher working capital requirement for business operations or otherwise.

iii. In the event of inadequacy of cashflow available for distribution.

iv. In the event of inadequacy or absence of profits.

v. Under any other circumstances as may be specified by the Companies Act, 2013 or any other applicable regulatory provisions or as may be specified under any contractual obligation entered into with the lenders.

3. Manner of utilisation of Retained Earnings.

The Board of Directors of the Company may recommend/ declare dividend out of the profits of your Company or out of the profits for any previous year or years or out of Free Reserves available for distribution of dividend, as per the regulatory provisions after consideration of the factors as stated at point No. 1 above. Your Company shall ensure compliance with the requirements in this respect as laid down under the provisions of Section 123 of the Act and other Applicable laws.

4. Manner of Declaration and Payment of Interim Dividend.

The Board of Directors of the Company may declare Interim Dividend during any financial year or at any time during the period from closure of financial year till the holding of the Annual General Meeting.

The Board shall consider the financial results of your Company for the period for which Interim Dividend is to be declared and shall be satisfied that the financial position of the Company justifies and supports the declaration of such Dividend.

The financial results shall take into account the following-

a) Depreciation for the full year;

b) Tax on profits of the Company including deferred tax for full year;

c) Other anticipated losses for the Financial Year;

d) Dividend that would be required to be paid at the fixed rate on preference shares;

e) The Losses incurred, if any, during the current financial year up to the end of the quarter, immediately preceding the date of declaration of Interim Dividend;

In case, where your Company has incurred losses during the current Financial Year up to the end of the quarter immediately preceding the date of declaration of Interim Dividend, such Dividend shall not be declared at a rate higher than average Dividend declared during the immediately preceding three financial years.

5. Other factors to be considered with regard to various classes of shares.

Pursuant to the approval of the Board of Directors at its meetings held on January 16, 2017, and the shareholders of the Company through postal ballot resolution dated February 22, 2017, your Company reclassified its authorized share capital. At present, the Authorised share capital of the Company comprises of Equity and Preference shares.

Presently, the issued share capital of your Company comprises of only one class of equity shares of ₹ 10 each which rank pari passu with respect to all their rights. In the event your Company issues preference shares, Equity dividend shall stand second in priority after payment of dividend to the Preference Shareholders.

In the event of your Company issuing any other class(es) of shares, it shall consider and specify the other parameters to be adopted w.r.t. such class(es) of shares.

V. General

i. Pursuant to the provisions of Section 123 of the Act, Articles of Association of the Company and this Policy, the Board of Directors shall recommend the final dividend, which shall be declared by the Shareholders

of the Company at the Annual General Meeting. The Board may also, from time to time, declare interim dividend which shall be subject to confirmation by the Shareholders at the Annual General Meeting.

ii. Your Company shall ensure compliance with the Applicable laws w.r.t. payment of dividend to the shareholders. It shall ensure that the amount of the dividend, including interim dividend, is deposited by your Company in a Scheduled bank in a separate account within five days from the date of declaration of such dividend.

iii. Due regard shall be given to the restrictions/covenants contained in any agreement entered into with the lenders of your Company or any other financial covenant as may be specified under any other arrangement/ agreement, if any, before recommending or distributing dividend to the shareholders.

VI. Disclosures

Your Company shall make appropriate disclosures in compliance with the provisions of the Listing Regulations, in particular the disclosures required to be made in the annual report and on the website (www.dhfl.com) of the Company.

In case, your Company proposes to declare dividend on the basis of the parameters in addition to those as specified in this Policy and/or proposes to change any of the parameters, your Company shall disclose such changes alongwith the rationale in the annual report and on its website.

VII. Review

The Board of Directors shall have the right to modify, amend or change any or all clauses of this Policy in accordance with the provisions of the Applicable laws/ Acts /Regulations or otherwise.

In case of any amendment(s), clarification(s), circular(s) etc. issued under any Applicable laws/ Regulations, which is not consistent with any of the provisions of this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall be deemed to be amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

Annexure - 3

to the Board's Report (Report of Advisory Committee Chaired by the Administrator)

FORM AOC-1

(Pursuant to first proviso to sub Section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014))

Statement containing salient features of the financial statements of Subsidiaries/Associate Companies/Joint Ventures

Part A: Subsidiaries

Sl. No.	Particulars	Details			
1	Name of the subsidiaries	DHFL Advisory & Investments Private Limited	DHFL Investments Limited	DHFL Holdings Limited	DHFL Changing Lives Foundation
2	The date since when subsidiary was acquired	DHFL Advisory & Investments Private Limited was not acquired. It was incorporated by the Company on February 12, 2016	DHFL Investments Limited was not acquired. It was incorporated by the Company on February 13, 2017	DHFL Holdings Limited was not acquired. It was incorporated by the Company on September 28, 2018	DHFL Changing Lives Foundation was not acquired. It was incorporated by the Company on December 1, 2017
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable	Not Applicable	Not Applicable	Not Applicable
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable	Not Applicable	Not Applicable	Not Applicable
5	Share Capital				
	- Number	75,010,000	101,250,000	10,000	-
	- Amount (₹ in Lakh)	7,501	10,125	1	-
6	Reserves & Surplus (₹ in Lakh)	(7,436.05)	114,624.82	(0.77)	(10.98)
7	Total Assets (₹ in Lakh)	68.62	124,763.56	0.33	102.03
8	Total Liabilities (₹ in Lakh)	3.67	13.74	0.10	113.01
9	Investments (₹ in Lakh)	-	124,751.88	-	-
10	Turnover (₹ in Lakh)	-	-	-	-
11	Profit before taxation (₹ in Lakh)	22,226.98	(75,311.72)	(0.30)	(7.12)
12	Provision for taxation (₹ in Lakh)	-	-	-	-
13	Profit after taxation (₹ in Lakh)	22,226.98	(75,311.72)	(0.30)	(7.12)
14	Proposed Dividend	-	-	-	-
15	Extent of shareholding (in percentage)	100%	100%	100%	100%

Notes:

1 *Names of subsidiaries which are yet to commence operations - DHFL Holdings Limited*

2 *Names of subsidiaries which have been liquidated or sold during the year – NIL*

3 *The Company holds 100% of equity shares capital of DHFL Investments Limited (DIL), however based on the agreement dated March 31, 2017, the Company does not exercise control over DIL and hence is not considered as a subsidiary company for the purpose of preparation of these financial statements.*

4 *The Company incorporated a wholly-owned subsidiary on December 1, 2017 viz., DHFL Changing Lives Foundation, a Section 8 Company, to take forward the Company's CSR vision and implement its social programmes.*

Part B: Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(₹ in Lakh)

Sl No.	Name of Associates/Joint Ventures	DHFL Ventures Trustee Company Private Limited [1]	Pramerica Life Insurance Limited (formerly known as DHFL Pramerica Life Insurance Company Limited) [3]
1	Latest audited Balance Sheet Date	31-03-2020	31-03-2020
2	Date on which Associate or Joint Venture was associated or acquired	23-02-2006 [1]	18-12-2013 [3]
3	Shares of Associate or Joint Ventures held by the company on the year end		
	- Number of Equity Shares	22,500	187,030,931
	- Amount of Investment in Associates or Joint Venture (₹ in lakh)	2.25 [2]	124,749 [3]
	- Extent of Holding (%)	45% [2]	50% [4]
4	Description of how there is significant influence	Shareholding exceeding 20% of paid up share capital through Wholly Owned Subsidiary i.e DHFL Investments Limited	Influence based on Joint Venture Agreement
5	Reason why the associate or Joint Venture is not consolidated	Refer Note 5	Refer Note 5
6	Networth attributable to Shareholding as per latest audited Balance Sheet (₹ in lakh)	4.61	58,639.93
7	Profit / (Loss) for the year (₹ in lakh)	1.88	(13,443.27)
	i. Considered in Consolidation (₹ in lakh)	-	-
	ii. Not Considered in Consolidation (₹ in lakh)	1.88	(13,443.27)

Notes:

(1) DHFL Ventures Trustee Company Private Limited became Associate Company of the Company on February 23, 2006 due to acquisition of shares. Further on March 1, 2017 the said shares were sold by the Company to its wholly owned subsidiary company i.e. DHFL Investments Limited ("DIL").

(2) During the financial year 2016-17, the Company sold its investments held in DHFL Ventures Trustee Company Private Limited to its wholly owned subsidiary company i.e DHFL Investments Limited ("DIL"). Therefore DHFL Ventures Trustee Company Private Limited is an Associate Company through DIL.

(3) Pramerica Life Insurance Limited (formerly known as DHFL Pramerica Life Insurance Company Limited) ("PLIL") became Joint Venture of the Company on December 18, 2013 due to acquisition of shares. Further, on March 31, 2017 the said shares were sold by the Company to its wholly owned subsidiary Company i.e. DHFL Investments Limited ("DIL"). PLIL is joint venture of the Company through DIL. As on March 31, 2020, PLIL continues to be a joint venture of the Company by way of its indirect holding in DIL.

(4) The Wholly Owned Subsidiary of the Company i.e. DHFL Investments Limited holds 50% shareholding of Pramerica Life Insurance Limited (formerly known as DHFL Pramerica Life Insurance Company Limited).

(5) Refer point number 3 of Part A above and note number 2.2 of notes to the consolidated financial statements for the financial year ended March 31, 2020.

(6) On June 10, 2019, the Company sold its entire stake of 23,01,090 (9.15%) equity shares in Aadhar Housing Finance Limited ("Aadhar Housing") to BCP Topco VII Pte. Ltd, which is controlled by private equity funds managed by Blackstone. Consequently, Aadhar Housing has ceased to be an associate company of the Company.

(7) On July 30, 2019, the Company sold its entire stake of 1,92,50,719 (30.63%) equity shares in Avanse Financial Services Limited ("Avanse") to Olive Vine Investment Ltd., an affiliate of Warburg Pincus Group. Consequently, Avanse has ceased to be an associate company of the Company.

(8) On July 31, 2019, the Company divested its stake of 5,42,46,918 equity shares in PGIM India Asset Management Private Limited (formerly known as DHFL Pramerica Asset Managers Private Limited) ("PGIM India Asset Management"), (17.12% stake held directly and 32.88% stake held through the Company's wholly-owned subsidiary, DHFL Advisory & Investments Private Limited) to PGLH of Delaware Inc. Consequently, PGIM India Asset Management has ceased to be a joint venture company of the Company.

(9) On July 31, 2019, the Company divested its stake of 50,000 (50%) equity shares in PGIM India Trustees Private Limited (formerly known as DHFL Pramerica Trustees Private Limited) ("PGIM India Trustees") to PGLH of Delaware Inc. Consequently, PGIM India Trustees has ceased to be a joint venture company of the Company.

Annexure - 4

to the Board's Report (Report of Advisory Committee Chaired by the Administrator)

The statement of disclosure of Remuneration under sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Sr. No.	Requirements	Disclosure	
I	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year 2019-20	**Executive Directors**[1]	
		Mr. Kapil Wadhawan	: 30.33x
		Non-Executive Directors[1]	
		Mr. Dheeraj Wadhawan	: Nil
		Mr. Srinath Sridharan	: Nil
		Mr. Alok Kumar Misra	: 1.87x
		Mr. Sunjoy Joshi	: 1.32x
		Dr. Deepali Pant Joshi[2]	: 0.73x
II	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary in the financial year.	**Executive Director**[1]	
		Mr. Kapil Wadhawan	: -41.40%
		Non-Executive Directors[1]	
		Mr. Dheeraj Wadhawan	: -100%
		Mr. Srinath Sridharan	: -100%
		Mr. Alok Kumar Misra	: NA
		Mr. Sunjoy Joshi	: NA
		Dr. Deepali Pant Joshi	: NA
		Key Managerial personnel other than Directors	
		Mr. Vaijinath M Gavarshetty[3]	: NA
		Mr. Sunil Kumar Bansal[4]	: NA
		Mr. Satya Narayan Baheti[5]	: NA
III	The percentage increase in the median remuneration of employees in the financial year.	0.46%	
IV	The number of permanent employees on the rolls of the Company.	2,179	

V	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	The average percentage increase made in the salaries of employees other than the Key Managerial Personnel was -0.30% while the median increase in the salaries of Key Managerial Personnel was -88.40%.
VI	Affirmation that the remuneration is as per the Remuneration Policy of the Company.	It is hereby affirmed that the remuneration is as per the Nomination (including Board's Diversity), Remuneration and Evaluation Policy of the Company.

Note:-

1. *The Reserve Bank of India ("RBI"), on November 20, 2019, has superseded the Board of Directors of the Company and appointed Mr. R. Subramaniakumar as the Administrator and all the erstwhile Directors ceased to be the Directors of the company with immediate effect. Accordingly, as on March 31, 2020 the Company did not have any Board of Directors.*
2. *Dr. Deepali Pant Joshi was appointed with effect from May 8, 2019 as an Independent Director of the Company and as stated above, ceased to be a Director with effect from November 20, 2019.*
3. *Mr. Vaijinath M Gavarshetty was appointed as the Chief Executive Officer (CEO) of the Company with effect from October 1, 2019 by the erstwhile Board of Directors at their meeting held on September 28, 2019, however, Mr. Vaijinath M Gavarshetty assumed his office as the CEO of the Company with effect from November 21, 2019.*
4. *Mr. Sunil Kumar Bansal was appointed as the Chief Financial Officer (CFO) of the Company with effect from December 4, 2019.*
5. *Mr. Satya Narayan Baheti was appointed as the Company Secretary (CS) of the Company with effect from December 9, 2019.*
6. *For the Financial Year 2019-20, the Non-Executive Directors and the Independent Directors were eligible to be paid only the sitting fees and commission. However, the Non-Executive Directors were not paid any commission for the Financial Year 2019-20.*

Annexure - 5

to the Board's Report (Report of Advisory Committee Chaired by the Administrator)

Disclosures in the Board's Report pursuant to the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended

A. Relevant Disclosures in terms of the 'Guidance Note on accounting for employee share-based payments' issued by Institute of Chartered Accountants of India (ICAI) have been made in notes to accounts of the financial statements for the Financial Year 2019-20.

B. Diluted EPS on issue of shares pursuant to the various Schemes/Plan:

Diluted earnings per share pursuant to the issue of share on exercise of options calculated in accordance with Ind AS - 33, "Earnings Per Share"	Diluted earnings per share of the Company calculated after considering the effect of potential equity shares arising on account of exercise of options/ESARs is ₹-433.76

A. The details of Employee Stock Appreciation Rights as on March 31, 2020 pursuant to DHFL Employee Stock Appreciation Rights Plan 2015 are given below:

Sl. No.	Particulars	ESAR Plan 2015 (Grant I)	ESAR Plan 2015 (Grant II)	ESAR Plan 2015 (Grant III)	ESAR Plan 2015 (Grant IV)	ESAR Plan 2015 (Grant V)	ESAR Plan 2015 (Grant VI)
1	Date of Shareholder(s) Approval	February 23, 2015	February 23, 2015	February 23, 2015	February 23, 2015	February 23, 2015	February 23, 2015
2	Total Number of ESARs approved	The Members of the Company had approved 51,46,023 ESARs. During the financial year 2015-16, Company had issued Bonus Equity Shares in the ratio of 1:1. Consequent to the bonus issue total number of ESARs also increased in the same ratio to1,02,92,046 ESARs. The Members of the Company vide the special resolution passed on March 3, 2018 through Postal ballot, increased the number of ESARs that can be granted to the eligible employees to 2,67,82,046 ESARs.					
3.	Vesting requirement	ESARs granted under Grant I would Vest after One (1) year from the date of grant of such ESARs over a period of 5 years in the ratio 20:20:20:20:20	ESARs granted under Grant II would Vest after One (1) year from the date of grant of such ESARs over a period of 4 years in the ratio 10:20:30:40	ESARs granted under Grant III would Vest after One (1) year from the date of grant of such ESARs over a period of 4 years in the ratio 20:30:20:30 (During the Financial Year 2017-18, the vesting schedule for Grant III was changed from 10:20:30:40 to 20:30:20:30.)	ESARs granted under Grant IV would Vest after One (1) year from the date of grant of such ESARs over a period of 4 years in the ratio 20:30:20:30 (During the Financial Year 2017-18, the vesting schedule for Grant IV was changed from 10:20:30:40 to 20:30:20:30.):	ESARs granted under Grant V would Vest after One (1) year from the date of grant of such ESARs over a period of 4 years in the ratio 20:30:20:30 (During the Financial Year 2017-18, the vesting schedule for Grant V was changed from 10:20:30:40 to 20:30:20:30.)	ESARs granted under Grant VI would Vest after One (1) year from the date of grant of such ESARs over a period of 4 years in the ratio 20:30:20:30

Sl. No.	Particulars	ESAR Plan 2015 (Grant I)	ESAR Plan 2015 (Grant II)	ESAR Plan 2015 (Grant III)	ESAR Plan 2015 (Grant IV)	ESAR Plan 2015 (Grant V)	ESAR Plan 2015 (Grant VI)
4	ESAR Price or Pricing Formula	ESAR price: ₹ 380.00 (Rupees Three Hundred and Eighty Only) per ESAR, being calculated after a discount of 20% to closing market price on the stock exchange having higher trading volume on the day immediately preceding the date of grant i.e. on March 20, 2015 by the Nomination & Remuneration Committee. Consequent to the Bonus issue the exercise price is ₹ 190.00 per ESAR.	ESAR price: ₹ 230.80 (Rupees Two Hundred Thirty and Eighty Paise only) per ESAR's being closing market price on the stock exchange having higher trading volume on the day immediately preceding the date of grant i.e. on November 16, 2016 by the Nomination & Remuneration Committee.	ESAR price: ₹ 434.90 (Rupees Four Hundred Thirty Four and Ninety Paise only) per ESAR's being closing market price on the stock exchange having higher trading volume on the day immediately preceding the date of grant i.e. on July 12, 2017 by the Nomination & Remuneration Committee.	ESAR price: ₹ 300.08 (Rupees Three Hundred and Eight Paise only) per ESAR's, being calculated after a discount of 31% to closing market price on the stock exchange having higher trading volume on the day immediately preceding the date of grant i.e. on July 12, 2017 by the Nomination & Remuneration Committee.	ESAR price: ₹ 434.90 (Rupees Four Hundred Thirty Four and Ninety Paise only) per ESAR being calculated after a discount of 18.25% to closing market price on the stock exchange having higher trading volume on the day immediately preceding the date of grant i.e. on October 13, 2017 by the Nomination & Remuneration Committee.	ESAR price: ₹ 434.02 (Rupees Four Hundred Thirty Four and Two Paise only) per ESAR being calculated after a discount of 29.14% to closing market price on the stock exchange having higher trading volume on the day immediately preceding the date of grant i.e. on January 19, 2018 by the Nomination & Remuneration Committee.
5	Maximum term of ESARs granted	To be exercised within a maximum period of 3 years from the date of vesting of such ESARs	To be exercised within a maximum period of 3 years from the date of vesting of such ESARs	To be exercised within a maximum period of 3 years from the date of vesting of such ESARs	To be exercised within a maximum period of 3 years from the date of vesting of such ESARs	To be exercised within a maximum period of 3 years from the date of vesting of such ESARs	To be exercised within a maximum period of 3 years from the date of vesting of such ESARs
6	Method of Settlement	Equity Shares of the Company	Equity Shares of the Company	Equity Shares of the Company	Equity Shares of the Company	Equity Shares of the Company	Equity Shares of the Company
7	Choice of Settlement	Settlement is compulsory in the Equity Shares of the Company or as may be decided by the Committee of the Board of Directors	Settlement is compulsory in the Equity Shares of the Company or as may be decided by the Committee of the Board of Directors	Settlement is compulsory in the Equity Shares of the Company or as may be decided by the Committee of the Board of Directors	Settlement is compulsory in the Equity Shares of the Company or as may be decided by the Committee of the Board of Directors	Settlement is compulsory in the Equity Shares of the Company or as may be decided by the Committee of the Board of Directors	Settlement is compulsory in the Equity Shares of the Company or as may be decided by the Committee of the Board of Directors
8	Source of shares	Primary issuance	Primary issuance	Primary issuance	Primary issuance	Primary issuance	Primary issuance
9	Variation in terms of ESARs	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

Sl. No.	Particulars	ESAR Plan 2015 (Grant I)	ESAR Plan 2015 (Grant II)	ESAR Plan 2015 (Grant III)	ESAR Plan 2015 (Grant IV)	ESAR Plan 2015 (Grant V)	ESAR Plan 2015 (Grant VI)
10	ESARs granted	The Nomination & Remuneration Committee granted 15,50,100 ESARs under Grant I during the financial year 2015-16 to the eligible employees of the Company, conferring upon them a right to receive equity shares equivalent to the Appreciation in the value of the shares of the Company as per the terms of DHFL ESAR Plan 2015 ("Appreciation" means the excess of Market Price of the equity share of the Company on the date of Exercise of Employee Stock Appreciation Rights over the ESAR Price.) During the financial year 2015-16, Company issued Bonus Equity Shares in the ratio of 1:1. The outstanding options as on the date of Bonus issue were increased in the same ratio i.e. 1:1.	The Nomination & Remuneration Committee granted 20,81,545 ESARs under Grant II during the financial year 2016-17 to the eligible employees of the Company, conferring upon them a right to receive equity shares equivalent to the Appreciation in the value of the shares of the Company as per the terms of DHFL ESAR Plan 2015 ("Appreciation" means the excess of Market Price of the equity share of the Company on the date of Exercise of Employee Stock Appreciation Rights over the ESAR Price.)	The Nomination & Remuneration Committee granted 32,47,100 ESARs under Grant III during the financial year 2017-18 to the eligible employees of the Company, conferring upon them a right to receive equity shares equivalent to the Appreciation in the value of the shares of the Company as per the terms of DHFL ESAR Plan 2015. ("Appreciation" means the excess of Market Price of the equity share of the Company on the date of Exercise of Employee Stock Appreciation Rights over the ESAR Price.)	The Nomination & Remuneration Committee granted 5,50,000 ESARs under Grant IV during the financial year 2017-18 to the eligible employees of the Company, conferring upon them a right to receive equity shares equivalent to the Appreciation in the value of the shares of the Company as per the terms of DHFL ESAR Plan 2015 ("Appreciation" means the excess of Market Price of the equity share of the Company on the date of Exercise of Employee Stock Appreciation Rights over the ESAR Price.)	The Nomination & Remuneration Committee granted 1,50,800 ESARs under Grant V during the financial year 2017-18 to the eligible employees of the Company, conferring upon them a right to receive equity shares equivalent to the Appreciation in the value of the shares of the Company as per the terms of DHFL ESAR Plan 2015. ("Appreciation" means the excess of Market Price of the equity share of the Company on the date of Exercise of Employee Stock Appreciation Rights over the ESAR Price.)	The Nomination & Remuneration Committee granted 71,900 ESARs under Grant VI during the financial year 2017-18 to the eligible employees of the Company, conferring upon them a right to receive equity shares equivalent to the Appreciation in the value of the shares of the Company as per the terms of DHFL ESAR Plan 2015 ("Appreciation" means the excess of Market Price of the equity share of the Company on the date of Exercise of Employee Stock Appreciation Rights over the ESAR Price.)

The movement of ESARs during the year are as follows:

Sl. No.	Particulars of ESARs	ESAR Plan 2015 (Grant – I)	ESAR Plan 2015 (Grant – II)	ESAR Plan 2015 (Grant – III)	ESAR Plan 2015(*) (Grant – IV)	ESAR Plan 2015 (Grant – V)	ESAR Plan 2015(**) (Grant – VI)
1	Number of ESARs outstanding at the beginning of the year	8,39,160	12,12,720	24,11,080	5,50,000	1,50,800	71,900
2	Number of ESARs granted during the year	0	0	0	0	0	0
3	Number of ESARs issued due to Bonus during the year	0	0	0	0	0	0
4	Number of ESARs forfeited/cancelled / lapsed during the year	3,28,720	4,85,346	10,80,520	5,50,000	1,00,000	71,900
5	Number of ESARs vested during the year	2,00,800	2,56,058	5,48,010	0	15,240	0
6	Number of ESARs exercised / settled during the year	0	0	0	0	0	0
7	Total number of shares arising as a result of exercise of options	0	0	0	0	0	0
8	Money realized by exercise of options (in ₹)	0	0	0	0	0	0
9	Number of ESARs outstanding at the end of the year	5,10,440	7,27,374	13,30,560	0	50,800	0
10	Number of ESARs exercisable at the end of the year	5,10,440	4,15,144	6,55,360	0	25,400	0

(*) All the options granted under Grant IV of ESAR Plan 2015 have been exercised/lapsed.

(**) All the options granted under Grant IV of ESAR Plan 2015 have been exercised/lapsed.

B. Employee-wise details of ESARs granted (during the year) to:

(i) Key Managerial Personnel

Name	Designation	No. of ESAR's granted	Weighted Avg. Grant Price (₹)
N.A.	N.A.	N.A.	N.A.

(ii) Employees who were granted, during any one year, ESAR's amounting to 5% or more of the ESAR's granted during the year

Name	Designation	No. of ESAR's granted	Weighted Avg. Grant Price (₹)
N.A.	N.A.	N.A.	N.A.

(iii) Identified employees who were granted ESARs, during any one year, equal or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant

Name	Designation	No. of ESAR's granted
N.A.	N.A.	N.A.

C. Diluted Earnings Per Share pursuant to issue of shares on exercise of options/ESARs calculated in accordance with Accounting Standard (Ind AS - 33) ₹ -433.76

D. Method used for Accounting of ESAR's : Intrinsic Value Method

The impact on the profits and EPS of the fair value method is given in the table below:

	₹
Profit as reported (₹ in lakh)	N.A.
Add - Intrinsic Value Cost (net of tax)	N.A.
Less - Fair Value Cost	N.A.
Profit as adjusted	
Earning per share (Basic) as reported	N.A.
Earning per share (Basic) adjusted	N.A.
Earning per share (Diluted) as reported	N.A.
Earning per share (Diluted) adjusted	N.A.

E. Weighted average exercise price of ESARs whose

(a) Exercise price equals market price	N.A.
(b) Exercise price is greater than market price	N.A.
(c) Exercise price is less than market price	N.A.
Weighted average fair value of ESARs whose	
(a) Exercise price equals market price	N.A.
(b) Exercise price is greater than market price	N.A.
(c) Exercise price is less than market price	N.A.

F. Method and Assumptions used to estimate the fair value of ESARs granted during the year:

During the financial year 2019-20, your Company has not granted any new ESARs.

1. Other details

1) Weighted Average Market Price on the date of Exercise is N.A.

2) Remaining Contractual life for ESARs granted and outstanding as on March 31, 2020

Particulars ESAR	ESAR Plan 2015 (Grant - I)	ESAR Plan 2015 (Grant - II)	ESAR Plan 2015 (Grant - III)	ESAR Plan 2015 (Grant - IV)	ESAR Plan 2015 (Grant - V)	ESAR Plan 2015 (Grant - VI)
Remaining Contractual life for unvested ESARs outstanding at the end of the year	-	3.63	3.89	-	4.15	-
Remaining Contractual life for ESARs exercisable at the end of the year	2.15	2.14	1.9	-	2.15	-

Annexure - 6

to the Board's Report (Report of Advisory Committee Chaired by the Administrator)

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR FINANCIAL YEAR 2019-20

1. A brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR Policy and Programmes/ Projects.

The Company's Corporate Social Responsibility (CSR) Policy was initially formulated on October 11, 2012, and last revised and approved on March 21, 2020. The Policy aligns with the provisions of Corporate Social Responsibility under Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and Schedule VII of the Companies Act, 2013 and provides a framework of guidelines and mechanism for undertaking socially useful projects for welfare and sustainable development of the community at large. The Company's motto of Changing Lives is extended to its Corporate Social Responsibility philosophy. The Company is committed to delivering sustainable solutions to equip and encourage equal opportunity, maximise human development and leverage the aspirations of youth, women and vulnerable populations.

Education being the key to social empowerment, your Company adopted Early Childhood Care and Education (ECCE) as a core thematic area for its CSR and implemented it through the Foundation. Further, in keeping with its presence in the financial sector of the country and the sectors responsibility to help the lower income segment, your Company adopted "Financial Literacy" and "Skills Development" as two other key areas for its CSR investments.

The Company's CSR Foundation – DHFL Changing Lives Foundation, a wholly-owned subsidiary of the Company, incorporated in December 2017, has furthered the Company's CSR Vision and facilitated implementation of high impact initiatives through multi-stakeholder partnership; covering government and non-government organisations. The Foundation has taken the mantle of implementing "Project Sneh" – flagship initiative under Early Childhood Care and Education.

The Company's initiatives under CSR have over the years included Early Childhood Care and Education, Stakeholder Empowerment, Programme for Economic Empowerment through financial literacy & inclusive growth, programme for Skills Development for sustainable livelihoods, programme for Village Transformation with focus on drought mitigation, Elder Care Programme

2. Composition of CSR Committee of the Board of Directors

Reserve Bank of India ("RBI") vide Press Release dated November 20, 2019 superseded the Board of Directors of the Company and appointed Mr. R. Subramaniakumar as the Administrator of the Company in terms of Section 45-IE of the Reserve Bank of India Act, 1934 (RBI Act) with immediate effect. The Administrator is vested with powers of the Board of Directors of the Company, pursuant to the above and as per the provisions of the Insolvency and Bankruptcy Code, 2016. Since your Company is undergoing CIRP under the IBC Code the role of the Board and Committees is being fulfilled by the Administrator by the support of Advisory Committee. The composition of CSR Committee prior to the supersession of the Board of Directors of the Company was in line with the provisions of the Companies Act, 2013.

3. Average net profits of the Company for last 3 financial years is as detailed hereunder:

(₹ in crore)

	Net Profits (As per Section 135 of the Companies Act, 2013)
FY 2016-17	1,343.52
FY 2017-18*	1,543.77
FY 2018-19*	1,397.65

** Net Profit as per Ind AS adopted by the Company.*

The average net profit of the Company for the past 3 years was ₹ 1428.31 crore

4. Prescribed CSR expenditure (2% of amount as in item no. 3 above)

The prescribed CSR expenditure @ 2% of the amount for FY 2019-20 was ₹ 28.56 crore.

5. Details of CSR spent during the financial year.

Total Amount to be spent for the financial year: The prescribed CSR expenditure as per provisions of the Companies Act, 2013 for financial year 2019-20 was ₹ 28.56 crore.

Amount unspent: The Company in the financial year 2019-20 has spent an amount of ₹ 0.06 crore on its flagship/ identified programmes as against ₹ 28.56 crore which was required to be spent as per the provisions of the Companies Act, 2013. The total amount spent also includes ₹ 0.002 crore towards administrative expenses which is well within the limits as prescribed under the Companies Act, 2013.

Manner in which the amount spent during the financial year is detailed below:

Sr No	CSR project or activity identified along with the details therein	Sector in which the Project is covered	Projects or Local Area or Others	Programmes Specify the State and District where projects or programmes were undertaken	Amount outlay (budget) project or programmes wise (₹)	Amount spent on the projects or programmes in FY2019-20 (₹)	Cumulative expenditure upto the reporting period ending March 31, 2020 (₹)	Amount spent: Direct or through implementing agency(ies)
1	**Early Childhood Care and Education (ECCE)** A system strengthening programme to build the capacity of frontline workers to deliver effective services for children, pregnant mothers, lactating mothers and adolescent girls in the community.	Early Childhood Care and Education	Local Area	Maharashtra – Palghar Jharkhand – Bokaro Madhya Pradesh - Khargone and Burhanpur	22 crore	-	28.43 crore	Implementation Partner: DHFL Changing Lives Foundation
2	**Financial Literacy and Inclusive Growth** A comprehensive programme to facilitate the journey from being 'financially illiterate' to 'financially sustainable', also aiding transition of informal settlements to formal housing, promoting Pradhan Mantri Awas Yojana.	Slum Development	Local Area	Rajasthan - Jaipur Uttar Pradesh – Varanasi Jharkhand – Ranchi Chhattisgarh – Raipur	1 crore	0.06 crore	4.70 crore	Implementation Partner: Saath Livelihood, Samerth Charitable Trust, Haqdarshak, FM Production
3	**Skills Development** The programme trains and empower youth from under resourced communities across diverse job roles in BFSI and Construction	Skills Development	Local Area	Maharashtra- Kolhapur and Chandrapur	0.30 crore	-	11.94 crore	Implementation Partner: SEED CSR, Teamlease Skills University and Deeds Charitable Trust
4	**Village Transformation through drought mitigation** This programme is a holistic intervention towards alleviating poverty and implementing a comprehensive rural development programme with emphasis on watershed structure, tobacco de-addiction and community development	Rural Development	Local Area	Maharashtra - Aurangabad Tamil Nadu - Madurai	0.20 crore	-	5.54 crore	Implementation Partner: Dilasa Janvikas Pratishthan, Salaam Mumbai Foundation and Magasool Trust

Sr No	CSR project or activity identified along with the details therein	Sector in which the Project is covered	Projects or Local Area or Others	Programmes Specify the State and District where projects or programmes were undertaken	Amount outlay (budget) project or programmes wise (₹)	Amount spent on the projects or programmes in FY2019-20 (₹)	Cumulative expenditure upto the reporting period ending March 31, 2020 (₹)	Amount spent: Direct or through implementing agency(ies)
5	**R K Wadhawan- Sasakawa India** Leporosy Foundation Support to Nursing Scholars from leprosy affected communities across India between 2017 and 2024, to get into mainstream jobs and overcome stigma related to leprosy.	Education	Local Area	Uttar Pradesh, Madhya Pradesh, West Bengal, Chattisgarh, Delhi, Bihar, Maharashtra, Tamil Nadu	-	-	0.75 crore	Implementation Partner: Sasakawa India Leporosy Foundation
6	**Akshay Patra Foundation** The mission of this program is to ensure that every child attends school and is provided with tasty, nutritious, wholesome mid-day meal. The Company intends to continue support and cover 20,000+ students across 266 schools in Guwahati – Assam.	Education	Local Area	Assam – Guwahati	-	-	6.80 crore	Implementation Partner: Akshay Patra Foundation
7	**AIM for Seva** This programs aims to implement the concept of Students Home, a free home facility in the vicinity of an existing school, free students' home, free shelter, food, clothing and access to school and additionally to provide a value education, life skills, IT skills and extracurricular activities.	Education	Local Area	Nandayal in Andhra Pradesh and Anaikatti-Coimbatore in Tamil Nadu	-	-	0.72 crore	Implementation Partner: AIM for Seva
8	**Yusuf Meherally Centre** This program seeks to enable quality education among Tribal Children through improved infrastructure and funding operating expenses for teaching and support staff to sustain the program.	Education	Local Area	Maharashtra - Raigad	-	-	0.68 crore	Implementation Partner: Yusuf Meherally Centre

Sr No	CSR project or activity identified along with the details therein	Sector in which the Project is covered	Projects or Local Area or Others	Programmes Specify the State and District where projects or programmes were undertaken	Amount outlay (budget) project or programmes wise (₹)	Amount spent on the projects or programmes in FY2019-20 (₹)	Cumulative expenditure upto the reporting period ending March 31, 2020 (₹)	Amount spent: Direct or through implementing agency(ies)
9	**Educational Small Programmes** Apart from the flagship programmes and other CSR programmes, the Company's CSR extended Small Support to select niche programmes under education, Art based therapy	Education	Local Area	Pan India	-	-	1.86 crore	Implementation Partner: Ace Select CSR Classrooms, WCCL, Light of Life Trust, BMC Schools
10	**Other CSR Small Programmes** Support select small programmes as a support to art & culture conservation and talent support, environment conservation and health & medicine	Art & Music Support, Environment conservation	Local Area	Pan India	-	-	1.44 crore	Fine Arts Society, M N Construction, Satyawati Spiritual Foundation, Aine Mahendru, National Society for Blind, Medisidh
11	**Olympic Gold Quest** Encouraged talent in individual sports to represent India & win Gold at the Olympics & other International Tournaments Support would be provided to the mission for a period of four years till the Tokyo Oylmpics 2020. Created a pool of sports talent & coaches who would further deliver trainings to 25 national level athletes/ sportsmen pan-India.	Sports	Local area	Pan India	-	-	0.50 crore	Implementation Partner: Olympic Gold Quest
12	**R K Wadhawan - TISS Fellowship for Social Sciences** Fellowship for social science students from marginalized communities through the R K Wadhawan Education Trust.	Education	Local area	Maharashtra	-	-	-	Tata Institute of Social Sciences

Sr No	CSR project or activity identified along with the details therein	Sector in which the Project is covered	Projects or Local Area or Others	Programmes Specify the State and District where projects or programmes were undertaken	Amount outlay (budget) project or programmes wise (₹)	Amount spent on the projects or programmes in FY2019-20 (₹)	Cumulative expenditure upto the reporting period ending March 31, 2020 (₹)	Amount spent: Direct or through implementing agency(ies)
13	**R K Wadhawan Sports Scholarship** To support youth and children to train and represent at state level and above.	Sports	Local area	Pan India	-	-	-	Direct
14	**CSR management expenses** - M/s Samhita - Project Management Unit for our CSR projects. - Other support for legal services for registration of the DHFL Changing Lives Foundation from specialist. - Administrative & overheads			Fees payable based on approved cost structure for activities viz Programme identification, project evaluation, dedicated resources committed for site work and monitoring and evaluation reports, creative and printing of CSR Reports	-	-	2.05 crore	Samhita Social Ventures, B. Suhandani, Rite Knowledge, Parksons Graphics, Anupam Stationery, etc.,
	Total spent and commitments as at the end of March 2020				**23.50 crore**	**0.06 crore**	**65.41 crore**	

6. **In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board's report:**

The Company has been incurring losses during the last two financial years. The loss suffered by the Company during the year under review was ₹ 13,612.32 crore vis-à-vis loss of ₹ 1,036.05 crore for the financial year 2018-19. During the year under review, your Company faced severe liquidity crunch, which inter-alia resulted in defaults in payment of dues to the deposit holders, lenders etc., consequently the credit rating of the Company has been downgraded to the default rating in June 2019.

The Reserve Bank of India ("RBI") superseded the Board of Directors of the Company as mentioned earlier in this Report and Boards Report for the Financial Year 2019-20.

In view of the above spending towards the CSR programme(s) during the year under review was ₹ 0.06 crore and it was not possible to spend the full amount as required under Section 135 of the Companies Act, 2013. Your Company is however committed to remain a socially responsible organization supporting the national aspirations and missions.

7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and Policy of the Company.**

Prior to the supersession of Board of Directors by RBI on November 20, 2019 the erstwhile CSR Committee had reviewed the budget and spending towards CSR during the year under review. The progress of CSR was also placed before the Administrator and the Advisory Committee members post supersession of the Board of Directors.

Annexure - 7

to the Board's Report (Report of Advisory Committee Chaired by the Administrator)

RELATED PARTY TRANSACTION POLICY

1. Preamble

In terms of Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendment(s)/ modification(s) thereof), ("SEBI Listing Regulations") and Section 188 of the Companies Act, 2013 read with rules made thereunder (including any amendment(s)/ modification(s) thereof), the Board of Directors (the "Board") of Dewan Housing Finance Corporation Limited (the "Company" or "DHFL"), have basis the recommendations of the Audit Committee Members framed and adopted the Related Party Transaction Policy ["Policy" or "this Policy"] with effect from October 1, 2014, which defines and lays down the procedures with regard to Related Party Transactions. This policy aims to regulate transactions between the Company and its Related Parties, based on the laws and regulations applicable to the Company.

2. Objective

The objective of this Policy is to regulate transactions with related parties and ensure transparency between them. It sets out the materiality thresholds for related party transactions and the manner of dealing with such transactions in accordance with the provisions of Companies Act, 2013 and SEBI Listing Regulations.

3. Definitions

"Act" means the Companies Act, 2013 and rules made thereunder and includes any amendment(s)/ modification(s) thereof.

"Arms Length Transaction" means transaction between two related or affiliated parties that is conducted as if they were unrelated, so that there is no question of conflict of interest.

"Audit Committee/Committee" means Committee of Board of Directors of the Company constituted as per the provisions of SEBI Listing Regulations and Companies Act, 2013.

"Key Managerial Personnel" means any person as defined in Section 2(51) of the Companies Act, 2013.

"Policy" means Related Party Transaction Policy.

"Material Related Party Transaction(s)" means transaction/ transactions with the related party to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the Company, as per the last audited financial statements of the Company.

Further, a transaction involving payments made to a related party with respect to brand usage or royalty shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds two percent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the Company.

"Related Party" shall mean Related Party as defined under SEBI Listing Regulations.

"SEBI Listing Regulations" shall mean SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 or any further statutory modification(s)/ amendment(s) thereof.

"Related Party Transaction" shall mean to include:

a. Transfer of resources, services or obligations between the Company and a related party, regardless of whether a price is charged and a "transaction" with a related party shall be construed to include a single transaction or a group of transactions in a contract;

b. contracts or arrangements entered into with related party for:

   i. Sale, purchase or supply of any goods or materials;

   ii. Selling or otherwise disposing of, or buying, property of any kind;

   iii. Leasing of property of any kind;

   iv. Availing or rendering of any services;

   v. Appointment of any agent for purchase or sale of goods, materials, services or property;

vi. Such related party's appointment to any office or place of profit in the company, its subsidiary company or associate Company; and

vii. Underwriting the subscription of any securities or derivatives thereof, of the Company.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, SEBI Listing Regulations or any other applicable law or regulation(s).

4. Terms of the Policy

4.1 All the Related Party Transactions proposed to be entered by the Company shall require prior approval of the Audit Committee including the transactions to be entered in the ordinary course of business. The Audit Committee shall recommend the Related Party Transaction(s) for the approval of Board of Directors/ Shareholders as per the terms of this policy and the applicable provisions/ regulations of Companies Act, 2013 and SEBI Listing Regulations respectively or any amendment(s) / modification(s) thereto.

4.2 The Related Party Transactions entered into in the ordinary course of business and transacted at arms' length shall not require approval of the Board of Directors. However, all related party transactions to be entered by the Company shall require prior approval of the Audit Committee.

4.3 All the Material Related Party Transaction and Related Party Transactions as defined under Section 188 (1), exceeding the threshold limits prescribed under rule 15 sub rule(3) of Companies (Meetings of Board and its Powers) Second Amendment Rules, 2014, as detailed under Clause 4.4. below, shall require prior approval of the Audit Committee, Board of Directors and Shareholders of the Company by way of a resolution.

4.4 Transactions as prescribed under Rule 15(3) of the Companies (Meeting of Board and its Powers) Rules, 2014, includes the transactions/ contracts/ arrangements as follows:

a. Contracts or arrangements with respect to clauses (a) to (e) of Section 188 (1) of Companies Act, 2013 with criteria as mentioned below:

i. Sale, purchase or supply of any goods or materials, directly or through appointment of agent, amounting to ten percent or more of the turnover of the company or rupees one hundred crore, whichever is lower, as mentioned in clause (a) and clause (e) respectively of sub-section (1) of section 188 of Companies Act, 2013;

ii. Selling or otherwise disposing of or buying property of any kind, directly or through appointment of agent, amounting to ten percent or more of net worth of the company or rupees one hundred crore, whichever is lower, as mentioned in clause (b) and clause (e) respectively of sub-section (1) of section 188 of Companies Act, 2013;

iii. Leasing of property of any kind amounting to ten percent or more of the net worth of the company or ten percent or more of turnover of the company or rupees one hundred crore, whichever is lower, as mentioned in clause (c) of sub-section (1) of section 188 of Companies Act, 2013;

iv. Availing or rendering of any services, directly or through appointment of agent, amounting to ten percent or more of the turnover of the company or rupees fifty crore, whichever is lower, as mentioned in clause (d) and clause (e) respectively of sub-section (1) of Section 188 of Companies Act, 2013.

These limits shall however, apply for transaction or transactions to be entered into either individually or taken together with the previous transactions during a financial year.

b. Contracts or arrangements with respect to Clause (f) of Section 188 (1) wherein a related party's appointment to any office or place of profit in the Company, its subsidiary company or associate company is at a monthly remuneration exceeding two and a half lakh rupees.

c. Contracts or arrangements with respect to Clause (g) of Section 188 (1) wherein such related party receives a remuneration for underwriting the subscription of any securities or derivatives thereof, of the Company exceeding one percent of the net worth.

d. Subject to the provisions of SEBI Listing Regulations and the Companies Act, 2013, any Related Party Transaction(s) to be entered into with an individual Related Party, taken together with previous related party transaction(s) with such individual Related Party, in a financial year, exceeding the threshold limit of ten per cent of annual consolidated turnover of the Company as per the last audited financial statements, shall require approval of both the Audit Committee and Board of Directors.

5. Procedures

a. Review and approval of Related Party Transactions by Audit Committee Members

- Audit Committee shall review all the potential/ proposed Related Party Transactions, to ensure that no conflict of interest exists and evaluate it from the perspective of Arm's Length Pricing.

- Any member of the Audit Committee who has an interest in the transaction under discussion shall not vote to approve the Related Party Transaction, but may, if so requested by the Chairperson of the Committee, participate in some or all of the Committee's discussions of the Related Party Transaction.

- Audit Committee shall have all the rights to call for information/documents in order to understand the scope of the proposed related party transactions and devise an effective control system for the verification of supporting documents.

- The Audit Committee shall be provided with the following relevant information and details pertaining to each proposed related party transactions/ contracts –

  i. The name of the related party and nature of relationship;

  ii. The nature, duration of the transaction / contract or arrangement and particulars of the transaction/ contract or arrangement;

  iii. The material terms of the transaction/ contract or arrangement including the value and / or the maximum amount for which the same is proposed to be entered into;

  iv. Any advance paid or received for the transaction / contract or arrangement, if any;

  v. The manner of determining the pricing and other commercial terms, both included as part of transaction / contract and not considered as part of the same;

  vi. Whether all factors relevant to the contract have been considered, if not, the details of factors not considered.

  vii. The rationale for not considering the relevant factors; and

  viii. Any other information relevant or important for the Audit/ Board to take a decision on the proposed transaction.

- The Audit Committee shall while reviewing the Related Party Transaction, consider all the relevant information/ facts submitted to it, including but not limited to the (a) Commercial or business reasonableness of the terms of the subject transaction so as to analyse that transaction is on an arms' length basis, benchmarking the same with the information and /or drawing reference to the information that may have a bearing on the arms' length analysis. eg: industry trends, certificate from an independent auditor, valuation reports, third party comparables, publications or quotations. etc. (b) availability and / or the opportunity cost of the alternate transactions (c) materiality and interest (direct/ indirect) of the related party in the subject transaction, (d) actual or apparent conflict of interest of the Related Party, (e) If the Related party is an Independent Director then the Audit Committee shall also consider the impact of the said Related Party Transaction on the Director's independence.

- Upon completion of its review of the transaction, the Audit Committee may decide to approve with or without amendment / modification the proposed related party transaction. In case of a related party transaction, other than transactions referred to in section 188 of the Act, and where Audit Committee does not approve the transaction, it shall make its recommendation to the Board.

- The Audit Committee, if considers it appropriate, can also propose modification/s in the approved related party transaction subsequently.

- Approval of Audit Committee is not required when the transaction is other than a transaction referred in Section 188 of the Act and between the Company and its wholly owned subsidiary(ies) company, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting of the Company, for approval.

b. Omnibus Approval of Related Party Transactions

The Audit Committee may grant omnibus approval, pertaining to the transactions in the ordinary course of business, transactions for support service/ sharing of services with Associates Companies, Sub Lease of Office Premises or Office Sharing arrangement with Associate Companies or any other transactions or arrangements as it may deem appropriate, being proposed to be entered into on arms' length basis, subject to the following conditions.

i. The Audit Committee shall grant omnibus approval in line with this policy and such approval shall be applicable in respect of transactions which are repetitive in nature.

ii. The Audit Committee shall satisfy itself in respect of the need for such omnibus approval and that such approval is in the interest of the company;

iii. Such omnibus approval shall specify (i) the name/s of the related party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into, (ii) the indicative base price / current contracted price and the formula for variation in the price if any and (iii) such other conditions or criteria's, as the Audit Committee may deem fit;

However, where the need for Related Party Transaction cannot be foreseen and aforesaid details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding ₹ 1 crore per transaction.

iv. Audit Committee shall review, on a quarterly basis, the details of Related Party Transactions entered into by the Company pursuant to each of the omnibus approval given.

v. Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.

c. Review and approval of Related Party Transactions by Board of Directors

In case the Audit Committee determines that the Related Party Transaction requires the approval of the Board of Directors or Shareholders as per the terms of this policy and applicable regulatory provisions then it shall refer the said Related Party Transaction to the Board of Directors for its approval alongwith all the relevant information/ documents pertaining to the same.

The Board shall review the Related Party Transaction and recommendations of the Audit Committee, if any, and shall have the authority to call for such additional information as it may deem appropriate and may approve with or without modification(s) or reject the proposed related party transaction as per the terms of this policy and other applicable regulatory provisions.

In case, the Board determines that the Related Party Transaction requires approval of the shareholders as per the terms of this policy and applicable regulatory provisions then it shall refer the said Related Party Transaction to the shareholders for its approval alongwith all the relevant information/ documents pertaining to the same, as per the appropriate regulatory provisions.

d. All Material related party transaction(s) or related party transaction(s) other than a transactions referred in section 188 of the Act to be entered into between the Company and its wholly owned subsidiary(ies), whose accounts are consolidated with the Company and placed before the Shareholders at the general meeting for approval, shall not require approval of the shareholders.

e. Approval of the Audit Committee /Board of Directors shall be required incase of any subsequent amendment/modification/renewal, in the terms of the earlier approved Related Party Transaction, as the case may be.

6. Disclosures

- Every Director of a Company who is in any way, whether directly or indirectly, concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into—

  (a) With a body corporate in which such director or such director in association with any other director, holds more than two per cent shareholding of that body corporate, or is a promoter, manager, Chief Executive Officer of that body corporate; or

  (b) With a firm or other entity in which, such director is a partner, owner or member, as the case may be, shall disclose the nature of his concern or interest at the meeting of the Board in which the contract or arrangement is discussed and shall not participate in such meeting:

  Provided that where any director who is not so concerned or interested at the time of entering into such contract or arrangement, he shall, if he becomes concerned or interested after the contract or arrangement is entered into, disclose his concern or interest forthwith when he becomes concerned or interested or at the first meeting of the Board held after he becomes so concerned or interested.

- Each Director, Key Managerial Personnel shall be required to disclose to the Audit Committee any potential Related Party Transaction(s) proposed to be entered into by them or their relatives.

- The Related Party Transaction entered into with the related party/ies shall be disclosed in the Director's Report / Annual Report as per the disclosure requirement(s) of the Companies Act, 2013 and SEBI Listing Regulations.

  Material Transactions exceeding the threshold limits as prescribed under Rule 15 sub rule(3) of Companies (Meetings of Board and its Powers) Second Amendment Rules, 2014 shall be disclosed under "Details of material contracts or arrangements or transactions at arm's length" in Form no. AOC- 2 as a part of the Directors Report, as prescribed under Companies Act, 2013.

- The particulars of all the Related Party Transaction entered into with the approval of the Audit Committee / Board of Directors / Shareholders shall be entered into the Register of Contracts or Arrangements in which Directors are interested, maintained by the Company as per the provisions of the Companies Act, 2013 and rules framed thereunder.

- All entities falling under the definition of related parties shall not vote to approve the transaction at the Board Meeting or at Annual General Meeting irrespective of whether the entity is a party to the particular transaction/ contract / arrangement or not.

- This Policy shall be uploaded on the website of the Company and a web link thereto shall be provided in the Annual Report.

- Quarterly/periodical updates shall be provided to the Audit Committee members on the related party transactions entered by the Company.

- Details of all Material Related Party transactions with its related parties shall be disclosed in the quarterly compliance report on corporate governance as per the provisions of SEBI Listing Regulations.

- The Company shall submit disclosure of Related Party Transactions on a consolidated basis in the format specified in the relevant accounting standards for annual results to the stock exchanges within 30 days from the date of its publication of its standalone and consolidated financial results for the half year.

7. Ratification

Subject to compliance with the provisions of SEBI Listing Regulations, any related party transaction entered into by a director or officer of the Company amounting not exceeding one crore rupees without approval of the Audit Committee and not ratified by the Audit Committee within 3 months from the date of transaction(s), then such transaction(s) shall be voidable at the option of the Audit Committee and if the related party transaction entered into by a director or authorised by any other director, the director(s) concerned shall indemnify the Company against any loss incurred by it.

If any contract or arrangement is entered into by a director or any other employee of the Company, without obtaining the consent of the Board or approval by a resolution in the general meeting as per the provisions of Section 188 (1) of the Companies Act, 2013 and if it is not ratified by the Board and/or by the shareholders at a meeting, as the case may be, within three months from the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Board or, as the case may be of the shareholders and if the contract or arrangement is with a related party to any director, or is authorised by any other director, the directors concerned shall indemnify the company against any loss incurred by it.

8. Amendments

- The Audit Committee shall periodically review, propose modifications/ amendments, if deemed necessary, to this policy which shall be subject to the approval of the Board of Directors.

- The Board of Directors shall review the Policy at least once in three years and if deemed necessary, propose modifications/amendments therein.

- In the event of any conflict between the provisions of this Policy, Act or SEBI Listing Regulations or any other statutory enactments/rules/laws, the provisions of such Act/Regulations or any other statutory enactments/ rules/laws would prevail over this Policy.

Annexure - 8

to the Board's Report (Report of Advisory Committee Chaired by the Administrator)

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Dewan Housing Finance Corporation Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Dewan Housing Finance Corporation Limited** ['**DHFL**'/'**Company**'] for the financial year ended 31st March, 2020 ['**Audit Period'**]. The secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company**,** and also the information, including certain preliminary information as listed in **Annexure I**, provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the Audit Period, complied with the statutory provisions listed hereunder, **except with respect to the observations as listed in Annexure II, and qualifications listed in Annexure III**. In view of the same, our comment as to adequacy of processes and compliance-mechanism has to be read in light of the aforesaid observations and qualifications.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31.03.2020, according to the provisions of:

1. The Companies Act, 2013 ['**Companies Act'**] and the rules made thereunder including any re-enactment thereof;

2. The Securities Contracts (Regulation) Act, 1956 ['**SCRA**'] and the rules made thereunder;

3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and External Commercial Borrowings;

5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ['**SEBI Act**'],to the extent applicable:

   (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011:

   (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ['**PIT Regulations**'];

   (iii) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   (iv) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

   (v) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 ['**ILDS Regulations**'];

   (vi) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['**LODR Regulations**'];

   (vii) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

   (viii) Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993;

   (ix) Securities and Exchange Board of India (Depositories & Participants) Regulations, 2018.

6. Specific laws applicable, as mentioned hereunder:

   (i) National Housing Bank Act, 1987 ['**NHB Act**'];

   (ii) Housing Finance Companies (NHB) Directions, 2010 ['**NHB Directions**'];

(iii) Housing Finance Company Issuance of Non-Convertible Debentures on Private Placement Basis (NHB) Directions, 2014;

(iv) Guidelines on 'Know Your Customer' and Anti-Money Laundering Measures as applicable to Housing Finance Companies ['**KYC Guidelines**'];

(v) Guidelines for Asset Liability Management System in Housing Finance Companies ['**ALM Guidelines**'];

(vi) Housing Finance Companies – Corporate Governance (NHB) Directions, 2016 ['**CG Directions**'];

(vii) Housing Finance Companies – Auditor's Report (NHB) Directions, 2016;

(viii) Guidelines on Fair Practice Code for Housing Finance Companies ['**FPC Guidelines**'];

(ix) Guidelines on reporting and monitoring of frauds in Housing Finance Companies ['**Guidelines on Fraud Reporting**'];

(x) Information Technology framework for Housing Finance Companies – Guidelines ['**IT Framework**'];

(xi) Master Circular – Miscellaneous Instructions to all Housing Finance Companies ['**Miscellaneous Instructions**']

(xii) Master Circular- Housing Finance Companies – Approval of Acquisition or Transfer of Control (NHB) Directions, 2016

(xiii) RBI Commercial Paper Directions, 2017, effective from 10th August, 2017 (as amended from time to time) ['**CP Directions**'] w.r.t. issue of commercial papers and applicable Operating Guidelines issued by FIMMDA (Fixed Income Money Market and Derivatives Association of India) effective from 1st April, 2020;

(xiv) IRDAI (Registration of Corporate Agents) Regulations, 2015 ['**IRDAI Regulations**'].

We have also examined compliance with the applicable clauses of the Secretarial Standards for Board Meetings [SS-1], and for General Meetings [SS-2] issued by the Institute of Company Secretaries of India.

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above **except in relation to matters provided as Annexure II & Annexure III.**

It is further stated that the Reserve Bank of India ['**RBI**'], vide its Order No. DOR NBFC(PD) 986 /03.10. 136/2019-20 dated 20.11.2019, issued under Section 45-IE of the Reserve Bank of India Act, 1934 ['**RBI Act'**] superseded the Board of Directors ['**Board**'] of DHFL [also, ref., Press Release 2019-2020/1230]. RBI appointed Mr. R. Subramaniakumar as the Administrator ['**Administrator**'] under Section 45-IE(2) of the RBI Act. Further, RBI, constituted a three-member advisory committee ['**Advisory Committee**'] to assist the Administrator of DHFL in discharge of his duties [ref., Press Release 2019-2020/1246 dated 22.11.2019]. Subsequently, on an application being filed by RBI under the provisions of the Insolvency and Bankruptcy Code, 2016 ['**IBC**'] read with the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 ['**IBC Rules**'], the National Company Law Tribunal, Mumbai Bench ['**NCLT**'], vide Order dated 3rd December, 2019, ordered commencement of Corporate Insolvency Resolution Process ['**CIRP**'] of DHFL, with effect from the same date. The NCLT appointed Administrator as the resolution professional to discharge the functions of the resolution professional under IBC and other rules, and regulations, as may be applicable. Further, RBI, confirmed that the Advisory Committee shall continue as the advisory committee required to be constituted under Rule 5 (c) of the IBC Rules [ref., Press Release 2019-2020/1345 dated 04.12.2019].

Accordingly, we have referred to the period –

(i) 01.04.2019 to 20.11.2019 as '**pre-administration period**', and

(ii) 21.11.2019 to 31.03.2020 as '**post-administration period**'.

We further report that:

During the pre-administration period, the Board was duly constituted with proper balance of executive directors, non-executive directors and independent directors. The changes in the composition of Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Several of the Board and Committee meetings were held at shorter notice during the pre-administration period, resulting into agenda notes being available with the directors less than seven days in advance. Given the limitations in this Audit as noted below, we cannot comment if there existed a system for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

The above part dealing with board composition, board meetings, etc. is not applicable during the post-administration period, as the Board was superseded.

We further report that, in the current scenario, the systems and processes for compliances in the Company, which ought to be commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines, may call for further improvement.

We further report that during the Audit Period, the Company had specific events/ actions as detailed in **Annexure IV** hereto, that can have a major bearing on the Company's compliance responsibility in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Management and Auditor Responsibility:

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit. The list of documents for the purpose, as seen by us, is listed in **Annexure V**.

2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.

3. Wherever our Audit has required our examination of books and records maintained by the Company, we have also relied upon electronic versions of such books and records, as provided to us through online communication. Wherever for the purposes of our Audit, there was a need for physical access to any of the places of business of the Company, the same has not been uniformly possible in view of the prevailing lockdown.

4. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as well as correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws, though we have relied to a certain extent on the information furnished in such returns.

5. As the Company is presently under administration, the management has expressed its inability to provide any management representation in matters required for the purpose of our audit. As such, the Audit disclaims opinion on any aspect which could otherwise have been made depending on management representation, including but not limited to recording, disclosure and dissemination of information; record-keeping and preservation; conduct of meetings, identification of related parties and related party transactions; and other compliance systems and procedures in general, as may be required under applicable laws.

6. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis.

7. Due to the inherent limitations of an audit including internal, financial, and operating controls as well as specific circumstances noted above, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with audit practices.

8. The contents of this Report has to be read in conjunction with and not in isolation of the observations, if any, in the report(s) furnished/to be furnished by any other auditor(s)/ agencies/authorities with respect to the Company.

9. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For M/s Vinod Kothari & Company
Practising Company Secretaries
Unique Code: P1996WB042300

Sikha Bansal, Partner
Membership No. A33461
CP No. 22903
UDIN No. A033461B000667481

Place : Kolkata
Date : 05.09.2020

A. ANNEXURE I – PRELIMINARY NOTES

1. The Company is undergoing investigation/inspection by several regulatory authorities. Relevant details, as are brought to our notice, are enlisted below –

1.1. An enquiry under s. 206(4)/(5) of the Companies Act was initiated by ROC/RD against the Company during the Audit Period. Also, as available in public domain, MCA has ordered investigation of DHFL by Serious Fraud Investigation Office vide order dated 06.11.2019. Pending conclusion of the said investigation, we are unable to form any opinion on the same.

1.2. NHB initiated an inspection under Section 34(1) of the NHB Act, with reference to the position of the Company as on 31.03.2018. The inspection was conducted during 04.02.2019 to 08.03.2019. NHB issued letter dated 03.07.2019 along with the inspection report. There have been further correspondences on the matter and the same is not closed yet. Hence, we are unable to form any opinion on the same.

1.3. As per information available from various media reports and internal documents of the Company, the Enforcement Directorate has raided the premises of the Company on 19.10.2019, and an investigation by Central Bureau of Investigation is also ongoing.

2. Besides, there have been special audits being carried out at the instance of the Company itself, or other stakeholders, as noted below –

2.1. The Company appointed T P Ostwal & Associates LLP, Chartered Accountants, on 31.01.2019, to verify the allegations made against the Company by CobraPost. As per minutes, the report and the action taken report were placed before the Audit Committee and the Board. A summary of the report submitted by the Chartered Accountants has been submitted to the stock exchanges vide Company's letter dated 05.03.2019.

2.2. The lenders, led by Union Bank of India, appointed KPMG to conduct a Special Audit. There was an intermediate report by the said auditors which could not be shared with us. However, we have been informed that the audit is still in progress. Hence, we cannot comment on the same.

2.3. As intimated to stock exchanges vide letter dated 06.01.2020, the Administrator (assisted by the Advisory Committee), acting as resolution professional has appointed Grant Thornton LLP as the Transaction Auditor to ascertain if the Company has entered into preferential transactions u/s 43, undervalued transactions u/s 45, transactions defrauding creditors u/s 49, extortionate credit transactions u/s 50, and fraudulent transactions and wrongful trading u/s 66 of IBC.

B. Annexure II – Observations for the Audit Period

The observations, as pertaining to the Audit Period, may not be strictly called non-compliances, as the timelines for complying with the provisions might not be specified under law, or where compliance with the provisions became impossible in the prevailing circumstances, or for similar reasons. Such observations have been listed as follows –

Companies Act

1. As per MCA General Circular No. 08/2020 dated 06.03.2020, the resolution professional shall have to file the NCLT Order in Form INC-28 to change the MCA status from 'Active' to 'CIRP' and for further filings and compliances. The e-form INC-28 has been filed on 27.06.2020 and the same was pending to be approved by the Registrar of Companies on the date of signing of this report. Further, the Administrator has written to MCA, vide letters dated 03.02.2020 and 11.04.2020 to enable registration of digital signature of the CS of the Company for e-filings, etc.

2. The Company has not transferred the following amounts in terms of s. 125 of the Companies Act read with r. 5 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') –

   i) ₹ 59,27,629/- on account of unpaid/unclaimed matured deposits or debentures.

   (ii) ₹ 4,96,780/- on account of interim dividend for FY 2012-13.

   The Company has made submission to the IEPF Authority, vide letter dated 15.04.2020, claiming operation of s. 14 of IBC. As informed to us, the Company has not received any response from the authority. Given pendency of the matter, we are unable to comment on the same.

3. As per para. VII of schedule VI of the Companies Act, the independent directors of the Company are required hold at least one meeting in a FY, without the attendance of non-independent directors and members of management. While the board was suspended during the year, no such meeting was held in the pre-administration period.

SEBI Regulations [LODR Regulations, PIT Regulations]

4. In the pre-administration period, certain filings, certifications, etc. required under LODR Regulations to be signed by the Compliance Officer/CEO/CFO, were signed by the Chairman-cum-Managing Director, due to vacancy in the post of Compliance Officer/CEO/CFO(as informed) –

4.1. Compliance certificate required to be signed by Compliance Officer and submitted to the stock exchange as per reg. 7(3) of LODR Regulations.

4.2. Compliance certificate required to be provided by CEO/ CFO to the board of directors under reg. 17(8) of LODR Regulations.

4.3. Quarterly compliance report on corporate governance under reg. 27(2)(c) of LODR Regulations for the quarter ended March, 2019, June, 2019 and September, 2019 required to be signed either by Compliance Officer or CEO.

4.4. Certification that the financial results do not contain any false or misleading statement or figures and do not omit any material fact which may make the statements or figures contained therein misleading, otherwise required to be certified by the CEO/CFO under proviso to reg. 33(2)(a) of LODR Regulations.

5. As per reg. 54(1) of LODR regulations, in respect of listed NCDs, the Company is required to maintain hundred per cent asset cover sufficient to discharge the principal amount at all times for the non-convertible debt securities issued**.** As reported by the auditors in the financial results filed with the stock exchange, for the quarter/half-year ended 30.09.2019, the asset cover **may** fall short of the required asset cover to be maintained for the said debentures. Given the fact that the company is in insolvency proceedings and pendency of the audit of the financials of the FY, it is not possible to comment on the compliance of the said regulations.

6. The Company, though has made disclosures as per para. 3(C2) of SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2019/140, dated 21.11.2019 relating to defaults on payment of interest/ repayment of principal amount on loans from banks / financial institutions and unlisted debt securities, yet the same has been made by way of a letter.

7. The Company, at present, relies on the disclosures made by the designated persons, etc. to have information on trades exceeding ten lakhs rupees over any calendar quarter under reg. 7(2)(a) & (b) of PIT Regulations.

NHB Act and Directions

8. NHB has served a notice dated 20.11.2019, claiming violation of s. 16B of the NHB Act by the Company with regard to refinance facility provided by NHB and has recalled the said facility. We have been given to understand that NHB has initiated legal proceedings against the Company before the NCLT in this regard and the matter is now sub-judice. Given the pendency of the issue, we are unable to comment on the same.

9. A show cause notice by the NHB has been issued against the Company on 02.09.2019 for violation of s. 29B(2) of the NHB Act regarding shortfall in maintenance of SLR. The Company has submitted its response to NHB. However, in the absence of any further correspondence from the NHB regarding this issue, we are unable to form any conclusion on the nature and status of the show cause notice.

10. As regards the adherence to Para 3 of the NHB Directions which impose limits on public deposits vis-à-vis the net owned funds, the auditors have not certified the same favourably in Schedule II for quarter ended September 2019, submitted under the said Directions. In the absence of any concrete data, we are unable to comment on the same.

C. Annexure III –Qualifications for the Audit Period

The qualifications below pertain to non-compliances or lapses as observed to have occurred during the review period only and with respect to corporate actions taken by the Company during the Audit Period. Further, the qualifications pertain solely to the Company, and not to any other person. For the sake of lucidity, the qualifications have been arranged and discussed vis-à-vis the following broad headings:

1. Board, Committees, Key Managerial Personnel & Meetings

1.1. The board, in its meeting dated 30.08.2019, passed ***a resolution approving a resolution plan towards restructuring of debt obligations, subject to shareholder approval.*** The resolution is, in our view, covered under s. 179(3)(i), however ***was not filed with the Registrar in MGT-14,*** as required under s. 117(3)(g) of the Companies Act.

1.2. The ***minutes of certain meetings*** of the CSR committee, Audit Committee, and Nomination and Remuneration Committee ***have not been signed by the chairman (or chairman of the next meeting),*** though required under s. 118 of the Companies Act read with r. 25 of the Companies (Management and Administration) Rules, 2014, and SS-1. Further, in minutes of majority of the meetings, the ***date of entry and date of signing is not mentioned.*** The Company, vide letter dated 17.04.2020 has advised the erstwhile director to sign the minutes, being related to pre-administration period.

1.3. The Company ***has not yet completed filing of Form DIR-12 with respect to CEO, CFO, and CS appointed during the FY*** in terms of s. 170 of the Companies Act, read with r. 18 of the Companies (Appointment and Qualification of Directors) Rules, 2014. Please also refer, Annexure II, Para 1 of this Report.

1.4. Mr. Kapil Wadhawan, ***a whole time KMP of the Company, was appointed as additional director*** in WGC Management Services Private Limited, w.e.f. 17.10.2019, and WGC Consultancy Services Private Limited, w.e.f. 09.10.2019. However, ***permission of Board was not taken*** under s. 203(3) of the Companies Act.

1.5. As per s. 203(4) of the Companies Act, vacancy in the office of any whole-time KMP has to be filled-up by the board within a period of 6 months from the date of such vacancy; ***however, there have been delays –***

1.5.1. The CS resigned from the Company with effect from 15.03.2019. However, the vacancy was filled up on 09.12.2019.

1.5.2. The CFO resigned with effect from 15.03.2019. However, the vacancy was filled on 04.12.2019.

1.5.3. The CEO of the Company had resigned with effect from 13.02.2019. The vacancy was filled on 01.10.2019, though the CEO assumed office with effect from 21.11.2019, i.e. in the post administration period. However, the Company had a Managing Director in the pre-administration period.

1.6. As per reg. 6 of LODR Regulations, a listed company is required to appoint a qualified CS as the Compliance Officer. The ***office of compliance officer of the Company was vacant from 15.03.2019 to 09.12.2019.*** The stock exchanges have imposed fines on the Company, noted below.

2. Related Party Transactions

2.1. The Company, during the Audit Period, ***obtained post-facto approval of the Audit Committee, for a related party transaction with Wadhawan Global Capital Limited,*** in which a loan of ₹ 30 crores was sanctioned to WGCL on 15.03.2019, ***though the transaction required prior approval of the Audit Committee under regulation 23 of LODR Regulations.***

2.2. The Company, during the Audit Period, ***obtained post-facto approval of the Audit Committee, for a related party transaction with Wadhawan Holdings Private Limited,*** in which a property term loan of ₹ 30 Crores was sanctioned (disbursement amount being ₹ 27.97 Crores) to WHPL in March, 2018, ***though the transaction required prior approval of the Audit Committee under regulation 23 of LODR Regulations.***

3. Return of significant beneficial owners

The Company has not submitted Form BEN – 2, though declaration has been received by the Company in BEN-1, pursuant to s. 90(4) of the Companies Act read with r. 4 of the Companies (Significant Beneficial Owners) Rules, 2014 and MCA General Circular No. 1/2020 dated 01.01.2020. Please also refer, Annexure II, Para 1 of this Report.

4. Borrowings

4.1. Non-Convertible Debentures and Term loans

(i) SEBI, vide Adjudication Order No. Order/SR/SM/2020-21/7791/25 dated 29.05.2020 has ***imposed penalty of ₹ 20,00,000/- on the Company for violation of provisions of regulation 16(1) of ILDS Regulations read with r. 18(7)(b)(ii) and r. 18(7)(c) of Companies (Share Capital and Debentures) Rules, 2014 and regs. 52(1) and 52(4) of LODR Regulations. The Company has filed an appeal before SAT (Appeal No. 196/2020) for the penalty imposed by SEBI and the same is pending before the Tribunal.***

(ii) There were ***instances of omission and/or delay by the Company with respect to submission of no default certificate to credit rating agencies*** in terms of SEBI Circular SEBI/ HO/MIRSD/MIRSD4/CIR/P/2017/71 dated 30.06.2017 read with Circular SEBI/HO/MIRSD/CRADT/CIR/P/2020/2 dated 03.01.2020.

4.2. Commercial Paper

After March, 2019, the ***Company has not submitted a CEO/CFO certificate to the concerned issuing and paying agent (IPA)*** and has further ***not informed the IPA about any default/ delay in CP related payment,*** though required as per para. 9 of the RBI Commercial Paper Directions, 2007.

4.3. External Commercial Borrowings

(i) There has been a ***delay by the Company in filing Form ECB - 2*** in terms of para 6.3 of the ECB Master Directions, for the month of January, 2020, which has been filed on 18.02.2020.

(ii) For a part of the FY, including during the pre-administration period, ***the ECB exposure (principal and interest) of the Company was not covered through financial hedges*** as required by para 2.1(x) of ECB Master Directions.

5. Accounts, financial results, audit, etc.

5.1. The Company has ***not yet filed with the ROC, its financial statements along with consolidated financial statements in AOC -4 NBFC (IND AS) and form AOC – 4 CFS for FY 2018-19,*** as required under s. 137 of the Companies Act, read with r. 12 of the Companies (Accounts) Rules, 2014 and MCA General Circular No. 02/2020 dated 30.01.2020. Please also refer, Annexure II, Para 1 of this Report.

5.2. The Company has ***not yet filed its annual return in Form MGT. 7 for FY 2018-19*** with ROC as required under s. 92 of the Companies Act read with r. 11 of the Companies (Management and Administration) Rules, 2014. Please also refer, Annexure II, Para 1 of this Report.

5.3. The Company ***has made delayed submissions of the standalone financial results for the quarter and FY ended 31.03.2019; quarter ended 30.06.2019, 30.09.2019 and 31.12.2019,*** required to be made to the stock exchanges within timelines as stated in reg. 33(3) of LODR Regulations. ***A fine has been imposed by the stock exchanges, noted in para 8.1 below.***

5.4. The AGM notice and ***explanatory statement dated 30.08.2019 did not include details of proposed fee, material changes in the fee, basis of appointment, etc. with respect to appointment*** of M/s. K. K. Mankeshwar & Co. as Statutory Auditors of the Company, though required under reg. 36(5) of LODR Regulations.

6. **Investor complaints and IEPF**

6.1. As per reg. 13 (3) of LODR Regulations, the Company is required to submit to the stock exchange on a quarterly yearly basis a statement on investor complaints. For the quarter ended September 30, 2019, the ***statement was filed with a delay of 1 day.***

6.2. The Company ***has not filed IEPF-1*** with respect to interim dividend for FY 2012-13, and unpaid/unclaimed matured deposits or debentures, as required under s. 125 of the Companies Act read with r. 5 of the IEPF Rules. Please also refer, Annexure II, Para 1 of this Report.

6.3. The Company ***has not yet filed Form IEPF-IA,*** as required under s. 125 of the Companies Act read with r. 5 of the IEPF Rules. Please also refer, Annexure II, Para 1 of this Report.

6.4. As per s. 125 of the Companies Act, read with r. 6 of the IEPF rules, ***the Company is required to file with the ROC form IEPF – 4 for transfer of shares to the IEPF. The Company has not yet filed the same.*** Please also refer, Annexure II, Para 1 of this Report.

7. **NHB Norms**

7.1. As per Schedule II (half-yearly return) for quarter ended September 2019, Tier 1 capital of the Company was (-) 5.58% while Tier 2 capital was 4.47% and the total capital was (-) 1.11%, ***which is in breach of para. 30(1) of the NHB Directions.***

7.2. It has been observed that, while calculating net owned funds under s. 29A of the NHB Act, the Company does not exclude investment in DHFL Investments Limited ['DIL'], a wholly owned subsidiary of the Company. The said DIL is not consolidated with the Company on the pretext of an agreement dated 31.03.2017, wherein it is contended that the rights of management vest with WGC. While we are not commenting on the consolidation of DIL, ***we are of the view that the investment made by the Company in DIL ought to be deducted from the owned funds of Company for the computation of net owned funds in accordance with s. 29A.*** Failure to do so does not, in our view, give a correct view of the free-standing net-worth of the Company which is available for leveraging in accordance with NHB Directions.

7.3. The Company ***delayed in filing certain returns under the NHB Act read with NHB Directions,*** as follows, though in some cases, the Company has submitted a letter to NHB for condonation of delay –

S. No.	Return	Period	Delay [in days]
(i)	Annual return in Schedule I of the NHB Directions	FY 2018-19	241 days
(ii)	Half yearly returns in Schedule II of the NHB Directions	March, 2019	290 days
		September, 2019	112 days
(iii)	Statutory Liquid Assets Return in Schedule III of the NHB Directions	March, 2019	73 days
		June, 2019	38 days
		September, 2019	105 days
		December, 2019	42 days
(iv)	Return on liabilities and assets for large HFCs under NHB Policy Circular no. 95/2018-19	March, 2019	6 days
		June, 2019	73 days
		September, 2019	140 days
		December, 2019	43 days

S. No.	Return	Period	Delay [in days]
(v)	Quarterly Statement of Short Term Dynamic Liquidity under ALM Guidelines	March, 2019	33 days
		June, 2019	43 days
		September, 2019	123 days
		December, 2019	45 days
(vi)	Half-yearly Statement of Structural Liquidity under ALM Guidelines	March, 2019	23 days
		September, 2019	113 days
(vii)	Half-yearly Statement of Interest Rate Sensitivity under ALM Guidelines	March, 2019	23 days
		September, 2019	108 days
(viii)	Monthly returns under Para 9 of Miscellaneous Instruction to HFCs read with NHB(ND)/ DRS/Pol-No.15/2006 dated July 25, 2006	March, 2019	33 days
		April, 2019	31 days
		June, 2019	1 day
		July, 2019	7 days
		August, 2019	1 day
		October, 2019	1 day
		November, 2019	44 days
		December, 2019	49 days
		January, 2020	Pending
		February, 2020	Pending
(ix)	Quarterly Return on 10 major exposures to Corporates /Companies/Builders/Other entities etc.	December, 2019	20 days
(x)	Quarterly Loans under SARFAESI Return	June, 2019	83 days
		September, 2019	61 days
		December, 2019	16 days

7.4. During the pre-administration period, as it appears from the minutes of the ALM Committee, the said ***Committee was not headed by CEO/CMD/President or the ED***, as required under para. 11.3 of ALM Guidelines, but by Senior Vice President & Executive Assistant to the Chairman.

7.5. As per para. 34 of KYC Guidelines, the Company is required to upload the KYC data with CERSAI. However, ***the Company though registered on the CKYC Portal has not been uploading any data till the date of signing of this Report***.

8. Fines/Penalties imposed on the Company

8.1. The stock exchanges have imposed fines on the Company for certain non-compliances, in terms of ***SEBI Circular no. SEBI/ HO/CFD/CMD/CIR/P/2018/77 dated May 3, 2018***, as follows –

S. No.	Return	Period	Fine Including GST[₹] [NSE]	Fine Including GST [₹] [BSE]	Whether paid or not
(i)	Non submission/late submission of financial results u/r 33 of LODR Regulations	March, 2019	312700	312700	Paid
		June, 2019	371700	371700	Paid
		September, 2019	64900	64900	Paid from 16-11-2019 till 25-11-2019. Balance not paid on account of initiation of CIRP.
(ii)	Non appointment of compliance officer u/r. 6(1) of LODR Regulations	September, 2019	18880	18880	Paid
		December, 2019	81420	81420	Unpaid on account of initiation of CIRP.

8.2. ***NHB has imposed a penalty of ₹ 5,000/- vide letter dated 12.07.2019, as the Company was found deficient with regard to adherence of para. 3(i)(c) of Master Circular for Approval of Acquisition or Transfer of Control (NHB) Directions.***

8.3. ***NHB has imposed a penalty of ₹ 5000/- on account of procedural deficiency with regard to para. 2 (b) of the Fair Practice Code issued under the NHB Policy Circular dated 23.09.2009.***

8.4. ***SEBI, vide Adjudication Order No. Order/SR/SM/2020-21/7791/25 dated 29.05.2020 has imposed penalty of ₹ 20,00,000/- on the Company for violation of provisions of regulation 16(1) of ILDS Regulations read with r. 18(7)(b)(ii) and r. 18(7)(c) of Companies (Share Capital and Debentures) Rules, 2014 and regs. 52(1) and 52(4) of LODR Regulations. The Company has filed an appeal before SAT (Appeal No. 196/2020) for the penalty imposed by SEBI and the same is pending before the Tribunal.***

8.5. A penalty of ₹ 18,200/- was imposed on the Company for non-payment of service tax. The same has been paid by the Company.

D. Annexure IV -- Events during Audit Period having major bearing on the Company's Affairs

As per the guidance available in CSAS-4, Auditing Standard on Secretarial Audit, An event/action shall be considered as having major bearing on the auditee's affairs if it affects its going concern or alters the charter or capital structure or management or business operation or control, etc. The events, as in our opinion, falling in any of the aforesaid categories, have been listed below –

S. No.	Particulars
1.	**Events affecting going concern status, business operations or control**
(a)	The Company committed defaults in repayment of NCDs, and CPs.
(b)	In the pre-administration period, the Board approved a resolution plan in its meeting held on 22.07.2019. However, the Company, vide its letter dated 27.01.2020 has intimated the stock exchanges that pursuant to initiation of CIRP, the draft resolution plan prepared by the erstwhile management is no longer valid and may no longer be valid.
(c)	The Company stopped accepting or renewing deposits from 20.05.2019 because of rating downgrade. Also, NHB vide letter dated 28.05.2019 advised the Company that it should not resume acceptance and renewal of public deposit without prior approval of NHB. Further, the Hon'ble High Court, Bombay, vide order dated 10.10.2019, injuncted and restrained the Company from making further payments/disbursements to any unsecured creditors and secured creditors subject to certain exceptions.
(d)	The Reserve Bank of India superseded the Board of Directors of the Company on 20.11.2019. Subsequently, on an application filed by RBI, the NCLT (Mumbai Bench), vide Order dated 03.12.2019, ordered commencement of CIRP of the Company. Mr. R. Subramaniakumar has been appointed as the Administrator, who shall also act as the resolution professional under IBC. Details have been mentioned above.
(e)	Post commencement of CIRP, the Company has resumed giving of loan products in the month of February, 2020 post discussions with CoC.
(f)	Several regulatory/government agencies have initiated investigation against the Company. Details are as above. The investigation procedures are continuing, and we are unable to comment on the same.
2.	**Events altering the charter**
(a)	The memorandum of the Company was amended so as to increase the authorized share capital of the Company as detailed below, vide Board resolution dated 30.08.2019 and shareholder approval in the 35th AGM of the Company.
(b)	The articles of the Company were amended so as to include therein authority to appoint nominee directors of the Company, vide Board resolution dated 30.08.2019, and shareholder approval in the 35th AGM of the Company.
3.	**Events altering the capital structure**
	Increase in the authorized share capital of the Company vide shareholder resolution dated 28.09.2019: • from ₹ 828,00,00,000 divided into (i) 57,80,00,000 equity shares of ₹ 10 each aggregating to ₹ 578,00,00,000 crore; and (ii) 25,00,000 non-convertible redeemable cumulative preference shares of ₹ 1,000 each aggregating to ₹250,00,00,000 • to ₹ 1090,39,00,240 divided into (i) 84,03,90,024 equity shares of ₹ 10 each aggregating to ₹ 840,39,00,240 and (ii) 25,00,000 non-convertible redeemable cumulative preference shares of ₹ 1,000 each aggregating to ₹250,00,00,000

S. No.	Particulars
4.	**Events altering management, etc.**
(a)	The CEO of the Company had resigned with effect from 13.02.2019. The vacancy was filled on 01.10.2019. However, the CEO assumed office with effect from 21.11.2019. Further, the Company had a Managing Director in the pre-administration period.
(b)	The CS of the Company resigned with effect from 15.03.2019. The Administrator appointed CS with effect from 09.12.2019.
(c)	The CFO of the Company resigned with effect from 15.03.2019. The Administrator appointed CFO with effect from 04.12.2019.
(d)	The woman independent director had resigned from the Board with effect from 12.02.2019. The Company appointed new woman independent director with effect from 08.05.2019
(e)	In the pre-administration period, the Company constituted/re-constituted several committees of the Board – • Finance committee • Investment committee • Audit committee • Nomination and Remuneration committee • Corporate Social Responsibility committee • Risk Management committee • Review committee • Special committee for Sale of strategic investment
(f)	As stated earlier, RBI had superseded the Board of the Company. Also, post commencement of CIRP, the powers of the Board stand suspended, and the management of the affairs of the Company vest with the Administrator.
5.	**Other Events**
(a)	The Joint Statutory Auditors of the Company, namely, Deloitte Haskins and Sells LLP and M/s Chaturvedi and Shah resigned as Statutory Auditors with effect from 02.08.2019 and 22.08.2019 respectively, on account of client continuation and acceptance policy considerations. Later, M/s K. K. Mankeshwar & Co. was appointed as the Statutory Auditor vide board resolution dated 26.08.2019, and then shareholder resolution dated 28.09.2019.
(b)	The Company, during the Audit Period closed the sale of Aadhar Housing Finance Limited, one of its associate companies to BCP Topco VII Pte. Limited. The Company also sold its investments held in Avanse Financial Services Limited to Olive Vine Investment Limited. Further, the Company sold its entire stake in DHFL Pramerica Asset Managers Private Limited and DHFL Pramerica Trustees Private Limited to PGLH of Delaware. Note, the related compliance procedures were undertaken in the previous Audit Period, and as such, we have not audited the same.

E. ANNEXURE V -- LIST OF DOCUMENTS PERUSED

1. Minutes of the following were provided:
   - Advisory Committee;
   - Asset – Liability Committee;
   - Audit Committee;
   - Board Meeting;
   - Corporate Social Responsibility Committee;
   - Finance Committee;
   - General Meeting;
   - Nomination and Remuneration Committee;
   - Risk Management Committee;
   - Stakeholders Relationship Committee;
2. Notice and Agenda for Board and Committee Meetings;
3. Disclosures under Act, 2013 and rules made thereunder;
4. Statutory Registers under Act, 2013;
5. Policies/ Codes framed under Act, 2013; SEBI and NHB regulations;
6. Intimations filed with Stock Exchanges, Debenture Trustee and Credit Rating Agencies;
7. Forms and returns filed with the ROC, NHB and IRDAI;
8. Codes/ Periodic reports/ disclosures under SEBI (Prohibition of Insider Trading) Regulations, 2015;
9. Documents relating to issue and redemption of Non-Convertible Debentures, Commercial Paper (if applicable);
10. Registers maintained under Companies Act, 2013;
11. Forms under FEMA Act and regulations filed with Authorised Dealer Bank and RBI in relation to FDI & ECB.

Annexure - 9

to the Board's Report (Report of Advisory Committee Chaired by the Administrator)

CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To
The Members of
Dewan Housing Finance Corporation Limited

We have examined the compliance of Conditions of Corporate Governance by the Company, for the financial year ended on March 31, 2020 as stipulated in Regulation 17 to Regulation 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D, E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

1. The Reserve Bank of India (RBI) vide its Press Release dated November 20, 2019 and in exercise of the powers conferred under Section 45 IE 5(a) of the RBI Act 1934, has the superseded the Board of Directors ('Board') of the Company and appointed Shri R. Subramaniakumar as Administrator of the Company, thereafter, RBI vide its Press Release dated November 22, 2019 in exercise of the powers conferred under Section 45 IE 5(a) of the RBI Act, constituted a three (3) member Advisory Committee to assist the Administrator in discharge of his duties. Further, RBI has filed an application under the provisions of the Insolvency and Bankruptcy Code, 2016 ('IBC') read with the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 ('FSP Rules'), the National Company Law Tribunal, Mumbai Bench ('NCLT'), vide Order dated 3rd December, 2019, ordered commencement of Corporate Insolvency Resolution Process ('CIRP') of the Company, with effect from the same date. NCLT has appointed Administrator as the resolution professional to discharge the functions of the resolution professional under IBC and other rules, and regulations, as may be applicable and confirmed that the Advisory Committee shall continue as the advisory committee required to be constituted under Rule 5 (c) of the IBC Rules.

2. The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in applicable provisions of the Regulations for the year ended on March 31, 2020 except given below:-

   a. As per Regulation 17(8) of SEBI LODR Regulations, 2015, the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) shall provide the compliance certificate to the Board of Directors as specified in Part B of Schedule II in LODR Regulations, 2015, whereas the same has been provided by Chairman-cum-Managing Director for the quarter ended March 31, 2019 and June 30, 2019.

   b. As per Regulation 27(2)(c) of SEBI LODR Regulations, 2015, quarterly compliance report on corporate governance has to be signed either by the Compliance Officer or the Chief Executive officer of the Company, whereas for the quarter ended March 31, 2019, June 30, 2019 and September 30, 2019 it has been signed by Chairman-cum-Managing Director of the Company.

   c. As per Regulation 23(2), all the related party transactions require prior approval of Audit Committee, whereas, post-facto approval of the Audit Committee was taken, for a related party transaction with Wadhawan Global Capital Limited of ₹ 30 crore which were sanctioned on 15.03.2019 and with Wadhawan Holdings Private Limited of ₹ 30 crore (disbursement amount ₹ 27.97 crore) which were sanctioned in March 2018.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Amruta Giradkar and Associates**
Practicing Company Secretaries

CS Amruta Giradkar
ACS: 48693
CP. No. 19381
UDIN: A048693B000668598

Place: Mumbai
Date: September 5, 2020

Management Discussion and Analysis

GLOBAL ECONOMIC OVERVIEW

Global economy has been impacted by various factors including COVID-19. As per the World Economic Outlook, Global growth is projected at -4.9% in 2020, COVID-19 pandemic has had a more negative impact on activity in the first half of 2020 than anticipated and the recovery is projected to be more gradual than previously forecast. In 2021, global growth is projected at 5.4%. Overall, this would leave 2021 GDP around 6.5% lower than in the pre-COVID-19 projections of January 2020. The adverse impact on low-income households is particularly acute, imperiling the significant progress made in reducing extreme poverty in the world since the 1990s.

Effective policies are essential to forestall worse outcomes. Necessary measures to reduce contagion and protect lives will take a short-term toll on economic activity but should also be seen as an important investment in long-term human and economic health. The immediate priority is to contain the fallout from the COVID-19 outbreak, especially by increasing health care expenditures to strengthen the capacity and resources of the health care sector while adopting measures that reduce contagion. Economic policies will also need to cushion the impact of the decline in activity on people, firms, and the financial system; reduce persistent scarring effects from the unavoidable severe slowdown and ensure that the economic recovery can begin quickly once the pandemic fades.

INDIAN ECONOMY AND INDIAN FINANCIAL SECTOR

India has emerged as one of the fastest growing major economy in world and is expected to be one of the top three economic powers in the world over the next 10-15 years, backed by its robust democracy and strong partnerships.

As per the provisional estimates of Central Statistics Organisation (CSO), the growth of India's real GDP during financial year 2020 is estimated at 4.2%, as compared to 6.1% in financial year 2019. Further, COVID-19 outbreak has raised fresh challenges for the Indian economy, causing severe disruptive impact on both demand and supply side elements.

India's GDP is expected to reach US$ 5 trillion by financial year 2025 and achieve upper-middle income status on the back of digitization, globalization, favorable demographics, and reforms.

India is expected to be the third largest consumer economy as its consumption may triple to US$ 4 trillion by 2025, owing to shift in consumer behavior and expenditure pattern, according to a Boston Consulting Group (BCG) report. It is estimated to surpass USA to become the second largest economy in terms of Purchasing Power Parity (PPP) by 2040 as per a report by Price Waterhouse Coopers.

The Indian Economy also has been adversely affected due to the effects of COVID-19. It is evident that the economic slowdown is real, consumer confidence is declining. Lending has been the most topsy-turvy space in the financial services in India. Even the most prudent ones, barring a few backed by large corporate groups, had to manage their books, capital & fund raising plans.

The Government has taken a series of measures to generate demand and ease the liquidity by ensuring public sector banks lend further to Non-Banking Financial Companies (NBFCs), introducing partial credit guarantee scheme, etc. Outlook for the financial year 2020-21 right now is cautious from an industry point of view.

OVERVIEW OF HOUSING FINANCE SECTOR

Housing finance market has seen a steady growth over the years with the overall share of outstanding individual housing loans of banks and Housing Finance Companies (HFCs) to GDP (at market prices) having increased from 6.6% in financial year 2010-11 to 9.6% in financial year 2019-20.

The Housing Finance industry has been under stress since September 2018 and continued to suffer on account of lack of credit availability, muted investor confidence, sluggish real estate demand and rising NPAs. During first half of the financial year 2020, most NBFCs / HFCs were not able to raise funds from the banks and mutual funds. The credit off-take improved in second half and banks actively participated in entering into securitization transactions with high rated HFCs / NBFCs having good track record and better portfolio quality.

The Government of India announced a partial credit guarantee scheme for first loss of up to 10% for 6 months to public sector banks to buy high rated pooled assets of NBFCs and HFCs of up to ₹ 1,00,000 crore to enable funding.

During the financial year 2019-20, Reserve Bank of India (RBI) vide its press release dated August 13, 2019, had announced transfer of regulation of HFCs from National Housing Bank (NHB) to RBI. Pursuant to the said Press Release, RBI had stated that RBI would carry out a review of the extant regulatory framework applicable to the HFCs and come out with revised regulations in due course and till such time, HFCs shall continue to comply with the directions and instructions issued by the NHB and that NHB will continue to carry out supervision of HFCs and HFCs will continue to submit various returns to NHB as hitherto. RBI vide Press Release dated June 17, 2020, further stated that RBI has undertaken the said review and has identified a few changes which are proposed to be prescribed for HFCs and had placed a draft framework on its website for public comments by July 15, 2020, for consideration before issuing the final guidelines. Also, with banks transitioning to external benchmark linked pricing of loans, there would be greater transparency in pricing of home-

loans across various providers of finance to home loan buyers. In order to provide a growth impetus to the housing sector, multiple policy measures were announced, some of which were reduced GST on certain category of housing, income tax relief for home loan customers and developers of affordable housing, measures to introduce liquidity for home loan providers like relaxation of on-lending guidelines, relaxation of minimum holding periods in securitisation/assignment guidelines and NHBs Liquidity infusion facility.

The Government of India further announced a slew of wide-ranging reforms across varied sectors amidst a comprehensive package aggregating ₹ 20 lakh crore or approximately 10% of nominal GDP which covered among others direct cash transfers and food security for vulnerable sections of society; collateral free loans and concessional credit to farmers and street vendors; enhancement of systemic liquidity by the RBI; special liquidity and partial credit guarantee scheme to provide liquidity to NBFCs, HFCs, Micro Finance Institutions and mutual funds; 100% credit guarantee scheme for aggregate of ₹ 3 lakh crore of emergency credit lines by banks and NBFCs to their Micro, Small and Medium Enterprises (MSMEs) borrowers, and subordinated debt and equity support to MSMEs. The Government has also initiated compliance relief measures across various regulatory requirements. The RBI has initiated several measures like reduction in policy rates, monetary transmission, credit flows to the economy and providing relief on debt servicing.

To ease liquidity pressure on NBFCs and HFCs, the RBI has taken multiple actions, including a Targeted Long-Term Repo Operation (TLTRO) for the sector of ₹ 50,000 crore and a special financing window through SIDBI, NABARD and NHB of another ₹ 50,000 crore to enable financing NBFCs and HFCs.

OPPORTUNITIES AND RECENT DEVELOPMENTS IN HOUSING FINANCE INDUSTRY

The Government of India, along with the governments of respective states, have taken several initiatives as follows which are expected to encourage the development in the sector.

In order to revive around 1,600 stalled housing projects across the top cities in the country, the Union Cabinet has approved the setting up of ₹ 25,000 crore (US$ 3.58 billion) Alternative Investment Fund (AIF).

Under Pradhan Mantri Awas Yojana (Urban) [PMAY (U)] 1.12 crore houses have been sanctioned in urban areas creating 1.20 crore jobs.

The Government has also extended the deadline for first time home buyers to avail additional ₹ 1,50,000 interest deduction on home loans by a year till March 31, 2021 apart from making more homes available under affordable housing by extending benefit under Section 80-IBA of the Income Tax Act for one more year i.e., upto March 31, 2021 for affordable housing projects.

Pradhan Mantri Awas Yojana (PMAY) scheme has also been continued with subsidy benefit to the eligible Home Loan borrowers.

THREATS FOR HOUSING FINANCE SECTOR

The credit growth of HFCs is likely to be lower at 9-12% in financial year 2020-21, vis-a-vis last three years' compounded annual growth rate of 16% in the backdrop of the COVID-19 outbreak, according to ICRA. The credit rating agency opined that people will defer home purchases and home improvement/ extension decisions till they are able to achieve stability in income levels / resumption of business activities. ICRA cautioned that asset quality of all segments of housing loans could be impacted, and within housing, the asset quality in the affordable and self-employed segment could worsen, compared to the salaried segment.

COVID-19 will impact demand for home loans and further accentuate the Application Lifecycle Management challenges of the HFC sector. The RBI's moratorium measures for customers are likely to put additional stress on many HFCs. The COVID-19 pandemic is also expected to result in a deterioration in the asset quality of the financial sector. HFCs too will face similar pressures. Early indicators of non-delinquent customers opting for moratoriums reflect a considerable level of anxiety from customers. It remains to be seen how this anxiety eases when economic activities resume. A long-drawn lockdown or frequent lockdowns of economic activities may require RBI to frame forbearance schemes for impacted customers without impacting asset classification.

BUSINESS AND OPERATIONAL OVERVIEW

Your Company is a Housing Finance Company (HFC) with a pan India presence catering mainly to lower and middle income customer segments in Tier II and Tier III towns of India, with a focus on providing housing finance and related products for the underserved majority, primarily through home loans provided to the Low and middle Income (LMI) segment in India. Your Company provides finance primarily to individuals, partnership firms and companies for the purchase, self-construction, improvement and extension of homes, new and resale flats, commercial properties and plots. Your Company also provides other non-housing loan products including loans against property, lease rental discounting, loans to SMEs and loans to finance the construction of residential and commercial projects.

While in major part of the financial year under review the business of your Company was minuscule at a low level, by February 2020 the retail lending operations were recommenced primarily to cater to the Lower and Middle Income segment, however, the same also got impacted due to the COVID-19 pandemic and consequent extended lockdown.

Material Impact of COVID-19 on Company

The COVID-19 pandemic outbreak and the resultant lockdown in the country had impacted various functions of your Company including Head Office and branch operations, collections and field visits and also new disbursements. During the initial phases of lockdown till about May 31, 2020, wherein strict restrictions on mobility were in force, your Company's Head Office and branches, micro-branches remained shut and could not

function, in compliance with the Government guidelines. Due to swift adaption of alternate technology, Work from Home (WFH) enablement and other functional and connectivity support, a large number of employees of your Company were able to carry on with the day-to-day operations even during the lockdown.

In the month of April 2020 and May 2020, about 32% and 36% of the retail borrowers respectively, availed moratorium. During this period, the retail collections of your Company were impacted on account of the moratorium availed by the borrowers and due to the restricted movement of collections and field officers. In the month of April 2020, your Company's team contacted about 60% of its retail borrowers who had availed moratorium facility to explain them about the impact of moratorium on their loan accounts and also encouraged them to make the regular payments as per the monthly EMI payment cycle. In June 2020 even while the moratorium was extended to the customers, extensive awareness and collections campaign helped your Company reduce its under-moratorium borrower position from 36% in May 2020 to 27% in June 2020 in terms of count.

During the lockdown period, your Company also undertook an exercise to identify potentially stressed accounts and follow-up was ensured. With comprehensive efforts to improve collections, your Company has been able to significantly reduce the quantum of its overdue (irregular) retail accounts.

The retail disbursement process of your Company, which was commenced in the end of February 2020, was impacted during the lockdown owing to the restriction on conducting field visits for due-diligence and other verification processes. The outsourced call centre activities of your Company were affected during the lockdown, however, the agency was able to revive the operations with WFH enablement within 10 days and the teams commenced the operations in limited way and gradually scaled to near full level by end of May 2020.

Your Company has been closely monitoring the prevalent situation and would continue to take all necessary steps as required to maximise the value of your Company and continue the organisation as a going concern.

Inter-Creditor Agreement

RBI on June 7, 2019 had issued "Prudential Framework for Resolution of Stressed Assets" for early resolution of stressed assets in a transparent and time-bound manner, giving complete discretion to lenders with regard to design and implementation of resolution plans. As your Company was under stress due to liquidity issue of the industry as well its own, and also due to various adverse media reports on the functioning of your Company, the lenders initiated appropriate action.

As per this framework, lenders shall undertake a prima facie review of the borrower account within thirty days from such default (Review Period). During this Review Period of thirty days, lenders may decide on the resolution strategy, including the nature of the Resolution Plan (RP), the approach for implementation of the RP, etc. In cases where RP is to be implemented, all lenders shall enter into an Inter Creditor Agreement (ICA), during the above-said Review Period, to provide for ground rules for finalization and implementation of the RP. RP shall be implemented within 180 days from the end of Review Period. The ICA shall provide that any decision agreed by lenders representing 75% by value of total outstanding and 60% of lenders by number shall be binding upon all the lenders. The RP may involve any action / plan / reorganization including, but not limited to, regularization of the account by payment of all overdues by the borrower entity, sale of the exposures to other entities / investors, change in ownership and restructuring.

Your Company which was already working with creditors for a restructuring plan with possible stake sale to strategic investors, was brought under the new guidelines of RBI and an ICA process was set into motion. By July 5, 2019, all major banks signed the ICA and RP process could be initiated immediately thereafter. 27 banks including all term lending banks and banks holding Non Convertible Debentures (NCDs), NHB, LIC and NABARD signed the ICA in due course of time. Your Company and lenders, each appointed leading RP advisors to help draft the Plan. All key processes for drafting RP, including valuation / liquidation valuation, legal due diligence and rating process for RP rating were undertaken. Over the next 90 days during July and September 2019 multiple sittings were organized with ICA members. Joint Lenders Forum (JLF) including NCD and Fixed Deposit (FD) holders were held to explain the RP framework under consideration. Voting process was undertaken to obtain mandate from NCD holders through the Trustee. Enabling a change in the management control was a key aspect of the RP in making, including a possible lenders' led stake buy out as an interim arrangement, were kept open as options to be explored.

Considering the large investors base under NCD, obtaining mandate from 60% of investors by numbers proved challenging. First round of voting by NCD holders could garner only 28% in favor from public investors. Mutual Funds (MFs) too could not sign ICA reportedly due to the requirement to set aside your Company bonds in a side pocket prior to the default date, a condition which many MFs could not meet.

The ICA members and JLF however remained on consultative mode to find an acceptable solution to different class of investors; a flexibility which ICA offered. Multiple RP models were carved out towards this end and to secure the mandate from the requisite majority of lenders. Early September 2019, saw a leading MF moving Hon'ble High Court of Bombay restraining your Company from making any payments to any creditors. This was followed by various litigations against your Company which impeded the ICA work from moving in an environment of coordinated approach. Consultative process came to halt. The option was to go for a court led process.

With the introduction of Section 227 of the IBC on November 15, 2019 by the Central Government bringing Financial Institutions under the ambit of IBC process, the action shifted with RBI moving in and taking control of the affairs of your Company with the supersession of the Board of Directors of your Company and appointment of Administrator as stated in detail in the Board's Report (Report of Advisory Committee Chaired by the Administrator). Currently, your Company is going through CIRP.

FINANCIAL OVERVIEW

The standalone and consolidated financial statements of your Company have been prepared as per the applicable provisions of Companies Act, 2013 and Indian Accounting Standards. The same form a part of this Annual Report.

The summary of your Company's financial statements as at March 31, 2020 is as under:

Balance Sheet

(₹ in crore)

Particulars	Standalone		Consolidated	
	March 2020	March 2019	March 2020	March 2019
Assets				
Financial assets				
Cash and cash equivalents	6,848.61	1,260.08	6,849.28	1,260.12
Bank Balances other than above	870.64	1,771.48	870.64	1,771.48
Derivative Financial Instruments	-	171.13	-	171.13
Receivables	2.75	4.76	2.75	4.76
Housing and Other loans:				
At Amortised Cost	35,470.37	66,349.97	35,470.37	66,349.97
At Fair Value	30,732.31	31,628.15	30,732.31	31,628.15
Investments	3,880.51	2,361.31	3,880.51	2,498.31
Other Financial Assets	1,483.55	1,048.07	1,483.57	1,048.09
Total Financial Assets	**79,288.74**	**1,04,594.95**	**79,289.43**	**1,04,731.99**
Non-Financial assets				
Current Tax Assets (Net)	330.23	370.20	330.23	370.20
Deferred Tax Assets	5,052.15	442.81	5,043.30	433.96
Property, Plant and Equipment	853.61	782.93	853.61	782.93
Intangible Assets Under Development	105.17	104.01	105.17	104.01
Other Intangible Assets	66.69	81.75	66.69	81.75
Other Non-Financial Assets	141.24	98.60	141.24	97.14
Total Non-Financial Assets	**6,549.09**	**1,880.30**	**6,540.24**	**1,869.99**
Total Assets	**85,837.83**	**1,06,475.25**	**85,829.67**	**1,06,601.98**
Liabilities and Equity				
Liabilities				
Financial Liabilities				
Derivative Financial Instruments	-	302.51	-	302.51
Trade Payables:				
(i) total outstanding dues of micro enterprises and small enterprises	0.34	-	0.34	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	120.88	102.05	120.88	102.05
Debt Securities	45,428.29	47,821.51	45,428.29	48,112.89
Borrowings (Other than Debt Securities)	38,410.77	40,659.95	38,410.77	40,659.93
Deposits	5,278.89	6,826.77	5,278.89	6,826.77
Subordinated Liabilities	1,294.30	1,212.51	1,294.30	1,212.51
Other financial liabilities	695.40	1,274.49	695.44	1,274.55
Total financial liabilities	**91,228.87**	**98,199.79**	**91,228.91**	**98,491.23**
Non-Financial Liabilities				
Provisions	7.53	10.15	7.53	10.15
Other non-financial liabilities	139.37	163.25	139.37	163.25
Total non-financial liabilities	**146.90**	**173.40**	**146.90**	**173.40**
Total liabilities	**91,375.77**	**98,373.19**	**91,375.81**	**98,664.63**

(₹ in crore)

Particulars	Standalone		Consolidated	
	March 2020	March 2019	March 2020	March 2019
EQUITY				
Equity Share Capital	313.82	313.82	313.82	313.82
Other Equity	(5,851.76)	7,788.24	(5,859.96)	7,623.53
Total Equity	**(5,537.94)**	**8,102.06**	**(5,546.14)**	**7,937.35**
Total Equity and Liabilities	**85,837.83**	**1,06,475.25**	**85,829.67**	**1,06,601.98**

Profit and Loss Statement

(₹ in crore)

Particulars	Standalone		Consolidated	
	March 2020	March 2019	March 2020	March 2019
Revenue from Operations				
a) Interest Income	9,232.25	12,307.84	9,232.16	12,307.71
b) Dividend Income	-	12.35	-	10.74
c) Fees and Commission Income	2.83	275.47	2.83	275.47
d) Net Gain on Fair Value Changes	-	-	-	-
e) Net Gain on Derecognition of Financial Instruments under Amortised Cost Category	23.97	205.83	23.97	205.83
f) Other Operating Revenue	63.18	82.39	299.00	82.39
Total Revenue from Operations	**9,322.23**	**12,883.88**	**9,557.96**	**12,882.14**
Other Income	20.89	18.64	20.89	29.52
Total Income	**9,343.12**	**12,902.52**	**9,578.85**	**12,911.66**
Expenses				
Finance Costs	5,725.18	9,392.85	5,736.21	9,416.91
Net Loss on Fair Value Changes	14,996.48	2,458.37	15,034.71	2,458.37
Impairment on Financial Instruments	6,241.13	1,084.98	6,242.13	1,008.97
Employee Benefit Expense	283.29	485.33	283.29	485.33
Depreciation and Amortisation Expense	79.41	51.15	79.41	51.15
Other Expenses	265.62	594.82	265.62	594.94
Total Expenses	**27,591.11**	**14,067.50**	**27,641.37**	**14,015.67**
(Loss)/Profit Before Tax	(18,247.99)	(1,164.98)	(18,062.52)	(1,104.01)
Tax expense				
- Current tax	-	536.40	-	536.40
- Earlier Years Adjustments	(11.33)	1.92	(11.33)	1.92
- Deferred Tax	(4,624.34)	(667.25)	(4,624.34)	(658.40)
Total tax Expense	**(4,635.67)**	**(128.93)**	**(4,635.67)**	**(120.08)**
Net (Loss)/Profit After tax	**(13,612.32)**	**(1,036.05)**	**(13,426.85)**	**(983.93)**
Share of net profits of associates and joint ventures	-	-	(28.96)	18.02
Other comprehensive income				
(A) Items that will not be reclassified to profit or loss				
(i) Remeasurements of the defined employee benefit plans	(1.54)	1.29	(1.54)	1.29
(iii) Share of other comprehensive income of associates and joint ventures	-	-	-	(0.05)

(₹ in crore)

Particulars	Standalone		Consolidated	
	March 2020	March 2019	March 2020	March 2019
(ii) Income tax relating to items that will not be reclassified to profit or loss	0.39	(0.36)	0.39	(0.36)
Subtotal (A)	**(1.15)**	**0.93**	**(1.15)**	**0.88**
(B) Items that will be reclassified to profit or loss				
(i) Cash flow hedge	53.20	25.06	53.20	25.06
(ii) Income tax relating to items that will be reclassified to profit or loss	(14.88)	(7.01)	(14.88)	(7.01)
Subtotal (B)	**38.32**	**18.05**	**38.32**	**18.05**
Other Comprehensive Income (A + B)	**37.17**	**18.98**	**37.17**	**18.93**
Total comprehensive income	**(13,575.15)**	**(1,017.07)**	**(13,418.64)**	**(946.98)**

Significant changes in key financial ratios

Particulars	For the financial year 2019-20	For the financial year 2018-19
Interest Coverage Ratio	-2.19	0.88
Current Ratio	0.73	0.97
Debt Equity Ratio	-16.50	12.14
Operating Profit margin	-134.0%	63.8%
Net Profit margin	-145.7%	-8.0%
Return on Net Worth	-1061.8%	-12%

The changes in the aforesaid ratios are largely on account of the loss suffered by your Company during the financial year 2019-20 and adverse business circumstances as detailed in this Report.

RISK MANAGEMENT

During the financial year under review, as per the NHB requirement, your Company appointed the Chief Risk Officer (CRO) in July 2019 and set-up the Enterprise Risk team in September 2019.

Your Company's Risk management setup was strengthened and made effective with the commencement of CIRP.

Your Company has a Risk Management Committee (RMC), which post commencement of the CIRP has been revived with the approval of the Advisory Committee. CRO was made to report to the Chief Executive Officer and directed to establish Operational Risk Management Committee (ORMC), Credit Risk Management Committee (CRMC) and Information Security Committee that comprises of members of its senior management team and these were established during CIRP. These committees meet on a periodic basis to assess the risk management system and the emergent risks your Company is exposed to.

Your Company is striving to manage its risk in a proactive manner and has adopted structured and disciplined approach to risk management by developing and implementing risk management framework. With a view to manage its risk effectively, your Company has put in place an Enterprise Risk Management Policy which covers a formalized Risk Management Structure, along with other aspects of Risk Management i.e. Credit Risk Management, Operational Risk Management and Fraud Risk Management. The Risk Management Committee of your Company, on periodic basis, assess the risk management systems, processes and minimization procedures of your Company. During the financial year under review, during the CIRP period, the risk management policy of your Company was revised to align the same with the changing business environment.

INTERNAL CONTROL SYSTEMS

With commencement of CIRP, your Company has put in place a system of internal controls for business processes, operations, financial reporting, fraud control, and compliance with applicable laws and regulations, among others. These internal control and systems are devised as part of the principles of governance.

Your Company has an Internal Audit Department, which provides comprehensive audit coverage of functional areas and operations of your Company to examine the adequacy of and compliance with policies, procedures, statutory and regulatory requirements. Annual audit plan is placed before the Audit Committee / Advisory Committee and adherence to the plan is reported quarterly to the Audit Committee / Advisory Committee.

Compliance status of audit observations and follow up actions thereon are reported to the Audit Committee / Advisory Committee. The Audit Committee / Advisory Committee reviews and evaluates adequacy and effectiveness of your Company's internal control environment and monitors the implementation of audit recommendations.

Internal audit also assists the management in identifying operational risks for revenue leakage and opportunities for cost savings and revenue enhancements; ensures working within the regulatory and statutory framework and facilitates early detection and prevention of frauds.

The Internal Audit function continues to report to the CRO as an interim arrangement during the presently ongoing CIRP.

Internal Audit function is accountable to the Board of Directors through the Chairman of the Audit Committee / Advisory Committee through the Administrator.

However, during the CIRP period it is observed that internal audit effectiveness was lacking during the earlier period and its independence is being established now with a view to prevent the lapses identified by the transaction avoidance auditor.

HUMAN RESOURCES

Human Resources are the most important asset of any financial services organization. In the backdrop of the crisis that your Company was in, your Company faced increased attrition during the first half of the financial year. While the challenges ensued, your Company conducted various restructuring activities internally to manage the people crisis. The erstwhile management was unable to fill up the KMPs and the positions vacated by the senior management who left your Company in the first half of the financial year. During the CIRP, your Company was also able to attract talent, through lateral hiring, to fill key management positions which have enabled your Company to bring in best industry practices of governance and compliance.

Your Company also undertook proactive measures to ring-fence critical talent through a Deferred Incentive Plan which was initiated during the ICA process and effectively finalized during the CIRP. This has helped your Company to reduce attrition significantly, and also had a positive impact on business operations and continuity.

Your Company also actively encouraged cross utilization of resources to avoid the need of hiring from the market, and also to nurture multi-tasking skills in employees. This ensured that all employees of your Company were productively employed, and also helped your Company save on hiring costs and wherever necessary strengthened its hiring process to ensure economical quality hires.

While being cost conscious during the CIRP period, your Company implemented projects through cross functional teams to help it move into the next phase of leadership and strategic partnership. This ensures the system and its machinery to remain active for the business continuity and growth. Furthermore, your Company has also drawn out its succession plans to maintain business readiness for the next stages of change.

During this period, your Company re-assessed all its internal policies and practices and brought in measures to make them more compliant as well as mitigate risks that it was being exposed to.

During the end of the fiscal your Company, along with the entire globe, faced an unprecedented situation of a pandemic. Business Continuity and Employee Safety Plan was activated to ensure compliance with all national and local guidelines, at the same time maintaining continuity of business operations, specific functional guidelines were designed. Continuity of all functions was ensure without any downtime through a robust BCP strategy and collaborative cross-functional efforts.

Engagement through effective communication:

Your Company also enhanced its internal communication channels to ensure effective two-way communication for information to reach the last mile.

With the commencement of CIRP, the continuous engagement with the entire workforce through Webinar/ Townhall meetings was initiated to ensure constant flow of information and keep the morale of the workforce high and reduce attrition.

With the various interventions, throughout the functions your Company saw a sharp decrease in attrition. As on March 31, 2020, your Company's total workforce was 2,179 as against 3,320 on March 31, 2019. The manpower is in line with your Company's operations and geographical reach, especially in Tier II and Tier III cities, towns and peripheral suburbs.

Learning and Development

The Learning and Development (L&D) department's role is to align employee goals and performance with that of your Company's. The department is responsible for identifying skill gaps among employees and teams and then develop training modules and deliver them to bridge those gaps basis the organization's learning strategy.

The department operates on the foundation that your Company's employees are the greatest asset. The department plays a critical role liaising with cross functional teams to identify employee learning needs, ensure the employees are able to meet the challenges of their jobs and that they are aligned to the business goals of your Company. It has been working closely with the learners to ensure the training interventions improve productivity and motivate them to perform with renewed vigor and zeal. The L&D team is evolving to constantly upgrade their skills and knowledge and utilize the knowledge and expertise of Subject Matter Experts from the different functions to meet your Company's goal. The team has utilized their in-house capability to develop content and train the employees on their online learning management system, classroom and virtually through the webex platform. The L&D team has been constantly training the employees on the changes in the policies and documentation process to ensure all operate with the new plans.

In the last financial year training was imparted to 2,100 on roll employees and 2,543 off roll employees, covering all Mandatory Modules which ensures the employees are aware and updated on important policy guidelines namely Information Security, Know Your Customer & Anti Money Laundering, Prevention of Sexual Harassment, and Code of Business Ethics.

The Mandatory Induction Program for the new joinees is conducted Online as part of the employee on boarding, it provides an overall view of your Company's vision and mission, ensures the new joinee is aware of the important policy guidelines namely Information Security, Know Your Customer and Anti Money Laundering, Prevention of Sexual Harassment and Code of Business Ethics.

In keeping with its importance and in compliance with National Housing Bank norms, trainings on Know Your Customer and Anti Money Laundering, with a total coverage of 2,075 employees were also imparted at all levels within your Company.

Taking concrete steps based on the study findings is helping your Company in building a stronger and more engaged workforce. Customer focus remains at the core of all L&D initiatives.

Your Company's Human Resources initiatives and L&D systems are designed to ensure an active employee engagement process, leading to better organizational capability and vitality for maintaining a competitive edge and in pursuing its ambitious growth plans.

To further enable insurance product solicitation, procuring and servicing on behalf of your Company, 203 employees were identified across Branch Network of your Company to be the 'Insurance – Specified Person(s)', who were sponsored post commencement of CIRP to undergo Insurance Regulatory and Development Authority of India (IRDAI) prescribed mandatory 75 Hours of Training and Examination to fulfill requirements of obtaining Certificate of Registration with IRDAI.

Outlook

With regard to the future operations of your Company, as the Corporate Insolvency Resolution Process (CIRP) is in progress, your Company's future is linked to the outcome of the Resolution Plan as may be approved by the Committee of Creditors and to be submitted to Hon'ble National Company Law Tribunal for its approval.

The Administrator and the Advisory Committee set up by the RBI to assist the Administrator in discharge of their duties, exercise oversight on the operations of your Company apart from running the CIRP process in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016 (the Code) and rules framed under the Code. The present management has undertaken various steps and several initiatives recently including various efforts to strengthen the financial policies and processes, functioning of the IT system, loan / security documentation, legal audit, internal financial controls and updating risk control matrices, risk and fraud risk management, through in-house resources and engagement of external professional experts/consultants. The management team has also initiated steps for comprehensive compliance of various applicable rules and regulations within your Company. The betterment process is a continuous effort and the same is impacted due to the COVID-19 situation and the resultant lockdown. The present management team believes that these initiatives will strengthen your Company's overall governance structure and control environment. On conclusion and implementation of all such initiatives, it is believed that the operational efficiency will improve and operational issues will get addressed.

On the back of a disruption in the economy as a result of widespread outbreak of the COVID-19, financial year 2020-21 is likely to be a year of consolidation rather than growth. However, we expect that a major fall in new housing unit sale will not affect your Company's turnaround prospects. Your Company had taken many cost-cutting steps. A close introspection of the business of your Company will infer that more focus is needed on expanding revenue base. Your Company is looking to continuously optimize its credit policy, making the relevant amendments and evolve the market-specific policies to attract customers.

Your Company will be strengthening its digital platform to maximise value addition. Your Company will be laying emphasis on restructuring the collections strategy via utilizing cross-functional expertise and using digital methods of payments to collect overdue amounts. Your Company continuously working on using this interface effectively and efficiently. Despite the challenges induced by the lockdown your Company is prepared to deal with the evolving business scenario.

Report on Corporate Governance

In pursuance of Regulation 34(3) and Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter referred as "SEBI Listing Regulations"], a Report on Corporate Governance for the Financial Year 2019-20 is presented below:

1. DHFL's PHILOSOPHY ON CODE OF GOVERNANCE

DHFL's philosophy is that code of Corporate Governance is based on the principle of making all the necessary decisions and disclosures, accountability and responsibility towards various stakeholders, complying with all the applicable laws and a continuous commitment of conducting business in a transparent and ethical manner.

2. BOARD OF DIRECTORS

The Reserve Bank of India (RBI) vide Press Release dated November 20, 2019 in exercise of the powers conferred under Section 45-IE(1) of the Reserve Bank of India Act, 1934 (RBI Act) superseded the Board of Directors of your Company on November 20, 2019 owing to governance concerns and defaults by your Company in meeting various payment obligations and the RBI appointed Mr. R. Subramaniakumar, ex-MD and CEO of Indian Overseas Bank as the Administrator of your Company under Section 45-IE (2) of the RBI Act. Thereafter, RBI vide its Press Release dated November 22, 2019, in exercise of the powers conferred under Section 45 IE 5(a) of the RBI Act, constituted a three (3) member Advisory Committee to assist the Administrator in discharge of his duties and to advise the Administrator in the operations of your Company during the corporate insolvency resolution process. As per the framework of the Advisory Committee as approved by RBI, primary responsibility of the Advisory Committee is to guide the Administrator to undertake all steps that will maximize the value for all stakeholders of your Company through a successful resolution. Since the Administrator also takes over the responsibility of the Board of Directors of your Company, the Advisory Committee will support the administrator in fulfillment of this role responsibilities. The members of the Advisory Committee are Dr Rajiv Lall, erstwhile Non-Executive Chairman, IDFC First Bank Ltd., Mr. N S Kannan, Managing Director and CEO, ICICI Prudential Life Insurance Co. Ltd. and Mr. NS Venkatesh, Chief Executive, Association of Mutual Funds in India.

On November 29, 2019, the RBI filed a Petition before the Hon'ble National Company Law Tribunal, Mumbai Bench (Hon'ble NCLT/ Adjudicating Authority) under Section 227 read with clause Section 239(2)(zk) of the Insolvency and Bankruptcy Code, 2016 (IBC / IBC Code / Code) read with Rules 5 and 6 of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudication Authority) Rules, 2019 (FSP Rules), to initiate Corporate Insolvency Resolution Process (CIRP) against your Company. Accordingly, in terms of Rule 5(b)(i) of the FSP Rules, an interim moratorium came into effect on the date of filing of the application to initiate CIRP. Thereafter, CIRP was initiated against your Company by an Order dated December 3, 2019 of the Hon'ble NCLT. The Hon'ble NCLT, vide the said order, confirmed the appointment of the Administrator to perform the functions of a interim resolution professional / resolution professional to complete the CIRP of your Company as required under the provisions of the Code and also announced commencement of the moratorium under Section 14 of the Code with effect from November 29, 2019.

Board Composition & Board Meetings

During the year 2019-20, prior to supersession of Board of Directors by RBI, ten (10) Board meetings were held on May 4, 2019, July 13, 2019, July 22, 2019, August 6, 2019, August 26, 2019, August 30, 2019, September 19, 2019, September 28, 2019, October 17, 2019, and October 23, 2019. The details as on November 20, 2019 of the board composition, board meetings held along with the attendance of each erstwhile Director at the respective Board Meetings and last Annual General Meeting are tabled below:

Name, DIN & Designation / Category of the Director[1]	Number of Equity shares held in the Company[2]	Attendance Particulars		Whether attended 35th AGM	Number of Directorship (including the Company) [3 & 8]	Member/ Chairperson of Committees (including the Company) [4]	
		Board meetings held during the tenure of Director	Board Meetings Attended			Member[5]	Chairperson[6]
Mr. Kapil Wadhawan DIN: 00028528 Promoter/Executive Director	18,00,000	10	9	Yes	8	1	0
Mr. Dheeraj Wadhawan DIN: 00096026 Promoter/Non-Executive Director	18,00,000	10	6	Yes	6	0	0

Name, DIN & Designation / Category of the Director[1]	Number of Equity shares held in the Company[2]	Attendance Particulars		Whether attended 35th AGM	Number of Directorship (including the Company) [3 & 8]	Member/ Chairperson of Committees (including the Company) [4]	
		Board meetings held during the tenure of Director	Board Meetings Attended			Member[5]	Chairperson[6]
Mr. Srinath Sridharan DIN: 03359570 Non-Executive Director	5,110	10	9	Yes	6	2	1
Mr. Alok Kumar Misra DIN: 00163959 Independent Non-Executive Director	-	10	10	Yes	7	8	1
Mr. Sunjoy Joshi DIN: 00449318 Independent Non-Executive Director	-	10	6	Yes	3	4	0
Dr. Deepali Pant Joshi[7] DIN: 07139051 Non-Executive Independent Director	-	9	8	Yes	3	2	0

1. *The Reserve Bank of India (RBI) has superseded the Board of Directors of your Company with effect from November 20, 2019 and has appointed Mr. R. Subramaniakumar as the Administrator of your Company. The details in the above table and the notes thereon are provided subject to the disclaimer that the said details are based on information received from erstwhile Directors prior to supersession of the Board of Directors by RBI.*
2. *None of the erstwhile Directors were holding any convertible instruments of your Company.*
3. *Directorships and memberships of Committees held by erstwhile Directors in Private Limited Companies, Foreign Companies and Section 8 companies have been excluded.*
4. *Committees considered to reckon the limit are Audit Committee & Stakeholders' Relationship Committee.*
5. *The number of membership includes the number of chairmanships then held by the erstwhile Director.*
6. *The Committee chairmanship then held by the Director in listed entities alone has been considered. However, the entities whose debentures were listed on the Stock Exchange(s) have been considered as listed entities for the purpose of calculating the number of chairmanship.*
7. *Dr. Deepali Pant Joshi was appointed with effect from May 8, 2019 as an Independent Director in the category of Non-Executive Independent Director of your Company.*
8. *Mr. Alok Kumar Misra was an Independent Director in the Monte Carlo Fashions Limited, The Investment Trust of India Limited and Indiabulls Ventures Limited. Dr. Deepali Pant Joshi was an Independent Director in Multi Commodity Exchange of India. None of the other directors held directorship in listed companies. Only the entities whose equity shares are listed on a stock exchange are considered for this purpose as per Regulation 17A of SEBI Listing Regulations.*

Prior to the supersession of the Board by the RBI on November 20, 2019, amongst the erstwhile Directors of your Company, Mr. Kapil Wadhawan and Mr. Dheeraj Wadhawan were brothers. None of the other erstwhile Directors were related to each other.

Secretarial Standards issued by Institute of Company Secretaries of India (ICSI)

Pursuant to the provisions of the Companies Act, 2013, as a matter of practice, your Company has been conforming to the Secretarial Standard on the meetings of the Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI) and approved by the Central Government under Section 118(10) of the Companies Act, 2013.

Separate Independent Directors' Meeting

As stated earlier in this Report, since the RBI had superseded the Board of Directors of your Company with effect from November 20, 2019, no separate meeting of the Independent Directors could be held during the financial year 2019-20.

Familiarization Programmes for the Independent Directors

Prior to the supersession of the Board by the RBI on November 20, 2019, your Company followed a structured orientation programme for its newly inducted Director(s) to ensure that they become fully aware of the industry in which your Company operates, the processes, systems and policies adopted and followed by your Company. The familiarization programme focused on the business model and operations of your Company and aimed at informing the directors on the legal, regulatory as well as socio-economic regime in which your Company functions.

Your Company had a practice of briefing its Independent Directors on the roles, rights and responsibilities of the Independent Directors, nature of the industry in which your Company operates, business and operations model, credit policies of your Company etc.

The details of familiarization programme imparted to the Independent Directors of your Company is available on your Company's website at URL: https://www.dhfl.com/docs/default-source/aboutus/familiarization-program.pdf

Board qualifications and attributes

The table below summarizes the list of core skills/ expertise/ competencies identified by the erstwhile Board of Directors of your Company at its meeting held on July 13, 2019 to be considered for appointment of Directors:

Sr. No.	Directors' Areas of Core Skills/ Expertise/ Competence	
1	Accountancy & Finance	Qualifications and experience in accounting and/or finance and the ability to: • Analyse the key financial statements of a company, • Critically assess financial viability and performance, • Contribute to strategic financial planning, • Oversee the budget and monitor the efficient use of resources, • Oversee funding arrangements and accountability.
2	Business and Operational management	Experience of business administration and observing appropriate governance practices.
3	Housing Finance Industry	Ability to understand the business and sector in which your Company operates and develop appropriate strategies.
4	Banking	Broad range of banking experience.
5	Risk Analysis and Management	Ability to identify key risks in a wide range of areas including legal and regulatory compliance and suggest measures to mitigate the risks.
6	Economics	A significant background in economics and develop methods for optimum utilization of resources.
7	Leadership	Innate leadership skills for a significant enterprise, practical understanding of developing, implementing and assessing the operations and business strategy and ability to take responsibility for decisions and actions and appropriately represent the organisation.
8	Governance	Demonstrated strength in developing better corporate governance practices and help to drive change which would help for long term growth.

Since your Company does not have Board of Directors as on March 31, 2020 consequent to supersession of the Board of Directors by RBI on November 20, 2019, it cannot be ascertained that the above mentioned Skills/ Expertise/ Competencies were available with the erstwhile Directors of the Company.

3. COMMITTEES OF THE BOARD

The composition, role, meetings and other information of each of the Committees of the Board prior to the supersession of the Board by the RBI on November 20, 2019 is detailed herein below:

a. Audit Committee

The composition, role, meetings and other information of Audit Committee prior to the supersession of the Board of Directors of your Company by the RBI on November 20, 2019 is detailed herein below:

All the Members of the Audit Committee during the period from April 1, 2019 to November 20, 2019 had the required qualification and expertise for appointment on the Committee and possessed the requisite accounting and related financial management expertise.

Role of Audit Committee

The terms of reference of the Committee inter-alia included overseeing your Company's financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible; recommending to the Board the appointment, re-appointment of the statutory auditors and if required, the replacement or removal of the statutory auditors and the fixation of audit fees; and to approve the payment to statutory auditors for any other services rendered by them; to review with the management, the annual financial statements before submission to the Board for approval, with particular reference to matters required to be included in the Director's Responsibility Statement to be included in the Board's report, changes, if any, in accounting policies and practices and reasons for the same, major accounting entries involving estimates based on the exercise of judgment by management, significant adjustments made in the financial statements arising out of audit findings, compliance with listing and other legal requirements relating to financial statements, qualifications in the draft audit report, and disclosure of Related Party Transactions.

To review with the management, the financial statements/ business operations before submission to the Board, the statement of uses

/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

To review with the management, performance of statutory and internal auditors, and monitor auditor's independence and performance and effectiveness of the audit process and adequacy of the internal control systems; to review the compliance of the Fair Practice Code and the functioning of the grievance redressal mechanism at various levels of management; review compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and to verify that the systems for internal control are adequate and are operating effectively. To ensure that the Information System Audit of the internal systems and processes is conducted to assess the operational risks faced by your Company. To review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit; review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

To discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern, to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, members (in case of non-payment of declared dividends) and creditors.

To approve the appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate; to consider, suggest modification and/or recommend/ approve, the related party transactions of your Company.

To scrutinize inter corporate loans and investments; to review the Asset-Liability Management Mechanism of your Company, to consider valuation of assets or undertaking of your Company wherever required, to evaluate internal financial controls, risk management systems and fraud reporting, to review and formulate the scope, functioning, periodicity, methodology for conducting the internal audit, in consultation with the Internal Auditor and to discuss with the internal auditors any significant findings and follow up there on, to have the authority to investigate into any matter as included in its terms of reference or referred to it by the Board and for this purpose the Audit Committee to have power to obtain professional advice from external sources and have full access to information obtained in the records of your Company.

To review your Company's Vigil Mechanism as defined under the Whistle Blower Policy of your Company with regard to the process/procedure prescribed for its employees and directors to raise concerns, in confidence, about possible wrongdoing in financial reporting, accounting, auditing or other related matter. To ensure that these arrangements allow independent investigation of such matters and appropriate follow up action.

To review the utilization of loans and/or advances from/ investment by the holding company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments; any other function as may be stipulated by the Companies Act, 2013, SEBI, Stock Exchanges or any other regulatory authorities from time to time.

Composition and Meetings

During the financial year 2019-20, Eight (8) Audit Committee meetings were held on April 24, 2019, May 14, 2019, July 13, 2019, July 22, 2019, August 26, 2019, October 17, 2019, October 23, 2019, and November 1, 2019 before the Board was superseded on November 20, 2019.

The composition, meetings held and the attendance thereat of the members of the Committee during the financial year 2019-20 till November 20, 2019 is given herein below:

Composition of Committee and Category of Directors	No. of meetings during tenure of Director	
	Held	Attended
Mr. Alok Kumar Misra[1] (Chairman of the Committee) Independent Director	8	8
Mr. Sunjoy Joshi[1] Independent Director	8	8
Mr. Srinath Sridharan Non-Executive Director	8	8
Dr. Deepali Pant Joshi[2] Independent Director	1	1

1. *Appointed as Chairman/Member of the Committee w.e.f. April 19, 2019.*
2. *Appointed as Member of the Committee w.e.f. October 23, 2019.*

b. Nomination and Remuneration Committee

The composition, role, meetings and other information of Nomination and Remuneration Committee prior to the supersession of the Board of Directors of your Company by the RBI on November 20, 2019 is detailed herein below:

The Nomination and Remuneration Committee had been constituted as per the Companies Act, 2013, SEBI Listing Regulations.

Role of Nomination and Remuneration Committee

Role of Nomination and Remuneration Committee was to identify and recommend to the Board, in accordance with the criteria as laid down, appointment/re-appointment/ removal of the Executive /Non-Executive Directors and the senior management of your Company; to formulate criteria for evaluation and specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Committee or by an independent external agency and review its implementation and compliance; to formulate the criteria for determining qualifications, positive attributes and independence of the Directors; to recommend to the Board a remuneration policy for the Directors, Key Managerial Personnel and other employees of your Company; to devise a Policy on Board Diversity of your Company; to monitor and handle any other matter relating to framing/ administration of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 or any amendments thereof; recommend to the Board, all remuneration, in whatever form, payable to Senior Management and any other function as may be mandated by the Board or stipulated by the Companies Act, 2013, SEBI, Stock Exchanges or any other regulatory authorities from time to time.

Composition and Meetings

During the financial year 2019-20, Five (5) Nomination and Remuneration Committee meetings were held on July 13, 2019, July 22, 2019, August 8, 2019, September 19, 2019, and October 17, 2019 before supersession of the Board on November 20, 2019.

The composition, meetings held and the attendance thereat of the members of the Committee during the financial year 2019-20 till November 20, 2019 is given herein below:

Composition of Committee and Category of Directors	No. of meetings during tenure of Director	
	Held	Attended
Mr. Sunjoy Joshi[1] (Chairman of the Committee) Independent Director	5	3
Mr. Alok Kumar Misra[1] Independent Director	5	5
Mr. Srinath Sridharan[1] Independent Director	5	5

1. *Appointed as Chairman/Member of the Committee w.e.f. April 19, 2019.*

Nomination, Remuneration and Evaluation Policy

Your Company has a duly formulated Nomination (including Board Diversity), Remuneration and Evaluation Policy (NRE Policy) as per the provisions of the Companies Act, 2013 and the SEBI Listing Regulations which, inter-alia, lays down the approach to diversity of the Board, the criteria for identifying the persons who are qualified to be appointed as Directors and such persons who may be appointed as Senior Management Personnel of your Company and also lays down the criteria for determining the remuneration of the Directors, Key Managerial Personnel (KMPs) and other employees and the process of their evaluation. The said policy is available on the website of your Company at the URL: https://www.dhfl.com/docs/default-source/investors/nomination-(including-boards-diversity)-remuneration-and-evaluation-policy-of-the-company/nomination-remuneration-evaluation-policy-revised.pdf

The components of the remuneration and the process of performance evaluation relating to the Directors of your Company as prevailing prior to the supersession of the Board of Directors by the RBI on November 20, 2019 as stated herein, are explained below:

Executive Director/ Whole Time Director:

The remuneration that was being paid to the Executive Director/ Whole Time Director comprised of fixed and incentive pay (commission, bonus etc.). The remuneration paid to the Executive Director/ Whole Time Director also included a variable component determined by the Committee/Board. The total managerial remuneration payable by your Company to the Executive Director/ Whole Time Director was subject to the limits prescribed under the Companies Act, 2013 and SEBI Listing Regulations.

The remuneration included salary, allowances/ perquisites, commission and other statutory/non-statutory benefits as permitted under applicable laws and approved by the erstwhile Nomination and Remuneration Committee/ erstwhile Board of Directors and Members of your Company including (a) Rent-free accommodation (furnished or otherwise) or House Rent Allowance, in lieu thereof; (b) House maintenance allowance together with reimbursement of expenses and / or allowances for utilisation of gas, electricity, water, furnishing & repairs, (c) Leave Travel Concession for self and family including dependents, (d) Fees for Club Membership, Payment of Insurance Premium on policies relating to Health Insurance, Personal Accident Insurance and Others, Reimbursement of Medical Expenses and any other payments or benefits. There was no provision for payment of any severance fee by your Company.

During the financial year 2019-20, prior to supersession of the Board of Directors by RBI on November 20, 2019, Mr. Kapil Wadhawan, the erstwhile Chairman & Managing Director of your Company was the only executive director on the erstwhile Board.

Remuneration paid to Mr. Kapil Wadhawan, erstwhile Chairman & Managing Director prior to supersession of the Board of Directors by RBI on November 20, 2019 was as under:

(₹ In Lakh)

Particulars	Amount (p.a.)
Gross Salary	174.75
Provident Fund	13.36
Commission	-
Total	188.11

Non-Executive Director(s)/ Independent Directors:

The appointment of Non-Executive Directors and Independent Directors was made in accordance with the provisions of the Companies Act, 2013 and SEBI Listing Regulations. A formal letter of appointment was also issued to the Independent Directors upon their appointment. Independent Directors of your Company were not entitled to stock options.

Commission, if any, paid to the Non-Executive Directors and the Independent Directors was within the monetary limits approved by the Members of your Company, subject to the overall ceiling of 1% of the net profits of your Company then computed as per the applicable provisions of Companies Act, 2013. The sitting fee paid to the Non-Executive Directors and the Independent Directors was within the limits as prescribed under the Companies Act, 2013. The erstwhile Board of Directors at their meeting held on January 25, 2019, unanimously approved that sitting fees shall be payable only to the Independent Directors of your Company w.e.f. April 1, 2019. Your Company also reimbursed the expenses for attending the Board and other Committee meetings including travelling, boarding and lodging expenses to the Non-Executive Directors and the Independent Directors. None of the Non-Executive and Independent Directors of your Company had any pecuniary relationship with your Company except as mentioned herein.

The Non-Executive and Independent Directors were paid sitting fees and other expenses on actual basis (travelling, boarding and lodging) incurred for attending the Board/Committee meetings. In view of the provisions of the Companies Act, 2013, which provides for higher ceiling of sitting fees payable to the Board of Directors, the sitting fees payable to Independent Directors of your Company for attending each meeting held during Financial Year 2019-20 was fixed at ₹ 50,000 for both Board Meetings and Audit Committee Meetings. The sitting fees for other committee meetings namely Nomination and Remuneration Committee Meeting, Finance Committee Meeting, Risk Management Committee Meeting and Corporate Social Responsibility Committee Meeting was ₹ 20,000 per meeting, respectively and ₹ 12,000 per meeting for attending Stakeholders' Relationship Committee Meeting and Review Committee for Declaration of Wilful Defaulters to Credit Information Companies (CICs).

No commission would be payable to the Non-Executive and Independent Directors of your Company for the financial year 2019-20. During the year, no stock options were granted to the Non-Executive Directors and Independent Directors of your Company.

The compensation paid by your Company to the erstwhile Independent Directors and erstwhile Non-Executive Directors prior to supersession of the Board of Directors by RBI on November 20, 2019 was as under:

(Amount in ₹)

Name	Sitting Fees
Mr. Alok Kumar Misra	11,60,000
Mr. Sunjoy Joshi	8,20,000
Dr. Deepali Pant Joshi[1]	4,50,000
Mr. Dheeraj Wadhawan	-
Mr. Srinath Sridharan	-

1. Dr. Deepali Pant Joshi was appointed with effect from May 8, 2019 as an Independent Director of your Company.

Evaluation of Board and Directors

Prior to the supersession of the Board of Directors of your Company by the RBI on November 20, 2019, your Company followed the practice of evaluation the Board of Directors as follows - The Executive Director/Whole Time Director used to be evaluated on the basis of his present performance (financial/non-financial) and his achievements against various key performance parameters as defined by the Board of Directors of your Company. As a matter of practice, the performance evaluation of the Executive Director/ Whole Time Directors was carried out by the Nomination and Remuneration Committee, the Independent Directors in a separate meeting, and by the Board of your Company without the presence of the Executive Directors/ Whole Time Directors being evaluated. The re-appointment of the Executive Director/ Whole Time Director used to be based on the report of his performance evaluation.

The performance evaluation of the Non-Executive Directors and the Independent Directors used to be carried out by the Nomination and Remuneration Committee and the Board of Directors excluding the director being evaluated. The performance evaluation of the Non-Executive Director as a matter of practice used to be carried out by the Independent Directors in a separate meeting. Re-appointment of a Director used to be based on the report of performance evaluation.

The criteria for evaluation of performance of the individual Directors included various parameters viz. attendance & participation during the meetings, their active contribution & independent judgment, cohesiveness, discussions/deliberations on important matters, understanding of your Company etc.

The criteria for evaluation of the Board and its committees were based on various factors, inter-alia, covering various assessment parameters like structure and composition, frequency & duration of meetings, its processes and procedures, effectiveness of the Board/ committees, its financial reporting process including internal controls, review of compliances under various regulations, adequate discharge of responsibilities entrusted under various regulations and/ or terms of reference of the committees etc.

However, evaluation of the performance of individual directors, board and its committees could not be held during or for the financial year 2019-20 as the Board was superseded by the RBI on November 20, 2019 as stated herein.

c. Stakeholders' Relationship Committee

The composition, role, meetings and other information of Stakeholders' Relationship Committee prior to the supersession of the Board of Directors of your Company by the RBI on November 20, 2019 is detailed herein below:

The Stakeholders' Relationship Committee of the Board was constituted in compliance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Role of Stakeholders' Relationship Committee

The role of the Stakeholders' Relationship Committee was resolving the grievances of the security holders (i.e. Members, Fixed Depositors or Debenture Holders or Commercial Paper Investors or any other Investors of the security/ies) of your Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc., reviewing the certificates and reports submitted by your Company to the Stock Exchanges under the SEBI Listing Regulations; observing the quarterly status of the number of shares in physical as well as dematerialised form; reviewing the periodicity and effectiveness of the share transfer process, statutory certifications, depository related issues and activities of the Registrar and Share transfer agent, reviewing of adherence to the service standards adopted by your Company in respect of various services being rendered by the Registrar & Share Transfer Agent and to recommend measures for overall improvement in the quality of investor services, review of measures taken for effective exercise of voting rights by shareholders; reviewing of the various measures and initiatives taken by your Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of your Company, overseeing and ensuring the compliances under the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 and any other function as may be stipulated by the Companies Act, 2013, SEBI, Stock Exchanges or any other regulatory authorities from time to time.

Composition and Meetings

During the year 2019-20, two (2) Stakeholders' Relationship Committee meetings were held on July 13, 2019, and October 17, 2019 before the Board was superseded on November 20, 2019.

The composition, meetings held and the attendance thereat of the members of the Committee as on November 20, 2019 is given herein below:

Composition of Committee and Category of Directors	No. of meetings during tenure of Director	
	Held	Attended
Mr. Srinath Sridharan[1] (Chairman of the Committee) Non-Executive Director	2	2
Mr. Alok Kumar Misra[1] Independent Director	2	2
Mr. Sunjoy Joshi[1] Independent Director	2	2
Mr. Kapil Wadhawan[2] Executive Director	-	-

1. *Appointed as Chairman/Member of the Committee w.e.f. April 19, 2019.*
2. *Ceased to be the Member of the Committee w.e.f. April 19, 2019.*

Mr. Satya Narayan Baheti was appointed as the Company Secretary and Compliance Officer of your Company with effect from December 9, 2019.

Details of shareholders complaints/grievances received

During the financial year 2019-20, your Company received 27 complaints from the Equity Shareholder relating to non-receipt of share transfer/bonus certificate, non-receipt of dividend, non-receipt of annual report etc. and 5 complaints were pending to be addressed at the start of the Financial Year 2019-20. All the complaints were addressed by your Company during the Financial Year 2019-20.

Your Company received 279 complaints from the fixed deposit holders of your Company and all the complaints stand addressed as at the year ended March 31, 2020. During the year ended March 31, 2020, your Company received 2,067 complaints from its debenture holders and all the complaints stand addressed as at the year ended March 31, 2020.

d. Risk Management Committee

The composition, role, meetings and other information of Risk Management Committee prior to the supersession of the Board of Directors of your Company by the RBI on November 20, 2019 is detailed herein below.

The Risk Management Committee of the Board was constituted with reference to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as per other applicable laws.

Role of Risk Management Committee

Role of Risk Management Committee was to review and monitor the Risk Management Policies and Procedures, to ensure that the Credit Exposure of your Company to any single/group

borrowers does not exceed, the internally set limits and the prescribed exposure ceilings by the Regulator, reviewing the Risk Monitoring System, reviewing and verifying adherence to various risk parameters set-up for various Operations/Functions and such function specifically covering Cyber Security, reviewing the Asset-Liability Management Mechanism of your Company, and undertaking such other function as may be mandated by the Board or stipulated by the Companies Act, 2013, SEBI, Stock Exchanges or any other regulatory authorities from time to time.

Composition and Meetings

During the year 2019-20, one (1) Risk Management Committee meeting was held on July 13, 2019 before the Board was superseded on November 20, 2019.

The composition, meetings held and the attendance thereat of the members of the Committee as on November 20, 2019 is given herein below:

Composition of Committee and Category of Directors	No. of meetings during tenure of Director	
	Held	Attended
Mr. Sunjoy Joshi[1] (Chairman of the Committee) Independent Director	1	1
Mr. Srinath Sridharan[1] Non-Executive Director	1	1
Mr. Kapil Wadhawan[2] Executive Director	1	1

1. Appointed as Chair*man/Member of the Committee w.e.f. April 19, 2019.*
2. *Ceased to be the Chairman of the Committee w.e.f. April 19, 2019.*

e. Finance Committee

The composition, role, meetings and other information of Finance Committee prior to the supersession of the Board of Directors of your Company by the RBI on November 20, 2019 is detailed herein below.

Role of Finance Committee

The role of the Finance Committee inter-alia included to borrow moneys for the purpose of your Company's Business in accordance with the Companies Act, and any modification and enactment thereof, if any and but not exceeding the overall limit up to which the Board of Directors of your Company were authorized/to be authorized under the Companies Act, and any modification and enactment thereof; considering and approving/ accepting the letters of sanction by the term lending institutions/ banks/NHB and other body corporates, opening and/or closing of the current accounts/ cash credit/overdraft/fixed deposits or other account(s) with any bank and authorize the Directors/ officers of your Company for the purpose, authorizing operation of such accounts of your Company with its bankers and to vary the existing authorization to operate the same and granting of general /specific power of attorney to the officers at the branches for routine matters and any such matters pertaining to the routine functions, approving the change(s) of rates of interest of all loan products and on public deposits or on debentures, debts or any other instruments/ financial products issued by your Company; considering and approving the allotment of any issue of securities by your Company, be it by way of preference shares of all types, public issue of equity shares including Rights Offer, preferential issue of equity shares including firm allotment, employees stock option plan/schemes, bonds, debentures and any other financial instrument of like nature, to grant approval of loans above ₹ 200 crore upto prudential exposure norms as per NHB guidelines to any person, firm or body corporate at any time or from time to time and to grant approval for issuance of Corporate Guarantee(s) by your Company in favour of the body corporates as per the provisions of the Companies Act, 2013 and NHB Guidelines, to open and close the current account(s) with any banks at any place outside the territory of India and to finalize/vary the authorization(s) to operate the same, to open and close the securities/demat/ custodian accounts(s) with any depository/ participant at any place in India and abroad and to finalize/vary the authorization(s) to operate the same, to consider and approve the buyout and sell down of pool of loan portfolio by way of securitization and/ or assignment and the matters relating thereto and to authorize Director(s) or the official(s) of your Company for the purpose, and to approve the terms and execution of the agreements, documents, undertakings, contracts, deeds with respect to the transactions approved by the Board or any Committee thereof.

Composition and Meetings

During the financial year 2019-20, the Committee met four (4) times on June 26, 2019, August 1, 2019, August 30, 2019, and September 19, 2019 before the Board was superseded on November 20, 2019.

The composition, meetings held and the attendance thereat of the members of the Committee as on November 20, 2019 is given herein below:

Composition of Committee and Category of Directors	No. of meetings during tenure of Director	
	Held	Attended
Mr. Kapil Wadhawan (Chairman of the Committee) Executive Director	4	4
Mr. Alok Kumar Misra[1] Independent Director	4	3
Mr. Sunjoy Joshi[1] Independent Director	4	-
Mr. Srinath Sridharan[2] Non-Executive Director	4	3
Mr. Dheeraj Wadhawan[3] Non-Executive Director	-	-

1. *Appointed as Member of the Committee w.e.f. April 19, 2019.*
2. *Appointed as Member of the Committee w.e.f. June 26, 2019.*
3. *Ceased to be Member of the Committee w.e.f. April 19, 2019.*

f. Corporate Social Responsibility (CSR) Committee

The composition, role, meetings and other information of CSR Committee prior to the supersession of the Board of Directors of your Company by the RBI on November 20, 2019 is detailed herein below.

The Corporate Social Responsibility Committee of the Board was constituted as required under the provisions of the Companies Act, 2013.

Role of CSR Committee

The role of CSR Committee was to establish and review CSR policies, to identify, segment and recommend the CSR projects/ programs/activities to the Board of Directors, to recommend the amount of expenditure to be incurred on the activities as identified for CSR by your Company, to oversee the implementation of CSR projects/ programs/ activities, to review the annual budgets/ expenditure with respect to CSR programs/projects/activities, to work with management to establish and develop your Company's strategic framework and objectives with respect to CSR matters, to receive reports on your Company's CSR programs/ projects/ activities, to establish and review the implementation mechanism for the CSR programs/ projects/activities undertaken by your Company, to establish and review the monitoring mechanism of CSR projects/programs/activities, to review the CSR initiatives and programs/projects/ activities undertaken by your Company, to review your Company's disclosure relating to CSR matters in accordance with the requirements of the regulatory provisions, to obtain legal or other independent professional advice/ assistance, to form and delegate authority to any sub-committee or employee(s) of your Company or one or more members of the committee and any other function as may be stipulated by the Companies Act, 2013, SEBI, Stock Exchanges or any other regulatory authorities from time to time.

Composition and Meetings

During the financial year 2019-20, the Committee met three (3) times on July 13, 2019, July 22, 2019 and October 17, 2019 before the Board was superseded on November 20, 2019.

The composition, meetings held and the attendance thereat of the members of the Committee as on November 20, 2019 is given herein below:

Composition of Committee and Category of Directors	No. of meetings during tenure of Director	
	Held	Attended
Mr. Alok Kumar Misra [1] (Chairman of the Committee) Independent Director	3	3
Mr. Srinath Sridharan [1] Non-Executive Director	3	3
Mr. Kapil Wadhawan Executive Director	3	3

1. Appointed as Chairman/Member of the Committee w.e.f. April 19, 2019.

g. SPECIAL COMMITTEES OF THE BOARD

(i) Review Committee for Declaration of Wilful Defaulters to Credit Information Companies (CICs)

The composition, role, meetings and other information of Review Committee prior to the supersession of the Board of Directors of your Company by the RBI on November 20, 2019 is detailed herein below.

The erstwhile Board of Directors of your Company at their meeting held on January 22, 2018 had constituted the Review Committee pursuant to NHB Circular No. NHB(ND)/DRS/Policy Circular No. 83/2017-18 dated December 5, 2017. During the year 2019-20 no meetings of Review Committee were held. The composition of the Committee as on November 20, 2019 was as follows:

Composition of Committee and Category of Directors
Mr. Kapil Wadhawan[1] (Chairman of the Committee) Executive Director
Mr. Alok Kumar Misra[1] Independent Director
Mr. Sunjoy Joshi[1] Independent Director
Any two members from identification committee

1. Appointed as Chairman/Member of the Committee w.e.f. April 19, 2019.

(ii) Special Committee for Sale of Strategic Investments

The composition, role, meetings and other information of Special Committee for Sale of Strategic Investments prior to the supersession of the Board of Directors of your Company by the RBI on November 20, 2019 is detailed herein below.

The erstwhile Board of Directors of your Company at their meeting held on January 31, 2019, had constituted a Special Committee for Sale of Strategic Investments to identify, determine and approve the strategic sale of investments of your Company.

Role of Special Committee for Sale of Strategic Investments was to enter into discussions, negotiate and finalize the terms and conditions of the Transaction with the Prospective Buyer(s), sign all documents and make all applications as may be deemed fit, and represent your Company before any regulatory authority for obtaining approval(s)/clearance statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and/or incidental or ancillary thereto, enter into discussions with Prospective Buyer(s), in connection with the Transaction and execute all such documents and deeds, as they may deem fit, pursuant to the said discussions and further delegate any of its authority to any of the Directors or officers of your Company, on behalf of your Company and generally to do all act(s), matters, deed(s) and things and execute all document, as may be necessary, proper, expedient or incidental for the aforesaid purpose. During the year 2019-20 no meetings of Special Committee for Sale of Strategic Investments were held.

The composition of the Committee as on November 20, 2019 is given herein below:

Composition of Committee and Category of Directors
Mr. Kapil Wadhawan (Chairman of the Committee) Executive Director
Mr. Srinath Sridharan[1] Non-Executive Director
Mr. Alok Kumar Misra[1] Independent Director

1. Appointed as Member of the Committee w.e.f. April 19, 2019.

(iii) Special Committee for Resolution Plan

The composition, role, meetings and other information of Special Committee for Resolution Plan prior to the supersession of the Board of Directors of your Company by the RBI on November 20, 2019 is detailed herein below.

The Board of Directors of your Company at their meeting held on July 22, 2019, constituted the Special Committee for Resolution Plan pursuant to the provisions of the Companies Act, 2013 to undertake all such actions as may be required or necessary to formulate a resolution plan in accordance with the requirement set out in the Circular No. RBI/2018-19/203, DBR.No.BP. BC.45/21.04.048/2018-19 dated June 7, 2019 issued by Reserve Bank of India on Prudential Framework for Resolution of Stressed Assets.

Role of Special Committee for Resolution Plan was to formulate, negotiate, finalize, execute, ratify and deliver the resolution plans, term sheets, and such other transaction documents required to be executed, ratified and delivered in connection with the Resolution Plan to the Creditors or investors, as the case may be; to seek, if required, any approval, consent or waiver from any/all financial creditors, concerned government and regulatory authorities, and/ or any other approvals, consent or waivers that may be required in connection with the resolution plan and/or implementation of the Resolution Plan; to recommend your Company to call and convene any shareholders meetings and such other meetings to approve and undertake actions required for implementation of the Resolution Plan; to present the Resolution Plan for consideration of the lenders in accordance with the requirement set out in the Circular; to give or authorize the giving by concerned persons of such declarations, affidavits, certificates, consents and authorities as may be required from time to time, and all other related matters; and to do all such acts, deeds and things, including for modification of the resolution plan pursuant to the applicable laws and take such other actions as may be required, expedient or desirable to formulate and implement or give effect to the Resolution Plan in accordance with the aforesaid Circular and applicable law. During the year 2019-20 no meetings of the Special Committee for Resolution Plan were held.

The composition of the Committee as on November 20, 2019 was as follows:

Composition of Committee and Category of Directors
Mr. Alok Kumar Misra (Chairman of the Committee) Independent Director
Mr. Kapil Wadhawan Executive Director
Mr. Srinath Sridharan Non-Executive Director

4. GENERAL BODY MEETINGS

i. Details of past three Annual General Meetings held by your Company

Meeting	Date and Time	Location	Details of Special Resolution passed
35th AGM	September 28, 2019 at 2:30 p.m.	M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, K. Dubash Marg, Kala Ghoda, Mumbai 400 001	1. Increase in Authorized Share Capital and Alteration of Memorandum of Association of the Companys. 2. Conversion of Debt into Shares or Convertible Instruments or other Securities. 3. Amendment to Articles of Association of the Company to include therein, authority to appoint Nominee Director of the Company. 4. Approval to sell, lease, dispose-off or otherwise deal with the whole or part of the assets of the Company.
34th AGM	June 27, 2018 at 11.00 a.m.	M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20 K. Dubash Marg, Kala Ghoda, Mumbai 400 001.	1. Issuance of Non-Convertible Debentures on Private Placement Basis.

Meeting	Date and Time	Location	Details of Special Resolution passed
33rd AGM	July 21, 2017 at 12.00 Noon	M. C. Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20 K. Dubash Marg, Kala Ghoda, Mumbai 400 001.	1. Increase in borrowing powers of the Board of Directors of the Company. 2. Authority to create charge and/or mortgages on the assets of the Company. 3. Issuance of Non-Convertible Debentures on Private Placement Basis.

ii. Details of Postal Ballots conducted by your Company

During the year 2019-20, your Company did not conduct any Postal Ballot.

iii. Details of Proposed Postal Ballots

No special resolution through Postal Ballot is proposed to be conducted on or before the ensuing Annual General Meeting.

5. MEANS OF COMMUNICATION

The primary source of information to the shareholders, customers, analysts and to the public at large is through the website of your Company i.e. www.dhfl.com. Your Company maintains a functional website and disseminates, inter-alia, the details about your Company and information required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including official news releases and presentations made to institutional investors or to the analysts.

The Annual Report, annually/half yearly/ quarterly results, shareholding pattern, corporate governance report, investor's presentation, information on material events etc. are periodically filed in accordance with the SEBI Listing Regulations on BSE Listing Centre and NSE Electronic Application Processing System (NEAPS) portals. The financial results of your Company (quarterly and annually) are published in leading newspapers namely Financial Express, Navshakti, Lokmat and other leading newspapers.

Half yearly communications as required under Regulation 52(4) and 52(5) of SEBI Listing Regulations are sent to the debenture holders by your Company which inter-alia, includes half yearly/ annual financial results, annual reports etc.

6. GENERAL SHAREHOLDERS INFORMATION

i.	**Date, Time and Venue of the 36th Annual General Meeting**	The 36th Annual General Meeting of your Company will be held on Wednesday, September 30, 2020 at 10 a.m. through Video Conferencing (VC) / Other Audio Visual Means (OAVM) as per the procedure laid down under various circulars issued by the Ministry of Corporate Affairs and Securities and Exchange Board of India.	
ii.	**Financial Year**	The financial year of the Company is April to March.	
iii.	**Name and address of the Stock Exchanges on which the securities i.e. Equity and Debentures of the Company are listed**	**National Stock Exchange of India Ltd. (NSE)**	**BSE Limited (BSE)**
		Exchange Plaza, Bandra – Kurla Complex,	Phiroze Jeejebhoy Towers
		Bandra (East), Mumbai 400 051.	Dalal Street, Fort, Mumbai 400 001
		Stock Code – DHFL	Stock Code – 511072
		The first tranche of the total listing fees for the financial year 2020-21, has been paid by your Company to both the stock exchanges and the communication has been given to the stock exchanges.	
iv.	**ISIN Number for Equity Shares in NSDL & CDSL :**	INE202B01012	
v.	**Date of Book Closure**	Wednesday, September 23, 2020 to Wednesday, September 30, 2020 (both days inclusive)	

vi. Market Price Data

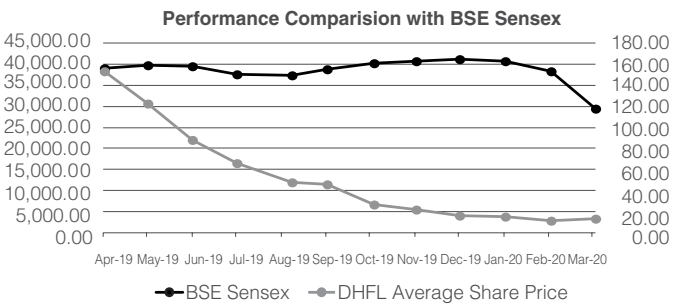
The monthly high and low closing prices during the Financial Year 2019-20 along with the volume of shares traded at BSE and NSE are as follows :-

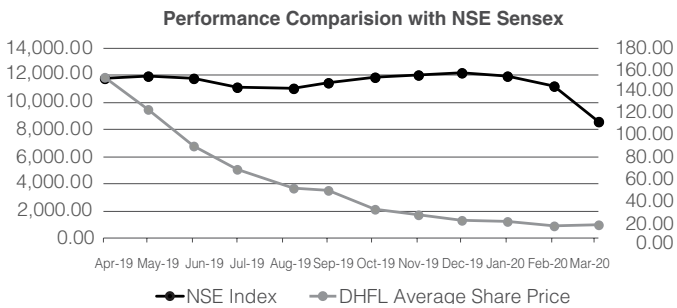
(Price in ₹)

Month	BSE-Price				NSE-Price			
	High	Low	Average Price	Quantity Traded	High	Low	Average Price	Quantity Traded
Apr-19	176.40	129.20	152.80	4,63,76,656	176.45	129.15	152.80	47,88,02,192
May-19	142.75	102.50	122.63	5,37,12,022	142.80	102.25	122.53	58,14,02,474
Jun-19	115.65	60.00	87.83	7,75,08,459	115.75	59.75	87.75	79,41,89,250
Jul-19	86.70	44.45	65.58	7,90,99,304	86.60	44.50	65.55	90,11,41,913
Aug-19	58.60	37.10	47.85	5,38,61,575	58.40	37.20	47.80	49,96,68,922
Sep-19	53.00	38.45	45.73	4,55,01,108	52.85	38.50	45.68	36,11,34,099
Oct-19	38.85	15.15	27.00	1,42,84,829	38.75	15.15	26.95	8,88,70,116
Nov-19	26.90	17.40	22.15	91,35,451	26.90	17.40	22.15	7,48,14,033
Dec-19	20.05	13.30	16.68	63,64,213	20.25	13.30	16.78	5,03,38,278
Jan-20	18.55	12.95	15.75	40,26,177	18.55	12.95	15.75	4,95,76,642
Feb-20	14.50	9.41	11.96	80,59,176	14.20	9.55	11.88	4,27,28,162
Mar-20	18.00	8.45	13.23	37,54,111	17.40	8.40	12.90	2,22,22,186

(Sources: www.bseindia.com and www.nseindia.com)

vii. Performance in comparison to broad-based indices





vii. Medium Term Notes (MTN) programme (Masala Bonds)

Your Company had during the Financial Year 2017-18, set up Medium Term Note (MTN) programme for raising of funds by way of issue of secured Rupee denominated Notes overseas to be settled in USD for an amount not exceeding USD 2 billion. Under the said MTN Programme, your Company had successfully raised an amount of ₹ 989.72 crore by issue of INR denominated USD settled Notes having a tenure of 5 years on April 18, 2018. These bonds are listed on London Stock Exchange [LSE – International Securities Market (ISM) Segment].

ix. Registrar and Share Transfer Agents

For Equity Shares and Debentures (Private Placement)	For Debentures (Public Issue)
Link Intime India Private Ltd. C-101, 247 Park, L B S Marg, Vikhroli (West), Mumbai 400 083 Tel: 022-49186000; Fax: 022-49186060 email- rnt.helpdesk@linkintime.co.in website :www.linkintime.co.in	**Karvy Fintech Private Limited** Karvy Selenium Tower B, Plot 31 & 32, Financial District, Nanakramguda, Gachibowli, Hyderabad 500 032 Tel: +91 40-67162222; Fax: +91 40-23420814 email – einward.ris@karvy.com; website: www.karvy.com

x. Share Transfer System

All activities in relation to both physical share transfer facility (includes transmission/ splitting and consolidation of share certificates/ dematerialization /rematerialization) is processed periodically by the Registrar & Share Transfer Agent (RTA) of your Company. In case of shares held in electronic form, the transfers are processed by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through their respective Depository Participants.

xi. Distribution of Shareholding as on March 31, 2020

Shareholding of nominal Value of	Shareholders		Share Amount	
In ₹	Number	% to Total	In ₹	% to Total
Upto 5,000	2,93,318	85.32	34,05,58,950	10.85
5,001 to 10,000	24,682	7.18	19,28,85,510	6.15
10,001 to 20,000	13,526	3.93	20,18,71,570	6.43
20,001 to 30,000	4,550	1.32	11,54,70,050	3.68
30,001 to 40,000	2,141	0.62	7,69,20,320	2.45
40,001 to 50,000	1,515	0.44	7,08,44,470	2.26
50,001 to 1,00,000	2,422	0.71	17,68,87,320	5.64
1,00,001 and above	1,647	0.48	1,96,27,92,050	62.54
Total	**3,43,801**	**100.00**	**3,13,82,30,240**	**100.00**

xii. Shareholding Pattern of the Company as on March 31, 2020

Category	No of Shares	% of Shareholding
Promoters and Persons acting in concert with promoters[1]	12,30,49,714	39.21
Bodies Corporate	90,88,485	2.90
Government Companies	2,000	0.00
Mutual Funds	56,162	0.02
Foreign Portfolio Investor (Corporate)	98,73,111	3.15
NRI	53,58,085	1.71
Financial Institutions / Banks	1,07,98,919	3.44
Individual	14,98,22,825	47.73
Trusts	20,213	0.01
Others- Clearing Members	22,07,986	0.70
Hindu Undivided Family	33,51,639	1.07
NBFCs registered with RBI	5,400	0.00
Investor Education and Protection Fund	1,88,485	0.06
Total	**31,38,23,024**	**100.00**

1. The promoters of your Company viz., Mr. Kapil Wadhawan, Mr. Dheeraj Wadhawan, Mrs. Aruna Wadhawan and Wadhawan Global Capital Limited, on August 1, 2019 had created an encumbrance by way of non – disposal undertaking on their entire shareholding in your Company i.e. 18,00,000, 18,00,000, 24,00,000 and 11,70,49,714 equity shares, respectively held by them.

xiii. Dematerialization of Shares and Liquidity – shareholding pattern BSE

Your Company's equity shares are in the list of compulsory demat settlement by all the investors. As on March 31, 2020, 99.75% of the total issued share capital of your Company representing 31,30,32,483 equity shares were held in dematerialized form and the balance 0.25% representing 7,90,541 equity shares were held in physical form by the shareholders of your Company.

The shares of your Company are frequently traded on both the Stock Exchanges.

xiv. Outstanding GDR or ADR or warrants or Convertible instruments, conversion date and likely impact on equity.

As at March 31, 2020, your Company does not have any outstanding GDR or ADR or warrants or Convertible instruments.

xv. Commodity price risk or foreign exchange risk and hedging activities

Your Company is not exposed to any commodity price risk. However, your Company has made borrowings in the form of External Commercial Borrowings (ECBs) and has managed its associated foreign exchange risk and hedged the same to the extent necessary. It entered into Principal/Interest rate Swap

transactions for hedging foreign exchange risk. The underlying liability of your Company has been crystallised in rupee terms on the insolvency commencement. Required disclosures of the foreign currency exposure are given in notes to the audited (standalone) financial statements.

xvi. Listing of Debt Securities

The secured debentures issued by your Company (includes those issued by amalgamated Company viz. First Blue Home Finance Ltd.) on private placement basis and those issued by way of public issue are listed on National Stock Exchange of India Limited and BSE Limited.

xvii. Plant Locations

As the Company is engaged in the business of housing finance/ financial services, there is no plant location, the details of the distribution network have been given in the Board's Report (Report of Advisory Committee Chaired by the Administrator) forming a part of this Annual Report.

xviii. Address for Correspondence

Correspondence relating to grievances in relation to non-receipt of annual report, dividend and share certificates sent for transfer etc. should be addressed to secretarial@dhfl.com. Further any requests/intimation regarding change in address, issue of duplicate share certificates, change in nomination etc. may also be sent to the same email address for its quick redressal or you may write to the Secretarial Department at the below correspondence address.

Dewan Housing Finance Corporation Limited
6th Floor, HDIL Towers, Anant Kanekar Marg, Station Road,
Bandra (East), Mumbai 400 051.
Tel: 91-22-7158 3333
email: secretarial@dhfl.com

Members holding shares in electronic form may please note that instructions regarding change of address, bank details, nomination, email address and power of attorney should be given directly to their respective Depository Participant. Members holding shares in physical form may please note that instructions regarding change of address, bank details, nomination, email address and power of attorney should be given to your Company's RTA viz., Link Intime India Private Limited.

The investors have the facility to post any query to a dedicated email id for investors i.e. investor.relations@dhfl.com.

Correspondence address of Debenture Trustees are as below:

Catalyst Trusteeship Limited
(formerly GDA Trusteeship Limited)
GDA House, 94/95, Plot No. 85, Bhusari Colony (Right),
Paud Road, Pune – 411 038
Telephone No. +91 20-25280081
Fax No. +91 20-25280275
Email id : dt@ctltrustee.com
Website : www.catalysttrustee.com

IDBI Trusteeship Services Limited
Asian Building, Ground Floor,
17, R Kamani Marg, Ballard Estate
Mumbai – 400 001.
Telephone No – 022 4080 7000
Fax No. – 022 66311776
Email id : itsl@idbitrustee.com
Website : www.idbitrustee.com

xix. List of Credit Rating obtained by the Company during the financial year 2019-20 and any revisions thereof

On June 4, 2019, there was a delay in repayment of dues by your Company to some of the holders of Non-Convertible Debentures (NCDs), on account of which on June 5, 2019, the credit rating of the following investment/borrowings of your Company viz., Short-Term Debt / Commercial Paper, Public (Fixed) Deposits / Short Term Deposits, Subordinated Debt, Non-Convertible Debentures, Innovative Perpetual Debt Instruments (IPDIs), Long-Term Bank Loans and Structured Obligations was downgraded to Default grade by CRISIL Limited, Brickwork Ratings India Private Limited, CARE Ratings Limited and ICRA Limited.

6. OTHER DISCLOSURES

i. Related Party Transactions

The details related to the related party transactions are provided in the Board's Report (Report of Advisory Committee Chaired by the Administrator)

ii. Subsidiary Companies

As at March 31, 2020, your Company has four (4) unlisted wholly owned subsidiaries, namely DHFL Advisory & Investments Private Limited, DHFL Investments Limited, DHFL Changing Lives Foundation (Section 8 Company) and DHFL Holdings Limited.

Your Company has also formulated Policy on Determining Material Subsidiary(ies) in terms of the SEBI Listing Regulations and the same is available on the website of your Company at the URL: https://www.dhfl.com/docs/default-source/investors/policy-on-determining-material-subsidiary/policy-on-determining-of-material-subsidiary.pdf

As your Company has a negative net worth as on March 31, 2020, as per the provisions of Regulation 16(c) of the SEBI Listing Regulations, all of your Company's subsidiaries are considered to be within the category of material subsidiaries.

iii. Disclosure of utilization of funds raised through preferential allotment or qualified institutions placement

During the financial year 2019-20, your Company did not raise funds through preferential allotment or qualified institutional placement.

iv. Details of penalties and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

There were no strictures or penalties imposed on the Company by

the Stock Exchanges or SEBI or any other statutory authority, on any matter relating to capital market, during the last three years.

Details of penalties imposed on your Company during the financial year ended March 31, 2020 by regulatory authorities are provided in Form MGT-9, available on the website of y our Company at the URL: https://www.dhfl.com/docs/default-source/default-document-library/form-no-mgt-9--extract-of-annul-return.pdf

In respect of penalties for the financial year 2017-18 and 2018-19 as per Form MGT 9 annexed to the Board's Report of your Company for the said financial years 2017-18 and 2018-19, no penalties were imposed on your Company.

v. Details of establishment of Vigil Mechanism, Whistle Blower Policy and affirmation that no personnel has been denied access to the Audit Committee.

Your Company has a duly adopted Whistle Blower Policy and established a vigil mechanism in line with the provisions of SEBI Listing Regulations and the Companies Act, 2013, which aims to provide a mechanism to the employees and directors of your Company to report instances of unethical behavior, actual or suspected fraud or violation of your Company's code of conduct or ethics policy. It also provides for adequate safeguards against victimization of Directors and employees who avail the mechanism and provides for direct access to the Administrator or the Advisory Committee, in exceptional cases. The said policy is available on the website of the Company at URL: https://www.dhfl.com/docs/default-source/investors/whistle-blower-policy/whistle-blower-policy-revised.pdf

It is affirmed that post commencement of CIRP with effect from 3rd December, 2019, no personnel has been denied access to the Administrator.

vi. Details of non-acceptance of any recommendation given by Committee of the Board, wherever mandatory, during the Financial Year 2019-20.

During the Financial Year 2019-20, the Board of Directors of your Company had accepted all the recommendations, wherever mandatory, as given by any Committee of the Board as given prior to supersession of Board of Directors by RBI.

vii. Total Fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the Statutory Auditors and all entities in the network firm/ network entity of which the Statutory Auditors are a part

The total fees paid by your Company and its subsidiaries on a consolidated basis, for services rendered by the Statutory Auditors and its affiliates entities, during the financial year 2019-20 is given below:

(₹ in Lakh)

Particulars	K. K. Mankeshwar & Co. and their network entities
Fees for audit	181.50
Other fees	55.38
Total	**236.88**

viii. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Particulars	Number(s)
Number of Complaints filed during the financial year	N.A
Number of Complaints disposed of during the financial year	N.A
Number of Complaints pending as on end of the financial year	N.A

ix. Code of Conduct for the Board of Directors and the Senior Management

Before the supersession of the Board of Directors by RBI on November 20, 2019, your Company had a duly approved Code of Conduct for the Board of Directors and Senior Management ("Code") of your Company in place, in terms of the requirements of SEBI Listing Regulations. The subject Code identifies and lists out various elements of commitment, duties and responsibilities that serves as a basis for taking ethical decision-making in the conduct of day to day professional work. The Code requires the Directors and employees to act honestly, ethically and with integrity and in a professional and respectful manner.

The Senior management personnel with the Company as on March 31, 2020 have provided their affirmation to the compliance with this code. A declaration regarding compliance by the Senior Management Personnel with the said Code of Conduct duly signed by the Chief Executive Officer forms a part of this Annual Report.

The said code has been posted on your Company's website and is available at URL: https://www.dhfl.com/docs/default-source/investors/code-of-conduct-for-board-and-senior-management-personnel/code-of-conduct-for-the-board-and-the-senior-mgmt-personnel.pdf

x. Certificate of Non-Disqualification of Directors

As RBI has superseded the Board of Directors on November 20, 2019, certificate of Non-Disqualification of Directors is not applicable to your Company.

xi. Compliance with Corporate Governance Requirements

Prior to the supersession of the Board of Directors by the RBI on November 20, 2019, your Company had duly constituted Board of Directors and the Board Committees as per the provisions of the SEBI Listing Regulations. Upon supersession of the Board of Directors by the RBI on November 20, 2019 as stated hereinabove, and initiation of the Corporate Insolvency Resolution

Process (CIRP), certain provisions of the SEBI Listing Regulations are not applicable to your Company during the CIRP process.

xii. CEO /CFO Certification

Since your Company did not have CEO or CFO during the quarter ended June 30, 2019, the CEO and CFO certificate in terms of Regulation 17(8) and Regulation 33(2)(a) of the SEBI Listing Regulations was issued by the erstwhile Chairman & Managing Director of the Company.

The subsequent quarterly results and the Annual Results compiled to meet the periodic disclosure requirements were submitted with necessary disclosures/disclaimers in the Financial Statements as well as in the Auditors Report; with resultant modification in CEO/ CFO Certification.

xiii. Auditors Certificate on Corporate Governance

The certificate issued by Amruta Giradkar and Associates, Practicing Company Secretaries in relation to the compliance with the conditions of Corporate Governance as stipulated under SEBI Listing Regulations forms part of this Annual Report as the Annexure - 9 to the Board's Report (Report of Advisory Committee Chaired by the Administrator).

xiv. Adoption of non-mandatory requirements

Your Company has adopted the below specified non-mandatory requirements in terms of Regulation 27(1) of SEBI Listing Regulations:

Reporting of Internal Auditor

Your Company has an internal audit department, which is headed by a Senior Management Personnel, a qualified Chartered Accountant, who is responsible for conducting independent internal audit of branches/ clusters/ circles & other offices and head office functions of your Company. The Internal Audit function continues to report to the Chief Risk Officer (CRO) of your Company as an interim arrangement during the presently ongoing CIRP process.

DECLARATION ON COMPLIANCE WITH THE COMPANY'S CODE OF CONDUCT FOR THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

I, hereby, confirm and declare that in terms of Regulation 26 (3) of SEBI Listing Regulations all the Senior Management Personnel of your Company as on March 31, 2020 have affirmed compliance with the "Code of Conduct for the Board of Directors and the Senior Management Personnel", for the Financial Year 2019-20.

Vaijinath M Gavarshetty
Chief Executive Officer

Place : Mumbai
Date: September 5, 2020

Business Responsibility Report

INTRODUCTION

The Securities and Exchange Board of India (SEBI) in 2012 mandated the top 100, and later in 2015 the top 500 listed entities on National Stock Exchange of India Limited and BSE Limited to prepare a 'Business Responsibility Report' as part of the Annual Report. This is as per clause (f) of sub regulation (2) of regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The report outlines the organization's performance from the environmental, social and governance perspective.

Dewan Housing Finance Corporation Limited (DHFL) being part of the top 500 listed entities as on March 31, 2019 has incorporated the Business Responsibility Report (BRR) as part of Annual Report.

Section A: General Information about the Company

1. **Corporate Identity Number (CIN) of the Company:** L65910MH1984PLC032639
2. **NHB Registration Number:** 01.004.01
3. **Name of the Company:** Dewan Housing Finance Corporation Limited
4. **Registered address:** Warden House, 2nd Floor, Sir P. M. Road, Fort, Mumbai - 400001
5. **Website:** www.dhfl.com
6. **E-mail id:** secretarial@dhfl.com
7. **Financial Year reported:** 2019-20
8. **Sector(s) that the Company is engaged in (industrial activity code-wise):** NIC Code - 65922 - Carrying out activities of housing finance companies (Housing Loan & Non-Housing Loans)
9. **List three key products/services that the Company manufactures/provides (as in balance sheet:**
   - Housing Loans
   - Other property Loans
10. **Total number of locations where business activity is undertaken by the Company:**
    a. Number of International Locations (Provide details of major 5) – As on March 31, 2020 your Company had international representative offices located in London and Dubai.
    b. Number of National Locations – The business operation takes place in 305 locations throughout India which includes 182 Branches, 99 Micro Branches, 17 Zonal/ Regional/CPU Offices, 4 Disbursement Hubs, 1 Registered Office, 1 Corporate Office and 1 National Office as on March 31, 2020.
11. **Markets served by the Company**

    DHFL has a pan-India network grouped into zones and regions located across the length and breadth of India. The distribution network in India is mainly spread across Tier II and Tier III cities and towns. Additionally, DHFL has its registered and national offices in Mumbai and overseas representative offices in London and Dubai.

Section B: Financial Details of the Company

1. **Paid up Capital (INR)**

   ₹ 313.82 crore

2. **Total Turnover (INR)**

   ₹ 9,343.12 crore

3. **Total loss after taxes (INR)**

   ₹ -13,612.32 crore

4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):**

   The Company has been incurring losses during the last two financial years. The loss suffered by the Company during the year under review was ₹ 13,612.32 crore vis-à-vis loss of ₹ 1,036.05 crore for the financial year 2018-19. During the year under review, your Company faced severe liquidity crunch, which inter-alia resulted in defaults in payment of dues to the deposit holders, lenders etc., consequently the credit rating of the Company has been downgraded to the default rating in June 2019.

   The Reserve Bank of India (RBI) superseded the Board of Directors of the Company and appointed the Administrator for the Company on November 20, 2019 and accordingly, powers of the Board have been vested with the Administrator. Further, RBI, in exercise of powers conferred under section 45 IE 5(a) of the RBI Act 1934, on November 22, 2019 constituted a three member Advisory Committee to assist the Administrator

of the Company in discharge of his duties. On November 29, 2019 the RBI filed an application for initiating Corporate Insolvency Resolution Process (CIRP) against the Company. Subsequently, on December 3, 2019 the Hon'ble National Company Law Tribunal, Mumbai Bench commenced the CIRP against the Company and confirmed the appointment of the Administrator to perform all the functions of resolution professional to complete the CIRP, the Company is currently under moratorium as per Section 14 of Insolvency and Bankruptcy Code, 2016 (Code).

In view of the above, investment or spending towards the CSR programme(s) during the year under review was ₹ 0.06 crore and it was not possible to spend the full amount of ₹ 28.56 crore towards CSR as required under Section 135 of the Companies Act, 2013. Your Company is however committed to remain a socially responsible organization supporting the national aspirations and missions.

5. List of activities in which expenditure in 4 above has been incurred:

The activities where the Company has focused its efforts and funds towards CSR activities during the financial year 2019-20 are Economic empowerment through Financial literacy programs.

Appropriate disclosures as prescribed under the Companies Act, 2013 have been made in the Annual Report for the financial year ending March 31, 2020.

Section C: Other Details

1. Does the Company have any Subsidiary Company/ Companies?

The Company has four wholly owned subsidiaries viz; DHFL Advisory & Investments Private Limited, DHFL Investments Limited, DHFL Changing Lives Foundation (Section 8 Company) and DHFL Holdings Limited.

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

As on date, the Company has four wholly owned subsidiaries. DHFL Changing Lives Foundation (DHFL Foundation), a wholly owned subsidiary of the Company and a Non-Profit Company, limited by guarantee, registered under Section 8 of the Companies Act, 2013 has furthered the Company's CSR Vision and has been facilitating implementation of high impact initiatives through multi-stakeholder partnership; covering government and non-government organisations. DHFL Foundation had taken the mantle of implementing "Project Sneh" – flagship initiative under Early Childhood Care and Education.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

No other entities participate in the BR initiatives of the company.

Section D: BR Information

1. Details of Director/Directors responsible for BR and details of BR head:

The Reserve Bank of India ("RBI") superseded the Board of Directors of Dewan Housing Finance Corporation Limited ("the Company") and appointed the Administrator for the Company on November 20, 2019 and accordingly powers of the Board were vested in the Administrator. Further, RBI, in exercise of powers conferred under Section 45 IE 5(a) of the RBI Act 1934, on November 22, 2019 constituted a three member Advisory Committee to assist the Administrator of the Company in discharge of his duties. The members of the Advisory Committee are Dr Rajiv Lall, erstwhile Non-Executive Chairman, IDFC First Bank Ltd., Mr. N S Kannan, Managing Director and CEO, ICICI Prudential Life Insurance Co. Ltd. and Mr. NS Venkatesh, Chief Executive, Association of Mutual Funds in India.

On November 29, 2019 the RBI filed an application for initiating CIRP against the Company. Subsequently, on December 3, 2019 the Hon'ble National Company Law Tribunal, Mumbai Bench commenced the Corporate Insolvency Resolution Process (CIRP) against your Company and confirmed the appointment of the Administrator to perform all the functions of resolution professional to complete the CIRP.

Prior to the supersession of the Board by RBI on November 20, 2019, Mr. Kapil Wadhawan, the erstwhile Chairman & Managing Director of your Company was the BR head as well as Director responsible for BR of your Company.

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

S. No.	Particulars	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for..	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national /international standards? If yes, specify? (50 words)	Y*	Y*	Y*	Y*	Y*	Y*	Y*	Y*	Y*

S. No.	Particulars	P1	P2	P3	P4	P5	P6	P7	P8	P9
4	Has the policy been approved by the Board? If yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	Y+	Y+	Y+	Y+	Y+	Y+	Y+	Y+	Y+
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy/policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

(*) – The policies were developed on the lines of the 'National Voluntary Guidelines on Social, Environment, and Economic responsibilities of businesses' established by the Ministry of Corporate Affairs, Government of India in 2011.

(+) – All the policies are available for employees to view on the Company's intranet. Most of them are also available on the website www.dhfl.com/investors

Note: *1. The principle wise details are provided under Section E of this Report.*

2. The Company has in place policies/code with regard to all the principles i.e P1 to P9. During the financial year 2016-17, the Board of Directors formulated Business Responsibility Policy Manual under which all the subject policies/code(s) falling under each principle have been collated.

2. (a) If answer to S.No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

S. No.	Particulars	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles	NOT APPLICABLE								
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within next 1 Year									
6	Any other reason (please specify)									

3 Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

Due to the supersession of the Board and ongoing CIRP as mentioned above, this BR Report has been taken on record by the Advisory Committee.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company has started publishing Business Responsibility Report from FY 2016-17 onwards along with the annual report and the report is uploaded on the website of the Company at http://www.dhfl.com/investors/annual-reports.

Section - E

Principle 1 (P1): Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

The Company has in place the Code of Business Ethics (COBE) which aims at driving ethical behavior, acts as a guideline for ethical decision-making, enhances reputation, prevents negative legal consequences, encourages positive relationships, and prevents discrimination or harassment.

The COBE is a summary of certain policies which all employees are expected to adhere by and failure of which can result in stringent disciplinary action up to and including termination.

1 **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs / Others?**

Yes, it requires each employee, Director and business associate to abide by the various policies as outlined in the COBE so that reputation of the Company remains intact and we deliver as per the expectations of our stakeholders. Code of Conduct for Board and Senior Management as well as the Fair Practice Code and Whistle Blower Policy are in place to ensure that highest standards of personal and professional integrity be maintained within the organization. The Model Code of Conduct for Distributors, Brokers and Intermediaries is a mechanism to ensure that all distributors, brokers and other third party partners comply with the norms of the Company. However, it does not extend to the group, joint ventures, suppliers, contractors, NGOs and others.

2 **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

During the reporting period, the Company has received 27 complaints from its shareholders relating to non-receipt of share transfer/bonus certificate, non-receipt of dividend, non-receipt of annual report etc. and 5 complaints were pending to be addressed at the start of the Financial Year 2019-20. All the complaints were addressed at the end of the financial year. The Company also received 279 complaints from fixed deposit holders and 2,067 complaints from its debenture holders and all the complaints were addressed by the end of the financial year. It is the Company's endeavour to provide the best service to all stakeholders and resolve any complaints that may arise at the earliest.

Principle 2 (P2): Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

As a leading brand in Housing Finance, DHFL is taking concerted efforts in the realm of sustainable products in terms of providing housing loans for the Lower Middle Income (LMI) segment. These products are customized to cater to the needs, aspirations and limitations of the low and middle income group, thus making housing affordable for these sections of the society.

1 **List up to 3 products or services whose design has incorporated social or environmental concerns, risks, and/or opportunities.**

Majority of our home loan portfolio is below ₹ 30 lakh. This highlights the Company's desire to serve the weaker section of the society and thereby contribute towards social upliftment and inclusion.

Apart from this, DHFL had over the years participated in various schemes of National Housing Bank, such as the Golden Jubilee Rural Housing Refinance scheme and Pradhan Mantri Awas Yojana (PMAY).

2 **For each product, provide the following details in respect of resources (energy, water, raw material etc.) per unit of product (optional)**

As the Company is a financial services organization, this is not applicable.

3 **Does the Company have procedures in place for sustainable sourcing (including transportation)?**

The Company has taken multiple initiatives in order to reduce resource use. The Company had adopted e-board meetings which were conducted in a paperless manner. Upon supersession of the Board, the Advisory Committee meetings ("ACM") are held in paperless manner, thus making significant efforts to reduce the consumption of resources, specifically paper, wherever it can. Apart from this, the Company has taken note-worthy initiatives like making use of online/digital platforms for the application process thereby saving paper on a large scale.

The Company has also digitalized the operational process which enables the disbursement pay-outs without any manual intervention and helps to do bulk automated NEFT/ RTGS as disbursal mode.

4 **What percentage of the inputs were sourced sustainably?**

As the Company is in the business of providing financial services and is not involved in any manufacturing activities, there are no significant inputs that can be sourced sustainably.

5 **Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

As the Company is in the business of providing financial services, the scope for procurement of goods from local and small producers is very limited.

6 **Does the Company have mechanism to recycle products and waste? If yes, what is the percentage of recycling waste and products?**

Since the Company is housing finance company and is not involved in any manufacturing activity, the reporting on recycle mechanism is not applicable The Company continuously aims to reduce the impact on the environment by optimizing the usage of various resources, wherever required.

Principle 3 (P3): Businesses should promote the wellbeing of all employees

We being in the services industry, employees are our key assets and are significant in driving business growth. Well-being programs lead to a significant increase in overall productivity of employees.

DHFL conducts multiple initiatives towards improving working conditions, providing a safe workplace, protecting their interests & human rights to ensure employees are motivated and high-performing thereby sustaining the business in the long run.

Workforce

1 **Please indicate the Total number of employees.**
As on March 31, 2020, there were 2,179 permanent employees in the Company.

2 **Please indicate the Total number of employees hired on temporary/contractual/casual basis.**
There are no employees hired on temporary/casual basis. However, the Company does have 2,907 number of outsourced employees, majority being employed in sales and non-sales functions of the Company

3 **Please indicate the Number of permanent women employees.**
There were 256 women employed in the Company as on March 31, 2020

4 **Please indicate the Number of permanent employees with disabilities**
There were 6 employees with disabilities as on March 31, 2020

5 **Do you have an employee association that is recognized by management?**
No such associations exist.

6 **What percentage of your permanent employees is members of this recognized employee association?**
This is not applicable.

Employee grievance handling mechanism

An effective grievance handling mechanism not only ensures a cordial work environment by redressing the grievance to mutual satisfaction, but also helps the management in framing policies and procedures acceptable to the employees. It offers a platform for the employees to express feelings, discontent and dissatisfaction in a formal way and guarantees a resolution or response to their concerns. As per the current grievance handling mechanism, employees can make use of the intranet to disclose their grievances. Moreover, the Company has formulated a Policy on Prevention, Prohibition & Redressal of Sexual Harassment of Women at Workplace and an Internal Committee has been constituted thereunder.

7 **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

S. No.	Category	No of Complaints filed during the financial year	No of complaints pending as on end of this financial year
1	Child labour/forced labour/involuntary labour	NIL	NIL
2	Sexual harassment	NIL	NIL
3	Discriminatory employment	NIL	NIL

Training and Development

Training & Development is crucial for Company's sustainable growth as it supports professional development and empowers employees to deliver improved quality of service through its training intervention and motivating them to perform with renewed vigor and enthusiasm. Continuous training also helps to keep employees updated on cutting edge development in the industry. Employees who are competent and on the top of changing industry standards will also help DHFL hold its position as a leader and remain a strong competitor within the industry. The Company has nurtured in-house training expertise in the form of dedicated trainers, facilitators, content developers as well as subject matter experts from business teams.

DHFL's Human Resources initiatives and L&D systems are designed to ensure an active employee engagement process, leading to better organizational capability and vitality for maintaining a competitive edge and in pursuing its ambitious growth plans.

8 **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

Category	Skill-upgradation Training
Permanent employees	34%
Permanent employees with Disability	33%

Principle 4 (P4): Businesses should respect the interests of, and be responsive to the needs of all stakeholders, especially those who are disadvantaged, vulnerable, and marginalized.

DHFL's investor relations department looks after institutional and retail investors.

The Company is also engaged to promote and offer affordable housing to stakeholders coming from economically weaker sections of society. In doing so, products and the relevant processes, are specially crafted to provide access to the Lower and Middle Income (LMI) segment who are generally not very familiar and confident in navigating the formal banking system..

1 **Has the Company mapped its internal and external stakeholders?**

Yes, the Company has identified and mapped its internal and external stakeholders.

2 **Out of the above has the Company identified the disadvantaged, vulnerable, and marginalized stakeholders**

The Company has identified the people from low income sections of society as those stakeholders who are in most need of intervention and support. On these lines the Company has designed its efforts along the focus areas of

- Women empowerment and skilling
- Early childhood care & education
- Village development through awareness and resource efficient practices

The Company has spent ₹ 0.06 Crore towards CSR during the financial year under review.

3 **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**

The Company's wholly owned subsidiary incorporated under section 8 of the Companies Act, 2013 viz. DHFL Changing Lives Foundation, incorporated in December 2017, has furthered the Company's CSR Vision and facilitated implementation of high impact initiatives through multi-stakeholder partnership; covering government and non-government organisations. The Foundation has over the years taken the mantle of implementing the Company's "Project Sneh" – flagship initiative under Early Childhood Care and Education.

Principle 5 (P5): Businesses should respect and promote human rights

Respecting human rights is fundamental in DHFL's business operations and is closely linked to advancing the long-term, sustainable development of the organization. Appropriate steps are taken to ensure no discrimination takes place either during the recruitment process or in the due course of employment at DHFL. The Company is committed to provide equal opportunities to all employees and qualified applicants without consideration to their race, caste, religion, colour, ancestry, marital status, sex, age, nationality, disability and veteran status. The Company strives to create and maintain a work environment free of harassment, whether physical, verbal or psychological and its employees are treated with dignity, decency and respect.

DHFL is also committed to providing easy access to grievance reporting mechanisms for the stakeholders in the event of any adverse impacts that occur during the business operations.

1 **Does the policy of the Company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?**

DHFL's human rights policy is based on the principle of protecting human rights across value chain. The Company adheres to all statutes which embodies the principles of human rights such as prevention of child labour, forced labour, woman empowerment etc. However, it does not extend to the group, joint ventures, suppliers, contractors, NGOs and others.

2 **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

The Company encourages its stakeholders to report on any concern relating to human rights and makes every effort to resolve all the complaints it receives. However, no stakeholder complaints with regard to human rights were received in the reporting year.

Principle 6 (P6): Businesses should respect, protect, and make efforts to restore the environment

As a socially responsible organization DHFL is aware of harmful effects of climate-change and environmental degradation and stakeholders are equally concerned about it. The Company is committed to conduct its business operations responsibly by identifying environmental and social risk at an early stage and mitigate the risk by employing innovative and efficient technology solutions focusing on areas e.g. renewable energy utilization and waste minimization.

DHFL believes that protecting the environment is crucial to ensuring that the current and future generations, can live without concern for health and wellbeing arising due to the effects of climate-change.

1 **Does the policy related to Principle 6 cover only the company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/Others?**

The Company's Sustainable Development policy provides guidance to safeguard the environment and support economic growth by continually improving sustainability performance across value chain. The Policy outlines expectations from employees, the external business associates and other relevant stakeholders to ensure environmental integrity of business operations. However, it does not extend to the group, joint ventures, suppliers, contractors, NGOs and others.

2 **Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.?**

Being in the financial services sector, the Company's direct impact on the environment may not be very significant, however we still have a role to play in ensuring that the indirect impact of our activities do not harm the environment. DHFL believes climate change related issues are not only of concern to the community but also to the Company's long- term growth and sustainability.

3 **Does the Company identify and assess potential environmental risks?**

The Company is cautious of assessing the political and environment risks in its business operations.

4 **Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof in about 50 words or so. Also, if Yes, whether environmental compliance report is filed?**

The Company currently does not have any projects related to Clean Development Mechanism.

5 **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.**

The Company has moved to a paperless process in its daily business operations through e-meetings and engaging with the customers through app and web-based applications for some services. The Company has been able to use star rated appliances wherever possible.

6 **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Although the Company currently does not have a defined mechanism for measuring the waste generated, it is proactive in its efforts to minimize the amount of waste generated in the offices.

7 **Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

The Company has not received any show cause notices from either CPCB or SPCB in the reporting year.

Principle 7 (P7): Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

One of the key responsibility of any Organization is to promote a well- informed and empowered society through actively participating in the development and implementation of public policy.

1 **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

No, the Company has not renewed any membership of any trade and chamber or association.

2 **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

No, during the year the Company had not advocated/ lobbied through the above.

Principle 8 (P8): Businesses should support inclusive growth and equitable development.

Corporate Social Responsibility Policy of DHFL encompasses the company's philosophy for delineating its responsibility as a corporate citizen and undertakes CSR activities strategically, systematically and more thoughtfully thereby moving from institutional building to community development through its various CSR programs and projects.

For over three decades, DHFL has been instrumental in enabling easier access to home ownership amongst the lower and middle income (LMI) segment with a belief that one's own home, is synonymous with hope and aspiration.

1 **Does the company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.**

(i) Economic empowerment through financial literacy & inclusive growth

(ii) To generate awareness on basics of finance and government welfare schemes, the Company supporting and implemented a financial literacy programme through Financial Literacy Centres operated in slum communities, by trained community workers.

2 **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

The Wholly Owned Subsidiary "DHFL Changing Lives Foundation" primarily drives Company's flagship CSR programme "Early Childhood Care and Education (ECCE)" by focusing on areas e.g. Education, Health & Nutrition, Model Anganwadis and Stakeholder empowerment.

3 **Have you done any impact assessment of your initiative?**

Also, the Corporate Social Responsibility committee of the Board oversees the initiatives undertaken by the Company under the CSR Policy. Upon supersession of the Board, the Advisory Committee has taken note of the CSR activities of the Company during the reporting period.

4 **What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken**

The Company over the years has spent an amount towards its CSR programmes. The details of CSR programmes and cumulative amount spent by the Company is provided at Annexure – 6 to the Board's Report (Report of Advisory Committee Chaired by the Administrator).

5 **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

DHFL is keen on ensuring the adaptability of projects in the communities and thus it plans the exit timelines before beginning the project. In doing so, it is able to set a measurable timeline to fully execute the activities while being confident of the project being able to sustain even after it leaves the community.

- The Company has ensured that a group of trained, local individuals (Field Officers) from the community itself would be able to provide continued support to the program even after the end of its direct intervention.
- Further, the Company's financial literacy app, under the banner of DHFL Haqdarshak continues to provide a robust digital platform for community workers to facilitate and connect beneficiaries to government welfare schemes.

Principle 9 (P9): Businesses should engage with and provide value to their customers and consumers in a responsible manner.

DHFL strives to foster long-term relationships with customers as it continues to provide the best of services and products to the customers coming from all sections of society. Customer satisfaction is ensured through quick turnaround, while adhering to the highest underwriting standards and an effective grievance mechanism to identify risks and concerns and improve effectively.

1 **What percentage of customer complaints/consumer cases are pending as on the end of financial year?**

As on end of the financial year, 27 complaints were pending [out of total 2531 complaints received from the customers (borrowers) during the year] reflecting closure of 99% of these complaints.

2 **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)**

As DHFL is in the business of providing housing loans, it does not have any product labels as such.

3 **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

There are no complaints filed against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last 5 years.

4 **Did your Company carry out any consumer survey/ consumer satisfaction trends?**

The Company conducts various consumer survey at regular intervals. However, during the financial year 2019-20, the Company did not undertake any survey. The Company's Customer Service mechanism comprises of multiple mid-level feedback and grievance redressal channels, spread over its branches, call centres, emails, letters, and social media, among others. A Customer Grievance Redressal Committee reviews the grievances periodically (every month) to address the root causes. The minutes of these Committee Meetings are reviewed by the Advisory Committee at regular intervals.

Independent Auditors' Report

To The Members of
Dewan Housing Finance Corporation Limited

Report on the Audit of the Standalone Financial Statements

DISCLAIMER OF OPINION

We were engaged to audit the standalone financial statements of Dewan Housing Finance Corporation Limited ("the Company"), which comprises of the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

We do not express an opinion on the accompanying standalone financial statements of the Company. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these standalone financial statements.

BASIS FOR DISCLAIMER OF OPINION

The predecessor joint statutory auditors had issued a Disclaimer Report basis the observations forming part of their report for the financial year ended 31st March, 2019. Their observations together with the observations noted during the year ended March 31, 2020 are as below:

1. We refer to Note No. 52 of the standalone financial statements regarding that the Administrator, the Advisors (refer to the Members of the Committee of Advisors), and the present Key Managerial Personnel ("KMP" / "Present Management") have not been able to analyse in depth the accuracy, validity, completeness or authenticity of the information and figures mentioned in the standalone financial statements as they have joined after 20th November 2019; and have been involved in the affairs of the Company for less than four months in the entire financial year 2019-20 and also owing to the lockdown which commenced from March 23, 2020 due to COVID-19, causing the office-shut down till the closure of the financial year 2019-20 which subsequently got extended till May 31, 2020. Further, as a part of Corporate Insolvency Resolution Process (CIRP) the Company, a Transaction Audit to determine avoidable transactions in terms of Section 43, 45, 49, 50 and 66 of Insolvency and Bankruptcy Code (IBC) and an exercise to determine the liquidation value and fair valuation of the Company is underway. These activities could not be conclusively completed till the signing of the financial statement in view of the disruption caused due to the lockdown restrictions. The outcome of such Transaction Audit may provide additional facts/information about the past data with respect to the Company. The Administrator has signed the standalone financial statements solely for the purpose of compliance and discharging his duties during CIRP period of the Company and in accordance with the provisions of the IBC, read with the regulations and rules thereunder, and based on the explanations, clarifications, certifications, representations and statement made by the existing staff of the Company in relation to the data pertaining to the period prior to the joining of the Present Management and does not have knowledge of the past affairs, finances and operations of the Company.

2. We refer to Note No. 51 of the standalone financial statements regarding various good governance initiatives undertaken by the Present Management including various efforts to strengthen of the financial policies and processes, functioning of the IT system; loan / security documentation, legal audit, internal financial controls and updating risk control matrices, risk and fraud risk management, through in-house resources and engagement of external professional experts/consultants. These initiatives have been undertaken soon after the Present Management became effective. While substantial progress is stated to have been made, by concluding some initiatives undertaken by the present management certain initiatives could not be fully concluded and implemented by 31st March, 2020 due to the necessary time required for the same; and also because of lockdown and mobility restrictions introduced in view of COVID-19 and the lockdown imposed by State and Union Government.

   In view of the foregoing we have not been able to obtain sufficient and appropriate evidence in support of the outcomes of the said initiatives and their impact upon the overall governance / control environment within the Company.

3. We also refer to the "Written Representations" by Present Management and its limitations and inability thereof in confirming or non-confirming the assertions (refer para 1 above) forming part of the standard "Written Representation" as required by us in accordance with the guidelines issued by the Institute of Chartered Accountants of India (the ICAI").

4. We refer to multiple issues of financial significance as highlighted by the predecessor joint statutory auditors in their report for the year ended 31st March, 2019 together with the suspected irregularities as reported and under media scrutiny. These issues are presently investigated by the concerned agencies namely Ministry of Corporate Affairs (MCA); Serious Fraud Investigation Office (SFIO), Enforcement Directorate (ED), and Central Bureau of Investigation (CBI). As of the date of this report,

investigations are ongoing and not yet concluded and pending outcome of ongoing investigations, the Present Management believes that adjustments of the impact of these matters on the standalone financial statements including with regard to any adjustments to the carrying values of the loans, restatement of receivables/payables, related parties and other disclosures and compliances, as applicable can be made only when the same become known in definitive terms following the conclusion of the said investigations together with the outcome of the ongoing transactions audits performed by independent agencies/firms appointed by the Administrator. Further, we also understand that various regulatory authorities / lenders are currently carrying out their own investigations which are yet to be completed/ concluded; and they may make a determination on whether any fraud or any other non-compliance/ illegalities have occurred in relation to the allegations and matters under public scrutiny. We have been informed by the Present Management that these investigations and audits are not yet completed; with no outcomes being communicated by the concerned agencies / firms to the Present Management, and accordingly no adjustments are made in standalone financial statements in respect of the said reported matters.

In view of the above and pending outcome of ongoing investigation, we have not been able to comment on the completeness and appropriateness of the balances in relation to these subjected matters as quoted in the standalone financial statements and the consequential impact that the outcomes of the investigations and transaction audits may have on the standalone financial statements and the provisions made by the Present Management during this year.

5. We refer to Note No. 59 of the standalone financial statements regarding the investments / advances by way of unsecured Inter Corporate Deposit (ICD) aggregating ₹ 565,269 lakh which were outstanding as at March 31, 2019. Of these, ICDs aggregating of ₹ 93,835 lakh have since been repaid by the borrowers and ICDs aggregating to ₹ 1,30,661 lakh have been converted during the period of previous management into term loans during the period prior to 20th November 2019, resulting in an outstanding of ₹ 3,78,624 lakh under ICDs, including interest receivable as of 31st March, 2020. The recoverability or otherwise of the remaining amount is yet to be ascertained. and hence the appropriate provision amounting to ₹ 2,25,032 lakh has been made as a prudent measure. Due to non-availability of the recovery data, the company has considered the Loss Given Default percentage (LGD)% as specified in the guidelines issued by the RBI in the circular "Implementation of the Internal Rating Based (IRB) Approaches for Calculation of Capital Charge for Credit Risk" as a proxy LGD%. This is also based on the industry practice followed in the cases where the companies do not have the trend of recovery experience. Present Management has stated that these provisions may undergo changes upon the actual realization on case to case basis and has citied its limitations in confirming w.r.t to completeness; correctness and authenticity of the figures as quoted in the standalone financial statements.

   In view of the foregoing we have not been able to comment upon the completeness; correctness and adequacy / inadequacy of such provisions and their consequential effect on the carrying values of the subjected accounts and impact on the standalone financial statements.

6. We refer to the observations made by the predecessor joint statutory auditors in respect of certain loans and Pass-through Certificates (PTC) granted or invested by the Company:

   i. Multiple accounting entries were initially recorded in certain customer accounts for receipts despite the cheques or negotiable instrument not having been deposited in the bank(s), as reported in financial year 2018-19 and these were subsequently reversed. Such instances have now been informed to have been constantly reviewed by the Present Management.

   ii. Deficiencies in documentation of Project / Mortgage loans for which the Present Management has initiated a legal audit that is ongoing and it has expressed its inability to express any view on the documentation adequacy / completeness till the conclusion of the same.

7. We refer to Note No. 60 of the standalone financial statements regarding the wholesale loan portfolio aggregating ₹ 49,58,544 lakh (pursuant to classification of this portfolio to "held for sale" in the previous year ended 31st March 2019) have been "fair valued" as at 31st March 2020 at ₹ 30,73,231 lakh, with the resulting fair value loss aggregating ₹ 18,85,313 lakh. The basis of valuation of the portfolio is stated to have been changed during the year ended 31st March 2020 by discounting the cash flow assessed by the external registered valuer as against the contractual cash flow used by the erstwhile management in the previous year and present management for the year ended 31st March 2020. Further, as the outcome of valuation exercise to be completed in CIRP, this may undergo change.

8. We refer to Note No. 62 of the standalone financial statements regarding that there exists mis-match amounting to ₹ 3,01,868 lakh that is yet to be identified and mapped to individual parties and the underlying securities available, if any, out of the available surplus security covers and for which Present Management has initiated transaction audit which is still in process. Provisions have been made in standalone financial statements for the same due to non-availability of internal confirmations; and all the relevant and authenticate data in completeness (as stated). These provisions may undergo changes upon the actual realization on case to case basis. Further the Present Management

has citied its limitations in confirming w.r.t completeness; correctness and authenticity of the figures as quoted in standalone financial statements.

In view of the foregoing, we have not been able to obtain sufficient appropriate audit evidence to support the values of the loans and we have not been able to determine if these matters would have an impact on the standalone financial statements including with regard to any adjustments to the carrying value of the loans, restatement, related parties and other disclosures and compliances as applicable.

9. We refer to the observations made by National Housing Bank (NHB) in its inspection for the year ended March 31, 2018 as per the provisions of the National Housing Bank Act, 1987 in respect Project Loans. Accounting Adjustments / Provisions are made in the standalone financial statements as recommended in the NHB's Inspection Report as per NHB's Guidelines. Some of the key factors such as credit worthiness of parties, historical / past records, market value of underlying certain securities / assets etc., that could influence the values of such provisions, are not factored into while arriving at the values of such provisions due to non-availability of all the relevant and authenticate data in completeness (as stated). These provisions may undergo changes upon the actual realization on case to case basis. Further the Present Management has citied its limitations in confirming w.r.t completeness; correctness and authenticity of the figures as quoted in standalone financial statements.

   Further, the loss aggregating ₹ 13,57,515 lakh (including comprehensive Income) incurred by the Company during the year ended 31st March, 2020, has rendered the Company not able to comply with the regulatory requirements of NHB in respect of the Net Owned Fund (NOF) and which also resulted in multiple contraventions of the provisions of NHB Act, 1987, Directions and Guidelines thereon. Although the aforesaid non-compliance may in ordinary course result in potential action against the Company by NHB in this regard, we have not been able to commenting on the same since the Company is presently under moratorium imposed by the Hon'able NCLT which prevents any actions against the Company

   In view of the stated observations made by the NHB and of the non-compliance with the NHB's provisions by the Company, we have not been able to obtain sufficient appropriate audit evidence in support of; and comment upon the completeness; correctness and adequacy / inadequacy of such provisions and their consequential effect on the carrying values of the subjected accounts, penal actions, if any, and impact on standalone financial statements including with regard to any adjustments to the carrying value of the loans, restatement, related parties and other disclosures and compliances as applicable subject to the moratorium declared by NCLT Order in respect of the Company.

10. We refer to Note No. 44(c) of the standalone financial statements regarding that the Present Management has revisited the underlying assumptions required to calculate the provisions for ECL on the retail loan portfolio to remediate the deficiencies in the underlying assumptions as followed in the previous year to measure ECL provisions to be considered in standalone financial statements as on 31st March, 2020. However due to inherent deficiencies and non-availability of the historical data which is being used for the purpose of calculating provisioning based on Expected Credit Loss (ECL), some of the key factors such as historical / past records; relevant underlying securities / assets etc., that could influence the values of such provisions, are still to be fully factored into while arriving at the values of such provisions due to non-availability of all the relevant and authenticate data in completeness (as stated). These provisions may undergo change upon the actual realization on case to case basis. Further the Present Management has citied its limitations in confirming w.r.t completeness; correctness and authenticity of the figures as quoted in the standalone financial statements.

    In view of the foregoing, we have not been able to obtain sufficient appropriate audit evidence in support of; and comment upon the completeness; correctness and adequacy / inadequacy of such provisions and their consequential effect on the carrying values of the subjected accounts and impact on standalone financial statements including with regard to any adjustments to the carrying value of the loans, restatement, related parties and other disclosures and compliances as applicable.

11. We refer to Note No. 58 of the standalone financial statements regarding that no provision is made by the Company, pursuant to its admission under the IBC (i.e 3rd December, 2019), in respect of it's obligation for interest on all the borrowings basis the opinion from legal advisors. The interest not so provided for amounts to ₹ 2,36,133 lakh and the loss for the year ended as on 31st March, 2020 are accordingly understated respectively to that extent.

    As a legal opinion is confirmed in finality by the competent authority only when concluding the matter, we have not been able to comment upon the position being taken by the Present Management in this regard.

12. We refer to Note No. 56 & 57 of the standalone financial statements regarding that the Company has recognized net deferred tax asset of ₹ 5,05,215 lakh as at 31st March, 2020. The Company is required to perform an assessment as required by Ind AS 12 - 'Income Taxes' which requires the Company to determine the probability of future taxable income to utilize the deferred tax asset. In the light of the above and pending the outcome of the CIRP, we have not been able to comment on the same.

13. We refer to Note No. 63 of the standalone financial statements regarding that the Company has incurred

expenditure aggregating ₹ 10,517 lakh for development of customised software for its operations and recording of transactions which has been carried as intangible asset under development as at March 31, 2020. The Company has not performed an impairment assessment as required by Ind AS 36 - 'Impairment of Assets' which requires the Company to determine whether the economic benefit in respect of this intangible asset shall be available to the Company in subsequent periods taking into consideration the uncertainty in respect of its plan to monetize its assets, secure funding from the bankers / investors, restructure its liabilities and recommence its operations. In view of foregoing, we have not been provided sufficient appropriate evidence about the carrying value of the intangible asset under development and adjustments required, if any, to standalone financial statements.

14. In view of the possible effects of the matters described in paragraphs 1 to 13 above, we have not been able to comment on the Company's compliance of the covenants in respect of all borrowings and consequential implications including disclosures, if any.

15. In view of the foregoing, we have not been able to obtain sufficient appropriate evidence to support the values of the loans and we have not been able to determine if these matters would have an impact on the standalone financial statements including with regard to any adjustments to the carrying value of the loans, assets, restatement, related parties and other disclosures and compliances, as applicable. We were further not able to comment whether the loans referred in above paragraphs have been properly secured and hence these loans may have been granted including terms and conditions there-of, in a manner that is prejudicial to the interest of the Company or its members, for the reasons stated therein. We have been informed by the Present Management that appropriate classifications for such loans has been made by them now along with the required provisioning in this regard.

16. We refer to Note No. 53 of the standalone financial statements regarding that the differences as noticed in some instances between the claims submitted by the Creditors of the Company, during CIRP, in which in some instances the amount of claim admitted or to be admitted by the Present Management may differ from the amount reflecting in the books of account of the Company. Pending final outcome of the CIRP no adjustments, including of the effects arising due to changes in foreign exchange rates and claims admitted as on the date of acceptance of claims, have been made in the standalone financial statements and books of account for the differential amounts, if any. Further as stated in note 66 of the standalone financial statements regarding that certain balances of banks, trade receivables, trade payable, other payables are subject to confirmation including any adjustment to the carrying value of the assets and liabilities and their presentation and classification. However, in the opinion of the management, these will not have any significant impact on the losses for the year and on the net worth of the Company as on the balance sheet date.

17. Also Refer our comments under 'Material uncertainty related to Going Concern' below.

18. We refer to Note No. 55 of the standalone financial statements regarding that in accordance with RBI regulatory package, the Company has offered moratorium to its eligible customers based on an approved policy. The management has informed us that various measures have been taken to reduce the impact of moratorium on the portfolio of the Company. However, since the extent to which COVID-19 will impact Company's financial performance is dependent on future developments.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

The Company has incurred loss aggregating ₹ 13,57,515 lakh (including comprehensive Income) during the year ended 31st March, 2020, and has accumulated losses due to which its net worth has been fully eroded. However these standalone financial statements are drawn on going concern basis under the ongoing Corporate Insolvency Resolution Process (CIRP), the outcome of which cannot be presently ascertained including matters also listed herein. Therefore, company's ability to remain as a "going concern" depends upon outcome of the ongoing CIRP.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors/Resolution Professional / Management is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, Board of Directors / Resolution Professional / Management is responsible for assessing the Company's ability to continue as a going

concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors / Resolution Professional / Management are also responsible for overseeing the Company's financial reporting process.

However in case of the Company, the Reserve Bank of India (RBI) vide its letter and press release dated November 20, 2019 ("RBI Order") issued under Section 45IE of the Reserve Bank of India Act, 1934, superseded the Board of Directors of the Company owing to governance concerns and defaults by the Company in meeting various payment obligations and appointed an Administrator to run the Company. Subsequently, in accordance with the order dated December 3, 2019 of the National Company Law Tribunal (Mumbai Bench) ("NCLT Order"), the Corporate Insolvency Resolution Process ("CIRP") of the Company commenced under IBC, the RBI appointed Administrator, among other things, to run the Company as a "going concern" during CIRP as also incumbent upon the Resolution Professional, under section 20 of the Code, to manage the operations of the Company as a going concern. Accordingly, the standalone financial statements for the year ended 31st March 2020 have been prepared on going concern assumptions.

The above standalone financial statements of the Company have been taken on record by the Administrator while discharging the powers of the Board of Directors of the Company which have been conferred upon him by the RBI Order superseding the Board of Directors of the Company and in accordance with the NCLT Order dated 3rd December 2019, solely for the purpose of ensuring regulatory compliance.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our responsibility is to conduct an audit of the Company's standalone financial statements in accordance with Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these standalone financial statements.

We are independent of the Company in accordance with the ethical requirements in accordance with the requirements of the Code of Ethics issued by ICAI and the ethical requirements as prescribed under the laws and regulations applicable to the entity.

OTHER MATTER

The standalone financial statements of the Company for the year ended 31st March 2019 were audited by the predecessor joint statutory auditors, who have expressed a disclaimer of opinion on those standalone financial statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(1), we report that, we have not been able to comment whether the loans referred in paragraph 6(ii) above have been properly secured and hence these loans may have been granted in a manner that is prejudicial to the interest of the Company or its members, for the reasons stated therein. Further, in respect to loans referred to in paragraphs 4, 5 and 6(ii) above, we have not been able to comment whether the terms on which these have been made are prejudicial to the interest of the Company or its members, for the reasons stated therein.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order which is subject to the possible effect of the matters described in the Basis for Disclaimer of Opinion section above and the material weakness described in the Basis of Disclaimer of Opinion in our separate Report on the Internal Financial Controls over Financial Reporting.

3. As required by Section 143(3) of the Act, we report that:

   a) As described in the Basis for Disclaimer of Opinion section above, we have sought but were not able to obtain all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) Due to the possible effects of the matter described in the Basis for Disclaimer of Opinion section above, we are unable to state whether proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books

   c) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion section above, we are unable to state whether the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity, and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.

   d) Due to the possible effects of the matter described in the Basis for Disclaimer of Opinion section above, we are unable to state whether, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

e) The matter described in the Basis for Disclaimer of Opinion section above and in the Material uncertainty related to Going Concern section above, in our opinion, may have an adverse effect on the functioning of the Company.

f) We are unable to state whether any director is disqualified as on March 31, 2020 from being appointed as a director in the terms of Section 164 (2) of the Act, as we have been explained that the Holding Company has not received any written representation from any director in this respect.

g) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Disclaimer of Opinion section above.

h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses disclaimer of opinion on the Company's internal financial controls over financial reporting for the reasons stated therein.

i) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion section above, we are unable to comment whether the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion section above, we are unable to state whether the Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 39 to the standalone financial statements;

ii. Due to the possible effects of the matter described in the Basis for Disclaimer of Opinion section above, we are unable to state whether the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund (IEPF) by the Company except general delay ranging from 1 to 16 days in transferring unclaimed public deposits and ₹ 59 lakh was due for payment to the IEPF under Section 125 of the Companies Act, 2013 as at the year-end in respect of Unclaimed Matured Deposits which was not deposited into IEPF, pursuant to stay order issued by Honourable Bombay High Court and after RBI initiated the CIRP process against the Company.

DINESH KUMAR BACHCHAS
Partner
Membership No. 097820
For and on Behalf of
K.K. MANKESHWAR & CO.
Chartered Accountants
FRN: 106009W
UDIN: 20097820AAAAHJ4433
New Delhi, dated the
20th June 2020

Annexure "A" to the Independent Auditors' Report

(Referred to in paragraph 2(h) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We were engaged to audit the internal financial controls over financial reporting of Dewan Housing Finance Corporation Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's Present Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls.

Because of the matter described in Basis for Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls system over financial reporting of the Company.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

BASIS FOR DISCLAIMER OF OPINION

During the financial year 2019-20, on November 20, 2019, the Reserve Bank of India (RBI) vide its letter and press release ("RBI Order") issued under Section 45IE of the Reserve Bank of India Act, 1934, superseded the Board of Directors of the Company owing to governance concerns and defaults by the Company in meeting various payment obligations and appointed an Administrator to run the Company and thereafter also constituted a three-member Advisory Committee to assist the Administrator of the Company in discharge of his duties. Subsequently, the National Company Law Tribunal (Mumbai Bench) vide its order dated December 3, 2019 ("NCLT Order"), among other things, admitted the Application filed by the RBI, commenced the Corporate Insolvency Resolution Process ("CIRP") of the Company under IBC and confirmed the appointment of the Administrator appointed by the RBI to perform all the functions of Resolution Professional to complete the CIRP. The Key Managerial Personnel ("KMPs" or "Present Management") team comprises of the Administrator; the Chief Executive Officer ("CEO"), the Company Secretary ("CS") and the Chief Financial Officer ("CFO").

The Present Management has undertaken good governance initiative, soon after it became effective, inclusive of strengthening of Internal Financial Controls and updating Risk Control Matrices, Risk and Fraud Risk Management specifically in context of Internal Controls over Financial Reporting. While substantial progress is stated to have been made, by concluding some as well, the initiative pertaining to straightening, updating and revising the internal financial controls and risk control matrices could not be fully concluded and implemented by 31st March, 2020 due to the time essentially required; and also because of lockdown and mobility restrictions introduced in view of Covid-19, by State and Union Government.

Further, due to possible effects of the matters described in the Basis for Disclaimer of Opinion paragraphs of our Audit Report on the standalone financial statements for the year ended March 31, 2020, the Company has a deficient / inadequate system of

internal financial control over financial reporting with regard to assessment of possible material adjustments that could/ arise may be required to be made to the recorded values of assets and liabilities.

In view of the foregoing, we are unable to obtain sufficient appropriate audit evidence so as to provide a basis for our opinion as to whether the Company had adequate of internal financial control over financial reporting and that whether such internal financial controls were operating effectively as at March 31, 2020.

DISCLAIMER OF OPINION

Because of the significance of the matter described in the Basis for Disclaimer Opinion paragraph above, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at 31 March, 2020. Accordingly, we do not express an opinion on the Company's internal financial controls over financial reporting.

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company for the year ended 31st March, 2020, and this report affects our report dated 20th June, 2020 which expressed a disclaimer of opinion on the standalone financial statements of the Company.

DINESH KUMAR BACHCHAS
Partner
Membership No. 097820
For and on Behalf of
K.K. MANKESHWAR & CO.
Chartered Accountants
FRN: 106009W
UDIN: 20097820AAAAHJ4433
New Delhi, dated the
20th June 2020

Annexure "B" to the Independent Auditors' Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date and to be read subject to the possible effects of the matters described in the Basis for Disclaimer of Opinion section above)

(i) in respect of its fixed assets:

a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) According to the information and explanations given to us and the records examined by us, the fixed assets were physically verified during the year by the Management however no details of the discrepancy/ reconciliation outcome of the same with the fixed assets record maintained by the Company are made available and in view of the same we have not been able to comment upon the completeness of the physical verification and the discrepancies arising thereof.

c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed, transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.

According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are pledged with the lenders and not available with the Company which are based on the confirmation provided to us by the Management as received from trustee of lenders, are held in the name of the Company.

In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the standalone financial statements, the lease agreements are in the name of the Company, where the Company is lessee in the agreement.

(ii) The Company does not have any inventory and hence reporting under clause 3(ii) of the Order is not applicable.

(iii) Due to the possible effects of the matter described in the Basis for Disclaimer of Opinion section above in main report, we have not been able to comment whether the Company has granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Act during the year. In view of the foregoing, we have been not able to comment on the Clause 3(iii)(a),3(iii)(b) and 3(iii)(c) of the said Order.

Also refer our comments in paragraph 1 of 'Reporting on other legal and regulatory matters' section

(iv) According to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans and making investments and providing guarantees and securities, as applicable, except for the possible effects of the matter described in the Basis for Disclaimer of Opinion section above in main report on which we have not been able to comment and in respect of the following:

Particulars	Relationship	Amount (₹ in lakh)	Remarks
Loan	Wholly owned Subsidiary	134	As explained, this represents the initial incorporation expenses incurred by the Holding Company treated / accounted for as interest free loan to the subsidiary, attracting provisions / violation of Section 186(7) in the year of expense. However interest has been charged in the subsequent years and the subsidiary has fully repaid this loan during the year.

(v) As per the Ministry of Corporate Affairs notification dated March 31, 2014, the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted are not applicable to the Company and hence reporting under Clause 3(v) of the Order is not applicable.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, in respect of the services rendered by the Company and hence reporting under clause 3(vi) of the order is not applicable.

(vii) According to the information and explanations given to us in respect of statutory dues:

(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income

tax, goods & service tax, cess and other material statutory dues, as applicable, with the appropriate authorities except tax deducted at source dues which have not been regularly deposited in view of the stay order issued by Honourable Bombay High Court and after RBI initiated the CIRP process against the Company. There were no arrears in respect of said statutory dues at 31st March, 2020 for a period of more than six months from the date became payable.

(b) According to the information and explanations given to us, and the records of the Company examined by us, the particulars of dues of income-tax, sales-tax, service-tax, duty of customs, and duty of excise or goods and services tax as at 31st March 2020 which have not been deposited on account of a dispute are as follows:

Name of Statute	Nature of dues	Amount (₹ in Lakh)	Period for which the amount related	Forum where dispute is pending
Income Tax	Bad debts on account of National Spot Exchange Limited transactions	850.00	A.Y 2014-15	ITAT- U/s 250
Penalty under Income Tax	Claiming the premium on Zero coupon bond	10167.00	A.Y 2014-15	CIT(A) - U/s- 271(1)(c)

(viii) The Company has defaulted in repayment of loans and borrowings to the banks; financial institutions, and in repayment of dues to debenture-holders during the year. Pursuant to the continuing defaults of the Company, a CIRP commenced under the IBC w.e.f 03rd December 2019. Accordingly, no payments could be made thereafter to the banks; financial institutions, and debenture holders, until the resolution process is concluded. The details of outstanding amounts as on 03rd December 2019 (inclusive of interest for the period up to 03rd December 2019) as per books of account, are as given below:

Particulars	Outstanding Amount (₹ in Lakh)	Period of Default
Allahabad Bank	12,360.10	Refer note below
Andhra Bank	67,624.01	
Bank of Baroda	1,34,408.30	
Bank of India	4,07,498.24	
Bank of Maharastra	59,635.55	
Canara Bank	2,15,075.88	
Central Bank of India	1,07,639.45	
Corporation Bank	48,923.09	
Dena Bank	54,922.21	
Federal Bank Limited	18,656.88	
Hdfc Bank Limited	53,161.52	
I D B I Bank Limited	99,654.13	
Indian Bank	1,28,605.91	
Indian Overseas Bank	64,892.04	
Karnataka Bank Limited	17,121.05	
Oriental Bank of Commerce	1,12,621.76	
Punjab & Sind Bank	75,098.99	
Punjab National Bank	1,22,166.43	
South Indian Bank	11,571.90	
State Bank of India	5,41,717.67	
Syndicate Bank	1,59,852.04	
Uco Bank	51,857.49	
Union Bank of India	2,34,402.60	
United Bank of India	58,903.94	
Vijaya Bank	12,753.29	
National Housing Bank	2,43,102.42	
Non- Convertible Debentures	45,80,392.38	
National Bank for Agriculture and Rural Development	10,258.00	
External Commercial Borrowing	3,01,888.07	

Note: Following the commencement of CIRP under IBC w.e.f. 03rd December 2019, the borrowings including interest are overdue and in continuing default as on 31st March 2020, therefore, we are unable to provide the periods of default.

(ix) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provision of Clause 3(ix) of the Order is not applicable to the Company.

(x) We refer the matters in main report described in the Basis for Disclaimer of Opinion section in main report above referring to multiple issues of financial significance as highlighted by the predecessor joint statutory auditors in their Auditors Report; the suspected irregularities as reported and under media scrutiny, pending conclusion / outcomes of the investigation undertaken by concerned agencies namely Ministry of Corporate Affairs (MCA); Serious Fraud Investigation Office (SFIO), Enforcement Directorate (ED), and Central Bureau of Investigation (CBI) together with the pending conclusion /outcomes of the ongoing transactions audits performed by independent agencies/firms appointed by the Administrator which are underway and informed to have not been concluded till the date of the balance sheet. In view of the foregoing and with the outcomes of the said matters not known in definitive terms we have not been able to comment whether any fraud by the company or any fraud on the company by its officers and employees has been noticed or reported during the year.

(xi) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion section above, we are unable to comment whether the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

(xiii) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion section above in main report, we are unable to comment whether transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone financial statements etc. as required by the applicable accounting standards.

(xiv) In our opinion and according to the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.

(xv) Except for the possible effects of the matters described in the Basis for Disclaimer of Opinion section above in main report, we are unable to comment whether the Company has entered into non-cash transactions with its directors or directors of its subsidiary or associate companies or persons connected with them.

(xvi) In our opinion and according to the information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

DINESH KUMAR BACHCHAS
Partner
Membership No. 097820
For and on Behalf of
K.K. MANKESHWAR & CO.
Chartered Accountants
FRN: 106009W
UDIN: 20097820AAAAHJ4433
New Delhi, dated the
20th June 2020

Balance Sheet

as at March 31, 2020

(₹ in Lakh)

	Note No.	As at 31.03.2020	As at 31.03.2019
ASSETS			
Financial assets			
Cash and cash equivalents	5	684,861	126,008
Bank Balances other than above	5	87,064	177,148
Derivative financial instruments	6	-	17,113
Receivables	7	275	476
Housing and Other loans:-	8		
At amortised cost		3,547,037	6,634,997
At Fair Value		3,073,231	3,162,815
		6,620,268	**9,797,812**
Investments	9	388,051	236,131
Other financial assets	10	148,355	104,807
Total Financial Assets		**7,928,874**	**10,459,495**
Non-Financial assets			
Current Tax Assets (Net)	11	33,023	37,020
Deferred tax assets	12	505,215	44,281
Property, plant and equipment	13	85,361	78,293
Intangible assets under development	14	10,517	10,401
Other intangible assets	14	6,669	8,175
Other non-financial assets	15	14,124	9,860
Total Non-Financial Assets		**654,909**	**188,030**
Total Assets		**8,583,783**	**10,647,525**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Derivative financial instruments	6	-	30,251
Trade Payables	16		
(i) total outstanding dues of micro enterprises and small enterprises		34	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		12,088	10,205
Debt Securities	17	4,542,829	4,782,151
Borrowings (Other than Debt Securities)	18	3,841,077	4,065,995
Deposits	19	527,889	682,677
Subordinated Liabilities	20	129,430	121,251
Other financial liabilities	21	69,540	127,449
Total Financial Liabilities		**9,122,887**	**9,819,979**
Non-Financial Liabilities			
Provisions	22	753	1,015
Other non-financial liabilities	23	13,937	16,325
Total Non-Financial Liabilities		**14,690**	**17,340**
Total liabilities		**9,137,577**	**9,837,319**
EQUITY			
Equity Share Capital	24	31,382	31,382
Other equity	25	(585,176)	778,824
Total equity		**(553,794)**	**810,206**
Total equity and liabilities		**8,583,783**	**10,647,525**

The accompanying notes form an integral part of the financial statements

DINESH KUMAR BACHCHAS
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New Delhi, dated the
20th June 2020

For Dewan Housing Finance Corporation Limited
(a Company under Corporate Insolvency Resolution Process by an order dated December 3, 2019 passed by Hon'ble NCLT, Mumbai)

Mr. Vaijinath M G
Chief Executive Officer

Mr. S N Baheti
Company Secretary

Mr. S K Bansal
Chief Finance Officer

MR. R SUBRAMANIAKUMAR
ADMINISTRATOR APPOINTED UNDER IBC

Mumbai
20th June 2020

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Statement of Profit and Loss

for the year ended March 31, 2020

(₹ in Lakh)

	Note No.	Year ended 31.03.2020	Year ended 31.03.2019
Revenue from Operations			
a) Interest Income	26	923,225	1,230,784
b) Dividend Income	27	-	1,235
c) Fees and commission Income	28	283	27,547
d) Net gain on fair value changes	29	-	-
e) Net gain on derecognition of financial instruments under amortised cost category	30	2,397	20,583
f) Other operating revenue	31	6,318	8,239
Total Revenue from Operations		**932,223**	**1,288,388**
Other Income	32	2,089	1,864
Total Income		**934,312**	**1,290,252**
Expenses			
Finance costs	33	572,518	939,285
Net loss on fair value changes	29	1,499,648	245,837
Impairment on financial instruments	34	624,113	108,498
Employee benefit expense	35	28,329	48,533
Depreciation and amortisation expense	13	7,941	5,115
Other expenses	36	26,562	59,482
Total expenses		**2,759,111**	**1,406,750**
(Loss)/Profit before Tax		**(1,824,799)**	**(116,498)**
Tax expense	37		
- Current tax		-	53,640
- Earlier years adjustments		(1,133)	192
- Deferred tax		(462,434)	(66,725)
Total Tax expense		**(463,567)**	**(12,893)**
Net (Loss)/Profit After Tax		(1,361,232)	(103,605)
Other comprehensive income			
(A) Items that will not be reclassified to profit or (loss)			
(i) Remeasurements of the defined employee benefit plans		(154)	129
(ii) Income tax relating to items that will not be reclassified to profit or (loss)		39	(36)
Subtotal (A)		**(115)**	**93**
(B) Items that will be reclassified to profit or (loss)			
(i) Cash flow hedge		5,320	2,506
(ii) Income tax relating to items that will be reclassified to profit or (loss)		(1,488)	(701)
Subtotal (B)		**3,832**	**1,805**
Other Comprehensive Income (A + B)		**3,717**	**1,898**
Total comprehensive income		**(1,357,515)**	**(101,707)**
Earnings per equity share			
Basic (₹)		(433.76)	(33.02)
Diluted (₹)		(433.76)	(33.02)
The accompanying notes form an integral part of the financial statements			

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Cash Flow Statement

for the year ended March 31, 2020

(₹ in Lakh)

Particulars		As at 31st March, 2020	As at 31st March, 2019
A.	**Cash flow from operating activities**		
	Net (Loss)/profit before tax	**(1,824,799)**	**(116,498)**
	Adjustments for:		
	Depreciation and amortisation expense	7,941	5,115
	Share Based Payments to employees	(1,792)	1,533
	Loss/(Profit) on Sale of Property, plant and equipments	169	5,178
	Dividend income	-	(1,235)
	Interest income from investments	(3,281)	(3,575)
	Other interest income	(3,749)	(18,499)
	Net loss/ (gain) on fair value changes	1,499,648	245,837
	Net loss/ (gain) on derecognition of financial instruments under amortised cost category	594	8,805
	Security Deposit written off	-	1,215
	Impairment on financial instruments	624,113	108,498
	Operating profit before working capital changes	**298,844**	**236,374**
	Adjustments for:		
	(Decrease) Increase in other non financial liabilities	(2,388)	(167)
	Increase/ (Decrease) in other financial liabilities	83,162	(85,653)
	Increase in provisions	(262)	386
	Decrease/ (Increase) in trade receivables	201	3,814
	(Increase)/Decrease in trade payable	1,917	(207)
	(Increase)/Decrease in other financial asset	(42,828)	(36,243)
	(Increase)/Decrease in other bank balances	88,548	(71,060)
	(Increase)/Decrease in other non financial asset	20,234	(25,632)
	Cash generated from operations during the year	**447,428**	**21,612**
	Taxes paid	5,130	(43,517)
	Net cash flow generated from operations before movement in housing and other loans	**452,558**	**(21,905)**
	Housing and Other Property Loans Disbursed (Net)	805,076	(851,612)
	Net Cash (used in) Operating Activities [A]	**1,257,634**	**(873,517)**
B.	**Cash flow from investing activities**		
	Dividend income	-	1,235
	Interest Income	7,368	24,627
	Sales proceeds from investment (Net)	18,204	(1)
	Net movement in Other Investments	51,691	600,817
	Net movement in PTC	(17,727)	(4,727)
	Capital Expenditure on Fixed Assets	(2,211)	(8,538)
	Proceeds from Sale of Fixed Assets	150	61
	Net Cash generated from / (used in) Investing Activities [B]	**57,475**	**613,474**

Cash Flow Statement

for the year ended March 31, 2019

(₹ in Lakh)

Particulars	As at 31st March, 2020	As at 31st March, 2019
C. Cash flow from financing activities		
Issue of Equity Shares at Premium	-	19
Proceeds from redeemable non convertible debentures	-	1,909,814
Repayment of redeemable non convertible debentures	(258,526)	(407,073)
(Repayment) of / Proceeds from Commercial Paper	(75,000)	(520,000)
Proceeds from term loan	-	152,500
Repayment of term loan	(442,504)	(733,163)
Proceeds from other borrowings (net)	193,544	111,839
Public / Other Deposits (repaid)/received (net)	(173,762)	(310,752)
Dividend & Dividend Distribution Tax Paid	(10)	(9,438)
Net Cash (used in)/ generated from financing activities [C]	**(756,258)**	**193,746**
Net increase / (decrease) in cash and cash equivalents [A+B+C]	**558,852**	**(66,297)**
Cash and cash equivalents at the beginning of the year	**126,008**	**192,305**
Cash and cash equivalents at the end of the year (refer note 5)	**684,861**	**126,008**
The accompanying notes form an integral part of the financial statements		

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Partner
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New Delhi, dated the
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Mumbai
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Statement of Changes in Equity

for the year ended March 31, 2020

A. EQUITY SHARE CAPITAL

(₹ in Lakh)

Particulars	Total
BALANCE AS AT MARCH 31, 2019	31,382
Changes in equity share capital during the year	-
Shares issued during the year under ESOS/ESAR	-
BALANCE AS AT MARCH 31, 2020	**31,382**

B. OTHER EQUITY

(₹ in Lakh)

Particulars	Securities Premium	Debenture Redemption Reserve	Retained Earnings	General Reserve	Special Reserve	Employee Stock Option Outstanding	OCI-Cashflow hedge reserve	Total
BALANCE AS AT MARCH 31, 2018	220,637	117,000	237,773	135,171	183,899	3,044	(5,637)	891,887
Profit/ (loss) for the year	-	-	(103,605)	-	-	-	-	(103,605)
Other comprehensive income for the year	-	-	93	-	-	-	1,805	1,898
Dividends	-	-	(9,454)	-	-	-	-	(9,454)
On shares allotted upon exercise of stock options by the Employees	245	-	-	-	-	-	-	245
Employee Stock Options (Net)	-	-	-	-	-	1,288	-	1,288
Received during the year	3	-	-	-	-	-	-	3
Utilised during the year	-	-	-	(3,438)	-	-	-	(3,438)
BALANCE AS AT MARCH 31, 2019	**220,885**	**117,000**	**124,807**	**131,733**	**183,899**	**4,332**	**(3,832)**	**778,824**
Change in accounting policy	-	-	147	-	-	-	-	147
Profit/ (loss) for the year	-	-	(1,361,232)	-	-	-	-	(1,361,232)
Other comprehensive income for the year	-	-	(115)	-	-	-	3,832	3,717
Creation of deferred tax on embedded derivative	-	-	-	(4,840)	-	-	-	(4,840)
Employee Stock Options (Net)	-	-	-	-	-	(1,792)	-	(1,792)
BALANCE AS AT MARCH 31, 2020	**220,885**	**117,000**	**(1,236,393)**	**126,893**	**183,899**	**2,540**	**-**	**(585,176)**

The accompanying notes form an integral part of the financial statements

DINESH KUMAR BACHCHAS
Partner
Membership No. 097820
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New Delhi, dated the
20th June 2020

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Notes

forming part of the financial statements for the year ended March 31, 2020

1. CORPORATE INFORMATION

Dewan Housing Finance Corporation Limited (the Company) was incorporated in India on April 11, 1984 and has been carrying on, as its main business of providing loans to Retail customers for construction or purchase of residential property, loans against property, loans to real estate developers and loans to SMEs. The company is registered with National Housing Bank (NHB) under Section 29A of the National Housing Bank Act, 1987.

The registered office of the Company is Warden House, 2rd floor, Sir P.M Road, Fort, Mumbai -400001. The principal place of business is disclosed in the introduction to the annual report.

The Reserve Bank of India (RBI) vide its letter and press release dated November 20, 2019 ("RBI Order") issued under Section 45IE of the Reserve Bank of India Act, 1934, superseded the Board of Directors of the Company owing to governance concerns and defaults by the Company in meeting various payment obligations and appointed Mr. R. Subramaniakumar as the Administrator to run the Company. Subsequently, in accordance with the order dated December 3, 2019 of the National Company Law Tribunal (Mumbai Bench) ("NCLT Order"), the Corporate Insolvency Resolution Process ("CIRP") of the Company commenced under IBC, the RBI appointed Administrator, among other things, to run the Company as a "going concern" during CIRP as also incumbent upon the Resolution Professional, under section 20 of the Code, to manage the operations of the Company as a going concern. Accordingly, the financial statements of the Company have been prepared on going concern assumptions.

The financial statements of the Company have been taken on record by the Administrator while discharging the powers of the Board of Directors of the Company which were conferred by the RBI Order and in accordance with the NCLT Order solely for the purpose of ensuring regulatory compliance.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). The financial statements have been prepared under the historical cost convention, as modified by the application of fair value measurements required or allowed by relevant Accounting Standards. Accounting policies have been consistently applied to all periods presented, unless otherwise stated.

The preparation of financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosed amount of contingent liabilities. Areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the Company are discussed in Note 6 - Significant accounting judgements, estimates and assumptions.

These financial statements have been prepared on a going concern basis. (Also refer note 51).

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest lacs, except when otherwise indicated.

Historical cost convention

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period as required under Ind AS 109 "Financial Instruments".

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. The measurement and/ or disclosure in these financial statements has been accordingly determined except for share based payment transactions, leasing transactions and certain other

2.2. Presentation of financial statement

The financial statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

i. The normal course of business

ii. The event of default

iii. The event of insolvency or bankruptcy of the Company and/or its counterparties

Derivative assets and liabilities with master netting arrangements (e.g. International Swaps and Derivative Association Arrangements) are presented net if all the

Notes

forming part of the financial statements for the year ended March 31, 2020

above criteria are met.

2.3. Statement of compliance

These standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 and the other relevant provisions of the Act.

2.4. Financial instruments

(i) Classification of financial instruments

Financial Assets

The Company classifies its financial assets into the following measurement categories:

1. Financial assets to be measured at amortised cost

2. Financial assets to be measured at fair value through other comprehensive income

3. Financial assets to be measured at fair value through profit or loss account

The classification depends on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets which are explained below:

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the company's key management personnel

- The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed

- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)

- The expected frequency, value and timing of sales are also important aspects of the Company's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The Solely Payments of Principal and Interest (SPPI) test

As a second step of its classification process the Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss

Financial Liabilities and Equity

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Notes

forming part of the financial statements for the year ended March 31, 2020

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain/ loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company or a contract that will or may be settled in the Company's own equity instruments and is a non-derivative contract for which the Company is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Company's own equity instruments.

The Company classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the profit and loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost.

Financial liabilities are subsequently measured at amortised cost.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(ii) Financial assets measured at amortised cost

Debt instruments

The Company assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset individually and the Company's business model for managing the asset.

These financial assets comprise bank balances, Loans, Trade receivables, Derivative Financial Instrument investments and other financial assets.

Debt instruments are measured at amortised cost where they have:

a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and

b) are held within a business model whose objective is achieved by holding to collect contractual cash flows.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Notes

forming part of the financial statements for the year ended March 31, 2020

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how financial assets are managed individually and together to achieve a particular business objective.

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss. In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss but transferred within equity. Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

(iii) Financial assets measured at fair value through other comprehensive income

Debt instruments

Investments in debt instruments are measured at fair value through other comprehensive income where they have:

a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and

b) are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest revenue and foreign exchange gains and losses are recognised in profit and loss. Upon disposal, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the statement of profit and loss. As at the reporting date the Company does not have any financial instruments measured at fair value through other comprehensive income.

Equity instruments

Investment in equity instruments that are neither held for trading nor contingent consideration recognised by the Company in a business combination to which Ind AS 103 'Business Combination' applies, are measured at fair value through other comprehensive income, where an irrevocable election has been made by management and when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation. Such classification is determined on an instrument-by-instrument basis. As at reporting date, there are no equity instruments measured at FVOCI.

Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. Dividends on such investments are recognised in profit or loss.

(iv) Items at fair value through profit or loss

Items at fair value through profit or loss comprise:

- Investments (including equity shares) held for trading;
- Items specifically designated as fair value through profit or loss on initial recognition; and
- debt instruments with contractual terms that do not represent solely payments of principal and interest

Financial instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the statement of profit and loss as they arise.

Financial instruments held for trading

A financial instrument is classified as held for trading if it is acquired or incurred principally for selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking, or it is a derivative not in a qualifying hedge relationship.

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Trading derivatives and trading securities are classified as held for trading and recognised at fair value.

Financial instruments designated as measured at fair value through profit or loss

Upon initial recognition, financial instruments may be designated as measured at fair value through profit or loss. A financial asset may only be designated at fair value through profit or loss if doing so eliminates or significantly reduces measurement or recognition inconsistencies (i.e. eliminates an accounting mismatch) that would otherwise arise from measuring financial assets or liabilities on a different basis.

A financial liability may be designated at fair value through profit or loss if it eliminates or significantly reduces an accounting mismatch or:

- if a host contract contains one or more embedded derivatives; or
- if financial assets and liabilities are both managed, and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Where a financial liability is designated at fair value through profit or loss, the movement in fair value attributable to changes in the Company's own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in other comprehensive income.

(v) Derivatives

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- It is settled at a future date.

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps. Further details of derivative financial instruments are disclosed in Note 6.. Derivatives are initially recognised at fair value at the date the derivative contracts are entered and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

(vi) Embedded Derivatives

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract.

(vii) Hedge Accounting

The Company designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

Ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

(viii) Fair Value Hedge

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of

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hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in profit or loss in the line item relating to the hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

(ix) Cash Flow Hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in Other Comprehensive Income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts previously recognised in Other Comprehensive Income and accumulated in Equity relating to (effective portion as described above) are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a re-classification adjustment) and included in the initial measurement of the cost of the non -financial asset or non-financial liability.

In cases where the designated hedging instruments are options and forward contracts, the Company has an option, for each designation, to designate on an instrument only the changes in intrinsic value of the options and spot element of forward contracts respectively as hedges. In such cases, the time value of the options is accounted based on the type of hedged item which those options hedge.

In case of transaction related hedged item in the above cases, the change in time value of the options is recognised in other comprehensive income to the extent it relates to the hedged item and accumulated in a separate component of equity i.e. Reserve for time value of options and forward elements of forward contracts in hedging relationship. This separate component is removed and directly included in the initial cost or other carrying amount of the asset or the liability (i.e. not as a re-classification adjustment thus not affecting other comprehensive income) if the hedged item subsequently results in recognition of a non-financial asset or a non-financial liability. In other cases, the amount accumulated is reclassified to profit or loss as a re-classification adjustment in the same period in which the hedged expected future cash flows affect profit or loss.

In case of time-period related hedged item in the above cases, the change in time value of the options is recognised in other comprehensive income to the extent it relates to the hedged item and accumulated in a separate component of equity i.e. Reserve for time value of options and forward elements of forward contracts in hedging relationship. The time value of options at the date of designation of the options in the hedging relationships is amortised on a systematic and rational basis over the period during which the options' intrinsic value could affect profit or loss. This is done as a re-classification adjustment and hence affects other comprehensive income

In cases where only the spot element of the forward contracts is designated in a hedging relationship and the forward element of the forward contract is not designated, the Company makes the choice for each designation whether to recognise the changes in forward element of fair value of the forward contracts in profit or loss or to account for this element similar to the time value of an option (as described above).

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

(x) Investment in equity instruments at FVTOCI

The Company subsequently measures all equity investments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity investments as equity instruments at FVTOCI.

The Company has not elected to classify any equity investment at FVTOCI.

(xi) Debt securities and other borrowed funds

After initial measurement, debt issued, and other borrowed funds are subsequently measured at

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amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and transaction costs that are an integral part of the Effective Interest Rate (EIR).

(xii) Subsequent Measurement of Financial assets

All recognised financial assets that are within the scope of Ind AS 109 are required to be subsequently measured at amortised cost or fair value on the basis of the company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The Company business model objective is to hold financial assets in order to collect contractual cash flows. The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates. During the current year due to certain market conditions, the company has sold financial assets during the year by way of assignment transactions which does not impact the business model of the Company and hence the Company continues to carry the financial assets at amortised cost.

(xiii) Reclassification of financial assets and liabilities

If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category are applied prospectively.

(xiv) Recognition and Derecognition of financial assets and liabilities

Recognition:

Financial instruments comprise of financial assets and financial liabilities. Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets primarily comprise of loans and advances, deposits, trade receivables and cash and cash equivalents. Financial liabilities primarily comprise of borrowings and trade payables.

Derecognition of financial assets due to substantial modification of terms and conditions:

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be Purchased or Originated as Credit Impaired (POCI).

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

Derecognition of financial assets other than due to substantial modification

a) Financial assets:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, and only if, either:

i. The Company has transferred its contractual rights to receive cash flows from the financial asset, or

ii. It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

i. The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates

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ii. The Company cannot sell or pledge the original asset other than as security to the eventual recipients

iii. The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

i. The Company has transferred substantially all the risks and rewards of the asset, or

ii. The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

The Company transfers loans through assignment transactions. In accordance with the Ind AS 109, on derecognition of a financial asset under assignment transactions, the difference between the carrying amount and the consideration received shall be recognised in Statement of Profit and Loss.

b) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

(xv) Impairment of financial assets

Overview of the ECL principles

The Company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The Company measures ECL based on category of loans at a collective level. The measurement of the loss allowance in respect of stage 3 developers' loans (other than those measured at FVTPL) is based on the present value of the asset's expected cash flows using the asset's original EIR. The Retail portfolio has been segmented into Home Loans (HL), Non- Home Loans (Non-HL) and Small and Medium Enterprises (SME) based on the nature and unique risk characteristics of each portfolio. The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Company does the assessment of significant increase in credit risk at a borrower level. If a borrower has various facilities having different past due status, then the highest days past due (DPD) is considered to be applicable for all the facilities of that borrower.

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Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The company classifies all standard advances and advances up to 30 days default under this category. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

Stage 2

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. 30 Days Past Due is considered as significant increase in credit risk.

Stage 3

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. Above 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

The Financial assets for which the Company has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

Credit-impaired financial assets:

At each reporting date, the company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

a) Significant financial difficulty of the borrower;

b) A breach of contract such as a default or past due event;

c) The restructuring of a loan or advance by the company on terms that the company would not consider otherwise;

Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analysis if there is any relationship between key economic trends like GDP, housing price index etc. with the estimate of PD, LGD determined by the Company based on its internal data.

Collateral Valuation

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as movable and immovable assets, guarantees,, etc. However, the fair value of collateral affects the calculation of ECLs. To the extent possible, the Company uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as vehicles, is valued based on data provided by third parties or management judgements.

Collateral repossessed

In its normal course of business whenever default occurs, the Company may take possession of properties or other assets in its retail portfolio and generally disposes such assets through auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet.

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(xvi) Write-offs

The Company reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

(xvii) Determination of fair value

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Company measures certain categories of financial instruments at fair value on each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i. In the principal market for the asset or liability, or

ii. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

Level 3 financial instruments - Those that include one or more unobservable input that is significant to the measurement as whole.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. No such instances of transfers between levels of the fair value hierarchy were recorded during the reporting period.

Difference between transaction price and fair value at initial recognition

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, the Company recognises the difference between the transaction price and the fair value in profit or loss on initial recognition (i.e. on day one).

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When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

2.5. Revenue from operations

Revenue is recognised to the extent that it is probable the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery. Revenue is measured at the fair value of the consideration received or receivable, as applicable.

(i) Interest Income

The main source of revenue for the Company is Income from Housing and Other property loans. Repayment of housing and property loan is generally by way of Equated Monthly Instalments (EMIs) comprising of principal and interest. EMIs generally commence once the entire loan is disbursed. Pending commencement of EMIs, pre-EMI interest is payable every month/quarter/annual, as applicable, on the loan that has been disbursed. Interest is calculated either on annual rest or on monthly rest on the basis of agreed terms with the borrowers.

Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at FVTPL.

The EIR in case of a financial asset is computed

a. As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

b. By considering all the contractual terms of the financial instrument in estimating the cash flows

c. Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest income on credit impaired assets is recognised by applying the effective interest rate to the net amortised cost (net of provision) of the financial asset.

(ii) Dividend Income

Dividend income is recognised

a. When the right to receive the payment is established,

b. it is probable that the economic benefits associated with the dividend will flow to the company and

c. the amount of the dividend can be measured reliably

(iii) Rental Income

Rental income arising from operating leases is recognised on a straight-line basis over the lease term. Operating leases are leases where the Company does not transfer substantially all of the risk and benefits of ownership of the asset.

(iv) Investment Income

The gains/losses on sale of investments are recognised in the Statement of Profit and Loss on trade date. Gain or loss on sale of investments is determined on the basis of weighted average cost.

(v) Fees & Commission Income

Fee and commission, other than the fee that forms an integral part of EIR, are accounted on accrual basis.

(vi) Net gain on Fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss (refer Note 29), held by the Company on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in “Net gains on fair value changes” under Revenue from operations and if there is a net loss the same is disclosed under “Expenses” in the statement of Profit and Loss.

Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments

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measured at FVOCI is recognised in net gain / loss on fair value changes. As at the reporting date the Company does not have any debt instruments measured at FVOCI.

However, net gain / loss on derecognition of financial instruments classified as amortised cost is presented separately under the respective head in the Statement of Profit and Loss.

(vii) Other Operating Income

Prepayment charges, delayed payment interest and other such incomes where recovery is uncertain are recognized on receipt basis.

2.6. Expenses

(i) Finance costs

Finance costs represents Interest expense recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities other than financial liabilities classified as FVTPL.

The EIR in case of a financial liability is computed

a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.

b. By considering all the contractual terms of the financial instrument in estimating the cash flows

c. Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest expense includes issue costs that are initially recognized as part of the carrying value of the financial liability and amortized over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, Rating Fee etc, provided these are incremental costs that are directly related to the issue of a financial liability.

(ii) Retirement and other employee benefits

Short term employee benefit

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus/ex-gratia are recognised in the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

Post-employment employee benefits

a) Defined contribution schemes

The contribution to provident fund, pension fund, National Pension Scheme and employee state insurance scheme are considered as defined contribution plans and are charged as an expense in the Statement of Profit and Loss based on the amount of contribution required to be made as and when services are rendered by the employees.

The Company has no liability for future benefits other than its annual contribution and recognises such contributions as an expense in the period in which employee renders the related service. If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

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b) Defined Benefit schemes

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

Net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, attrition rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

Re-measurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

Other long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

(c) Share-based payment arrangements

The share appreciation rights granted to employees pursuant to the Company's Stock Appreciation Rights Scheme are measured at the fair value of the rights at the grant date. The fair value of the rights is treated as discount and accounted as employee compensation cost over the vesting period on a straight-line basis. The amount recognised as expense in each year is at based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognised as expense in respect of such grant is transferred to Other Equity.

(iii) Impairment of non-financial assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(iv) Taxes

Current Tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries

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where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are only recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities are realised simultaneously.

Minimum Alternate Tax (MAT)

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that it is probable that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the MAT Credit Entitlement asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Goods and services tax /value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

ii. When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

(v) Other income and expenses

All Other income and expense are recognized in the period they occur.

2.7. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities representing obligations to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease

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liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (s) Impairment of non-financial assets.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company's exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in note no. 21

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

2.8. Foreign currency translation

(i) Functional and presentational currency

The standalone financial statements are presented in Indian Rupees which is also functional currency of the Company and the currency of the primary economic environment in which the Company operates. Functional currency of the Company has been determined based on the primary economic environment in which the Company operate considering the currency in which funds are generated, spent and retained.

(ii) Transactions and balances

Initial recognition:

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Conversion:

Monetary assets and liabilities denominated in foreign currency, which are outstanding as at the reporting date, are translated at the reporting date at the closing exchange rate and the resultant exchange differences are recognised in the Statement of Profit and Loss.

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Non–monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.

2.9. Cash and cash equivalents

Cash and cash equivalents comprise the net amount of short-term, highly liquid investments that are readily convertible to known amounts of cash (short-term deposits with an original maturity of three months or less) and are subject to an insignificant risk of change in value, cheques on hand and balances with banks. They are held for the purposes of meeting short-term cash commitments (rather than for investment or other purposes).

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short- term deposits, as defined above.

2.10. Property, plant and equipment

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, (if any). The total cost of assets comprises its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Depreciation

Depreciation is calculated using the straight–line method to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013. Depreciation method is reviewed at each financial year end to reflect expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives are as follows:

Particulars	Useful life as prescribed by Schedule II of the Companies Act, 2013	Useful life estimated by Company
Building	60 years	60 years
Furniture and fixture	10 years	10 years
Office equipment	5 years	5 years
Vehicles	10 years	8 years
Computer	3 years	3 years
Leasehold improvement		Lease Period
Leasehold Premises		Lease period

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

2.11. Intangible assets

An intangible asset is recognised only when its cost can be measured reliably, and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits

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embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is presented as a separate line item in the statement of profit and loss. Amortisation on assets acquired/sold during the year is recognised on a pro-rata basis to the Statement of Profit and Loss from / up to the date of acquisition/sale.

Amortisation is calculated using the straight–line method to write down the cost of intangible assets to their residual values over their estimated useful lives. Intangible assets comprising of software are amortised on a straight-line basis over a period of 3 years to 6 years, unless it has a shorter useful life.

The Company's intangible assets consist of computer software with definite life. It includes Intangible asset under development.

Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

2.12. Provisions

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

2.13. Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent Assets:

Contingent assets are not recognised but disclosed in the financial statements. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date

2.14. Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- estimated number of contracts remaining to be executed on capital account and not provided for;
- other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

2.15. Earning Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

2.16. Non-Current Assets held for sale

Non-current assets are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

2.17. Exceptional items

An item of income or expense which its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and the same is disclosed in the notes to accounts.

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2.18. Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method. Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

2.19. Special Reserve

The company creates statutory reserve every year out of its profits in terms of section 36(1)(viii) of the Income Tax Act, 1961 read with section 29C of the National Housing Bank Act, 1987.

2.20. Investments in Subsidiary, Associates and Joint ventures

Investments in Subsidiary, Associates and Joint Ventures are measured at cost as per Ind AS 27 – Separate Financial Statements.

2.21. Segments

Based on "Management Approach" as defined by Ind AS 108, The Chief Operating Decision Maker (CODM) evaluates the "Operating Segments". Operating segments are reported in a manner consistent with the internal reporting provided to the CODM. The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Income / costs which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under Unallocated Income / Costs

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

3.1 Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. Also refer Note in respect of change in business model in respect of certain mortgage and developer loans. All other loans are held at amortised cost based on the business model of collecting contractual cash flows on account of principal and interest.

3.2 Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

3.3 Fair value measurement:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs

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such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Fair valuation of Investments (other than investment in subsidiaries, associates and joint ventures) and certain developer and mortgage loans:

The Company measures some of its investments and certain developer and mortgage loans at fair value. In determining the fair value, the Company uses quoted prices in active markets for identical assets or based on inputs which are observable either directly or indirectly. However, in certain cases, the Company adopts valuation techniques and inputs which are not based on market data. When market observable information is not available, the Company has applied appropriate valuation techniques and inputs to the valuation model.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Information about valuation techniques and inputs used in determining the fair value are disclosed in Note 42.

3.4 Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

The impairment loss on loans and advances is disclosed in more detail in Note 44 Overview of ECL principles.

3.5 Contingent liabilities and provisions other than impairment on loan portfolio

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

3.6 Effective Interest Rate (EIR) method

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument

3.7 Other estimates:

These include contingent liabilities, useful lives of tangible and intangible assets etc.

4. RECENT ACCOUNTING DEVELOPMENTS

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

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5 CASH AND BANK BALANCE

(₹ in Lakh)

Particulars	As at 31.03.2020	As at 31.03.2019
Cash and cash equivalents		
(i) Cash on hand	55	1,047
(ii) Balances with banks:		
- In Current Accounts	30,454	120,888
- In Deposit accounts	654,352	4,073
	684,861	**126,008**
Other bank balances		
(i) In other Deposit accounts		
- Other deposit accounts		
-Original Maturity less than 3 months	13,061	18,322
-Original Maturity more than 3 months but less than 12 months	33,238	98,177
-Original Maturity more than 12 months	40,590	60,464
(ii) Earmarked balances with banks		
- Unclaimed Dividend Account	175	185
	87,064	**177,148**
Total	**771,925**	**303,156**

5.1 Short-term deposits are made for varying periods of between seven days and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

5.2 Fixed deposit with banks earns interest at fixed rate.

5.3 Balances with Banks in Deposit Accounts includes deposits under lien are as follows:-

	As at 31.03.2020	As at 31.03.2019
SLR Requirement	58,886	72,514
Bank Guarantee	2,555	1,241
Securitisation comforts provided to various trustees/buyers	23,452	80,811
Sinking fund requirement of debentures provided to Trustee(s) of debentures	-	1,350
Margin Money	486	-
Collateral against derivatives	-	18,000
Total	**85,379**	**173,916**

5.4 Cheques received before 31st March, 2020 but deposited after 31st March, 2020 due to Covid-19 lockdown are included in the Bank Balances and accounted for as on 31st March, 2020.

6 DERIVATIVE FINANCIAL INSTRUMENTS

The Company enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that either meet the hedge accounting requirements or hedges that are economic hedges.

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.

The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

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(₹ in Lakh)

Particulars	31-03-2020			31-03-2019		
	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
Part I						
(i) Currency derivatives:						
- Currency swaps-Principal only swaps	-	-	-	294,293	10,198	809
- Forwards	-	-	-	18,861	-	526
Subtotal (i)	**-**	**-**	**-**	**313,154**	**10,198**	**1,335**
(ii) Interest rate derivatives						
- Interest Rate Swaps	-	-	-	484,293	6,915	-
- Written options (Refer note 6.3)		-	-		-	28,916
Subtotal(ii)	-	-	-	484,293	6,915	28,916
Total Derivative Financial Instruments (i)+(ii)	**-**	**-**	**-**	**797,447**	**17,113**	**30,251**
Part II						
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:						
(i) Fair value hedging:						
- Interest rate derivatives	-	-	-	190,000	3,294	-
Subtotal (i)	**-**	**-**	**-**	**190,000**	**3,294**	**-**
(ii) Cash flow hedging:						
- Currency derivatives		-	-	294,293	10,198	809
- Interest rate derivatives		-	-	294,293	3,621	-
- Forward			-	18,861	-	526
Subtotal (ii)	**-**	**-**	**-**	**607,447**	**13,819**	**1,335**
Total Derivative Financial Instruments (i)+(ii)	**-**	**-**	**-**	**797,447**	**17,113**	**1,335**

6.1 Refer Note 44(c) For Foreign currency risk.

6.2 The Company has written put option to Wadhawan Global Capital Private Limited (WGC) in connection with Investment made by WGC in Compulsory Convertible Debentures issued by DHFL Investments Limited. However this liability would be considered as contingent liability as there are other legal remedies available with the counter party. The Company has disclosed this as a contingent liability. (Refer Note 39)

6.3 During the year all the hedging instruments are terminated by the banks. The company has assessed that the hedge future cash flows are no longer expected to occur accordingly company has reclassified amount accumulated in cash flow hedge reserve of ₹ 5,320 Lakh from the cash flow hedge reserve to profit or loss under the head finance cost as a reclassification adjustment.

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7 RECEIVABLES

(₹ in Lakh)

Particulars	As at 31.03.2020	As at 31.03.2019
Trade receivables		
Unsecured considered good	275	476
Unsecured which have significant increase in credit risk	-	79
Unsecured - credit impaired	79	-
	354	**555**
Provision for impairment for:		
Unsecured considered good		
Receivables which have significant increase in credit risk	-	79
Receivables - credit impaired	79	-
	275	**476**

7.1 Trade Receivables includes amounts due from the related parties ₹ 165 lakh(₹ 476 Lakh) (Refer note 49)

7.2 No trade or other receivable are due from directors or other officers of the Corporation either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member. In these notes the 'directors' represent the directors of the Board of the Company superseded by the RBI vide its letter and press release dated 20 November 2019

7.3 Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

7.4 Trade receivables days past due

	More than 360 days past due	Total
ECL rate	100%	
As at March 31, 2020		
Estimated total		
gross carrying	79	79
amount at default		
ECL-Simplified approach	79	79
Net carrying amount	-	-
As at March 31, 2019		
Estimated total		
gross carrying	79	79
amount at default		
ECL-Simplified approach	79	79
Net carrying amount	-	-

7.5 Reconciliation of impairment allowance is as under:

As at April 1, 2018	95
Add: on addition	-
Less: on deletion	16
As at March 31, 2019	79
Add: on addition	-
Less: on deletion	-
As at March 31, 2020	79

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8 HOUSING AND OTHER LOANS

(₹ in Lakh)

Particulars	As at 31.03.2020	As at 31.03.2019
At Amortised Cost		
Housing and other property loan	3,710,805	6,034,073
Loans to developers	181,248	152,862
Intercorporate deposit (Refer note 8.11) (unsecured)	358,834	565,269
Loan to others	770	2,692
Total gross	**4,251,657**	**6,754,896**
Less: Impairment loss allowance	(704,620)	(119,899)
Total net	**3,547,037**	**6,634,997**
At Fair Value		
Housing and other property loan	1,029,956	905,719
Loans to developers	2,043,275	2,257,096
Total	**3,073,231**	**3,162,815**
Total	**6,620,268**	**9,797,812**

8.1 All loans are secured unless otherwise stated and all loans are disbursed in India.

8.2 Transfer of financial assets:-

The Company transfers loans in securitisation transactions. Generally in such transactions, the Company also provides credit enhancements to the transferee. Because of the existence of credit enhancements in such transactions, the Company continues to have the obligation to pay to the transferee, limited to the extent of credit enhancement provided, even if it does not collect the equivalent amounts from the original asset and hence continues to retain substantially all risks and rewards associated with such loan, and as a result of which such transfer does not meet the derecognition criteria, resulting in the transfer not being recorded as sale. Consequently, the proceeds received from such transfers are recorded as collateralised debt obligations.

8.3 Other property loans include mortgage loan, non residential property loan, plot loan for self construction where construction has not began in last three years and loan against the lease rental income from properties in accordance with directions of National Housing Bank (NHB). These also include loans granted to Small & Medium Enterprise (SME) and certain part are unsecured in terms of the particular scheme of an aggregate amount of ₹ 8,354 lakh (₹ 13,769 lakh).

8.4 Loans given by the Company are secured by equitable mortgage/ registered mortgage of the property and assets financed and/ or assignment of Life Insurance policies and/or personal guarantees and/or undertaking to create a security and/or hypothecation of assets and are considered appropriate and good.

8.5 The above include insurance portion amounting to ₹ 76,332 lakhs (₹ 1,13,218) to meet the cost of the insurance premium to secure the borrower's life and thereby further secure the loan portfolio by way of risk mitigation method and to secure the Company's Housing loan portfolio against any eventuality.

8.6 The Company has repossessed certain assets under SARFAESI Act which are retained for the purpose of sale under the Rules and Regulations of SARFAESI Act involving ₹ 28,062 lakh as at March 31, 2020 (₹ 10,267 lakh), which are part of NPA portfolio for which necessary provisions have already been made. These assets are accounted as and when they are realised as per related accounting policy.

8.7 The Company has securitized / assigned pool of certain housing and property loans and managed servicing of such loan accounts. The balance outstanding in the pool, as at the reporting date aggregates ₹ 29,31,057 lakh (₹ 30,59,465 lakh). These assets have been de-recognised in the books of the Company. The Company is responsible for collection and getting servicing of this loan portfolio on behalf of buyers / investors. In terms of the said securitization/assignment agreements, the Company pays to buyer/ investor on monthly basis the prorata collection amount as per individual agreement terms.

Notes

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8.8 The company is not granting any loans against gold jewellery as collateral.

8.9 Loans to Others include loan to employees which are secured by the hypothecation of respective assets against which these loans have been granted.

8.10 Two subsidiaries of the Company were amalgamated into the Company pursuant to the Scheme of amalgamation (Scheme) under Sections 391 to 394 of the Companies Act, 1956 approved by the Board of directors of all the three companies and sanctioned by the Hon'ble High Court of judicature at Bombay vide its order dated July 27, 2012 and by the Hon'ble High Court of judicature at Delhi vide its order dated January 4, 2013 which were filed with the Registrar of Companies on January 31, 2013 being the effective date for the amalgamation scheme. In terms of the above scheme, the Assets and Liabilities of the subsidiary companies were amalgamated with DHFL at their respective fair value in the earlier years. Proportionate Fair value appreciation surplus amounting to ₹ 4,840 Lakh (₹ 4,772 lakh) has been amortised out of the General Reserve in terms of the valuation report of the scheme.

8.11 Intercorporate deposit includes ₹ Nil Lakh (₹ 3,105) due from related parties. (Refer note 49)

9 INVESTMENTS

Particulars	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
	No of Units/Shares		(₹ in Lakh)	
At cost				
Investments in equity instruments (Subsidiary)				
DHFL Advisory & Investments Pvt Ltd	75,010,000	75,010,000	7,501	7,501
Less : Provision for impairment in the value of investment			-7,501	-7,501
			-	-
Investment in DHFL Holdings Limited	10,000	10,000	1	1
			1	**1**
Total			**1**	**1**
Investments in equity instruments of Associates and Joint Venture held for sale (refer note 49)				
Aadhar Housing Finance Ltd. (Formerly known as DHFL Vysya Housing Finance Ltd.)	-	2,301,090	-	1,805
Avanse Financial Services Ltd.	-	19,250,719	-	12,724
PGIM India Aseet Management Pvt. Ltd. (Formerly Known as DHFL Pramerica Asset Managers Pvt. Ltd.	-	18,568,825	-	3,670
PGIM India Trustees Pvt. Ltd. (Formerly Known as DHFL Pramerica Trustees Pvt. Ltd.)	-	50,000	-	5
			-	**18,204**
At fair value through profit or loss				
Investments in unquoted equity instruments (others than Subsidiary, Associate and Joint Venture)				
Investments in unquoted equity instruments (others than Subsidiary, Associate and Joint Venture)			6,311	11,634
Investments in mutual funds (Unquoted)			-	10,404
Investment in Venture Capital Fund - unquoted			1,712	2,299
Investment in Security Receipts			69,486	63,231
Investment in Preference Share			2,714	3,556

Notes

forming part of the financial statements for the year ended March 31, 2020

Particulars	As at 31.03.2020	As at 31.03.2019	As at 31.03.2020	As at 31.03.2019
	No of Units/Shares		(₹ in Lakh)	
Investment in Pass Through Certificates				
Investment in Pass Through Certificates			175,710	25,700
Total			**255,933**	**116,824**
At Amortised Cost				
Debentures - quoted			240	14,422
Investment in Government securities (SLR) - quoted			73,112	71,860
Investment in Government securities - quoted			-	695
Investment in Pass Through Certificates				
Investment in Pass Through Certificates (Ref. note No 9.4)			58,765	14,126
Total			**132,117**	**101,102**
Grand Total			**388,051**	**236,131**

9.1 All investments are made within India

9.2 Investment in Government and other SLR Securities aggregating ₹ 72,128 Lakh (₹ 70,933 Lakh) carry a floating charge created in favour of depositors in the Fixed Deposit schemes of the Company (read with Note 19).

9.3 The Company holds 100% of equity share capital of DHFL Investments Limited (DIL), however, based on the agreement dated March 31, 2017, the Company does not exercise control over DIL and hence is not considered as a subsidiary company for the purpose of preparation of these Ind AS financial statements.

9.4 Impairment loss allowance recognised on Investment in PTC ₹ 275 lakh (₹ 18 lakh) is included in Impairment loss allowance on loans and advances to customers.

9.5 As a part of the Company's effort to sell down its non-core investments in associates to generate liquidity, the Company had entered into following Binding Share Purchase Agreement in previous year which were concluded in current financial year After obtaining applicable regulatory and other approvals –

(a) sale of 23,01,090 (9.15%) equity shares held in Aadhar Housing Finance Limited to private equity funds managed by Blackstone for a total consideration of ₹ 20,442 lakh.

(b) sale of 1,92,50,719 (30.63%) equity shares held by in Avanse Financial Services Limited to Olive Vine Investments Limited an affiliate of Warburg Pincus Group for a consideration of ₹ 29,261 lakh.

(c) sale of 1,85,68,825(17.20%) equity shares held in PGIM India Aseet Management Pvt. Ltd. (Formerly Known as DHFL Pramerica Asset Managers Pvt. Ltd.) & 50,000 (50.00%) equity shares held in PGIM India Trustees Pvt. Ltd. (Formerly Known as Pramerica Trustees Pvt. Ltd.), to M/s PGLH of Delaware Inc. for a consideration of ₹ 3,613 lakh.

Notes

forming part of the financial statements for the year ended March 31, 2020

10 OTHERS FINANCIAL ASSETS (UNSECURED AND CONSIDERED GOOD)

(₹ in Lakh)

Particulars	As at 31.03.2020	As at 31.03.2019
Receivable on assigned loans	82,245	87,385
Security Deposits	2,918	3,563
Receivable from mutual fund	449	10,449
Other assets	63,127	3,519
	148,739	**104,916**
Less: Provision for impairment	384	109
Total	**148,355**	**104,807**

10.1 Security Deposits includes amounts due from the related parties ₹ 39 lakh (₹ 210 lakh). (refer note 49)

10.2 Other assets includes amounts due from the related parties ₹ Nil lakh (₹ 425 lakh). (refer note 49)

11 CURRENT TAX ASSETS (NET)

Particulars	As at 31.03.2020	As at 31.03.2019
Advance Tax (Net of Provision)	33,023	37,020
	33,023	**37,020**

12 DEFERRED TAX ASSETS (NET)

(₹ in Lakh)

Particulars	As at 31.03.2020	As at 31.03.2019
Deferred tax liabilities	(259,340)	(88,389)
MAT Credit entitlement	-	-
Deferred Tax Assets	764,555	132,670
Total	**505,215**	**44,281**

Notes

forming part of the financial statements for the year ended March 31, 2020

12.1 Deferred tax assets and liabilities in relation to:

Particulars	Opening balance as at April 1, 2019	Recognised in Profit and Loss	Recognised in Other Comprehensive Income	Utilisations / Adjustments	Closing balance as at March 31, 2020
Deferred tax liabilities					
On difference between book balance and tax balance of Property, plant & equipment	(24,014)	4,478	-	-	(19,536)
On account of measurement of Financial instrument at amortised cost	(22,073)	(175,456)	-	-	(197,529)
On Cash flow hedge reserve	1,488	-	(1,488)	-	0
Receivable on assigned loans	(24,429)	3,353	-	-	(21,076)
Others	(19,361)	(1,838)	-	-	(21,199)
	(88,389)	**(169,463)**	**(1,488)**	**-**	**(259,340)**
Deferred tax assets					
On account of impairment on financial instruments	33,087	152,523		-	185,610
On account of provision for employee benefits	-	154	39	-	193
Fair value on Investment	(655)	1,595	-	-	940
Fair value on Employee Stock Options/Employee Stock Appreciation Rights Expenses	1,128	(553)		-	575
Fair Valuation of Loan	91,030	392,161		-	483,191
Lease Accounting	-	167		(51)	116
Fair Valuation of Derivative	8,080	(8,080)		-	-
Business Loss		93,930			93,930
	132,670	**631,897**	**39**	**(51)**	**764,555**
Net	**44,281**	**462,434**	**(1,449)**	**(51)**	**505,215**

12.2 National Company Law Tribunal (NCLT) has admitted petition application filed by the RBI under sub-Clause (i) of clause (a) of Rule 5 of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudication Authority) Rules, 2019 (FSP Rules)read with Section 227 of the Code. Accordingly, in terms of Rule 5(b)(i) of the FSP Rules, an interim moratorium came into effect on the filing of the application to initiate CIRP. Further, CIRP was initiated against the Corporate Debtor under Section 227 read with clause (zk) of sub - section (2) of section 239 of the Code and read with rules 5 and 6 of the FSP Rules by an order dated December 3, 2019 of the Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT/Adjudicating Authority). The CIRP is to facilitate a sustainable resolution plan for the Company. The Company believes that financial position of the Company will improve upon implementation of approved resolution plan by committee of creditors and NCLT.

Notes

forming part of the financial statements for the year ended March 31, 2020

13 PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakh)

Description	Gross block				Accumulated depreciation				Net block
	As at April 1, 2019	Additions	Deductions	As at March 31, 2020	As at April 1, 2019	Charge for the year	Deductions	As at March 31, 2020	As at March 31, 2020
Building	57,045	-	-	57,045	1,249	943	-	2,192	54,853
Leasehold Improvements	2,281	993	313	2,961	115	481	284	312	2,649
Furniture and Fixtures	2,847	93	47	2,893	571	390	44	917	1,976
Vehicles	388	-	156	232	57	81	47	91	141
Office Equipment	5,682	409	287	5,804	1,051	788	115	1,724	4,080
Leasehold Premises	9,326	-	-	9,326	325	163	-	488	8,838
Computers	5,572	20	148	5,444	1,480	1,087	142	2,425	3,019
Right to Use Asset	12,222	80	-	12,302	-	2,497	-	2,497	9,805
Total	**95,363**	**1,595**	**951**	**96,007**	**4,848**	**6,430**	**632**	**10,646**	**85,361**

Previous Year

Description	Gross block				Accumulated depreciation				Net block
	As at April 1, 2018	Additions	Deductions	As at March 31, 2019	As at April 1, 2018	Charge for the year	Deductions	As at March 31, 2019	As at March 31, 2019
Building	57,038	7	-	57,045	308	941	-	1,249	55,796
Leasehold Improvements	5,650	1,014	4,383	2,281	237	758	880	115	2,166
Furniture and Fixtures	3,017	321	491	2,847	285	400	114	571	2,276
Vehicles	302	167	81	388	39	82	64	57	331
Office Equipment	5,536	1,729	1,583	5,682	522	925	396	1,051	4,631
Leasehold Premises	9,326	-	-	9,326	163	162	-	325	9,001
Computers	5,424	519	371	5,572	511	1,185	216	1,480	4,092
Total	**86,293**	**3,757**	**6,909**	**83,141**	**2,065**	**4,453**	**1,670**	**4,848**	**78,293**

14 INTANGIBLE ASSETS

(₹ in Lakh)

Description	Gross block				Accumulated amortisation				Net block
	As at April 1, 2019	Additions	Deductions	As at March 31, 2020	As at April 1, 2019	Charge for the year	Deductions	As at March 31, 2020	As at March 31, 2020
Computer (Software)	9,148	3	-	9,151	973	1,510	-	2,483	6,669
Total	**9,148**	**3**	**-**	**9,151**	**973**	**1,510**	**-**	**2,483**	**6,669**
Intangible Assets under development (Software)									10,517

Previous Year

Description	Gross block				Accumulated amortisation				Net block
	As at April 1, 2018	Additions	Deductions	As at March 31, 2019	As at April 1, 2018	Charge for the year	Deductions	As at March 31, 2019	As at March 31, 2019
Computer (Software)	1,062	8,086	-	9,148	311	662	-	973	8,175
Total	**1,062**	**8,086**	**-**	**9,148**	**311**	**662**	**-**	**973**	**8,175**
Intangible Assets under development (Software)									10,401

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15 OTHER NON-FINANCIAL ASSETS (UNSECURED AND CONSIDERED GOOD)

(₹ in Lakh)

Particulars	As at 31.03.2020	As at 31.03.2019
Capital Advances	-	65
Employee Advance	19	12
Recoverable from employees (refer note 49)	-	643
Advance to Related Parties (refer note 49)	-	146
Advance to Vendors	257	2
Gratuity Fund	465	683
Prepaid Expenses	4,902	684
Input tax credit Receivable	8,481	7,625
	14,124	**9,860**

16 TRADE PAYABLES

There are no overdue amounts to Micro, Small and Medium Enterprises as at March 31, 2020 for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.

Trade Payables include ₹ Nil Lakh (₹ 3 Lakh) due to related parties. (Refer note 49)

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of Information available with the Company. The amount of principal and interest outstanding during the year is given below.

Particulars		31.03.2020	31.03.2019
a)	Amount outstanding but not due as at year end	34	-
b)	Amount due but unpaid as at the year end	-	-
c)	Amounts paid after appointed date during the year	-	-
d)	Amount of interest accrued and unpaid as at year end	-	-
e)	The amount of further interest due and payable even in the succeeding year	-	-
Total		**34**	**-**

17 DEBT SECURITIES

(₹ in Lakh)

Particulars	As at 31.03.2020	As at 31.03.2019
At Amortised Cost		
Secured		
Redeemable non convertible debentures	4,297,968	4,458,712
Unsecured		
Redeemable non convertible debentures (Subordinated issue)	234,603	240,121
Commercial Papers [Unamortised discount as at ₹ Nil (₹ 1,682 Lakh)]	10,258	83,318
Total	**4,542,829**	**4,782,151**
Debt Securities in India	4,457,129	4,682,151
Debt Securities outside India	85,700	100,000

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17.1 Terms of repayment and rate of interest in case of Debt Securities.

As At March 31, 2020	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Secured					
Redeemable non convertible debentures	5.50%-14.63%	2,559,690	933,280	804,998	4,297,968
Unsecured					
Redeemable non convertible debentures (Subordinated issue)	8.80%-11.35%	85,073	9,530	140,000	234,603
Commercial Papers	6.62% - 9.00%	10,258	-	-	10,258

As At March 31, 2019	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Secured					
Redeemable non convertible debentures	5.50% - 11.55%	2,545,473	1,051,575	861,664	4,458,712
Unsecured					
Redeemable non convertible debentures (Subordinated issue)	8.80% - 11.20%	70,747	29,509	139,865	240,121
Commercial Papers	6.62% - 9.00%	83,318	-	-	83,318

17.2 Secured Non-Convertible Debentures/ZCD are secured by way of first charge to and in favour of Debenture Trustees jointly ranking pari passu inter-se, on the Company's whole of the present and future book debts, housing loan instalments/receivables, investments including all the receivables of the Company and other movable assets, wherever situated, excluding SLR assets, read with Note 18.4 hereinafter. They are further secured on pari passu basis by constructive delivery of various title deeds of certain immovable properties of the Company, to Union Bank of India, acting for itself and as an agent of other participating lenders and Debenture trustees.

17.3 Redeemable non convertible debentures also include amount outstanding for Zero Coupon Secured Redeemable Non-Convertible Debentures (ZCD) aggregating ₹ Nil Lakh (₹ 102,449 lakh), which are redeemable at premium on maturity. The accumulated premium payable on outstanding ZCD accrued till March 31, 2020 amounting to ₹ Nil Lakh (₹ 40,449 Lakh) is included above.

17.4 Unsecured Redeemable Non Convertible Subordinated Debentures aggregating to ₹ 221,900 Lakh (₹ 221,900 Lakh), outstanding as at March 31, 2020, are subordinated to present and future senior indebtedness of the Company. It qualifies as Tier II capital in accordance with National Housing Bank (NHB) guidelines for assessing capital adequacy based on balance term to maturity. These debentures are redeemable at par on maturity on various periods.

18 BORROWINGS (OTHER THAN DEBT SECURITIES)

(₹ in Lakh)

Particulars	As at 31.03.2020	As at 31.03.2019
Secured		
At amortised cost		
Term Loans		
from Banks	2,744,451	3,175,938
from National Housing Bank	243,102	243,493
Term Loans from other parties		
External Commercial Borrowing	299,739	286,323
Cash credit facilities and Working Capital Demand Loan		
Loans repayable on demand	119,055	119,656
Collateralised debt obligations	434,730	240,585
Grand Total(A)	**3,841,077**	**4,065,995**
Borrowings in India	3,541,338	3,779,672
Borrowings outside India	299,739	286,323
Total (B) to tally with (A)	**3,841,077**	**4,065,995**

Notes

forming part of the financial statements for the year ended March 31, 2020

18.1 Collateralised debt obligation

Collateralised debt obligation represent amount received against Housing and other loan securitised, which does not qualify for derecognition. The Company is expected to recover the same within a period of over 5 years. (Refer Note 8.2)

18.2 Terms of repayment and rate of interest in case of Borrowings:

As At March 31, 2020	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Secured					
Term loan from Banks	Floating*	1,943,209	518,775	282,467	2,744,451
Term Loan from National Housing Bank	6.12% -9.00%	98,001	47,069	98,032	243,102
Term Loan from External Commercial Borrowing	Floating**	299,739	-	-	299,739

As At March 31, 2019	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Secured					
Term loan from Banks	Floating*	1,878,705	817,814	479,419	3,175,938
Term Loan from National Housing Bank	6.12%-8.95%	74,857	47,069	121,567	243,493
Term Loan from External Commercial Borrowing	Floating**	266,812	19,511	-	286,323

** Linked with MCLR/Base Rate of Respective Banks*

*** Link with LIBOR*

18.3 All Secured loans, from the National Housing Bank (NHB), Other Banks, External Commercial Borrowing and Financial Institutions are secured by way of first charge to and in favour of participating banks, Institutions, National Housing Bank and Debenture Trustees jointly ranking pari passu, inter-se, on the Company's whole of the present and future book debts, housing loan instalments/ receivables, investments including all the receivables of the Company and other movable assets, wherever situated, excluding SLR assets. They are further secured on pari passu basis by constructive delivery of various title deeds of certain immovable properties of the Company, to Union Bank of India, acting for itself and as an agent of other participating lenders and Debenture trustees, and are also guaranteed by the promoter directors of the Company.

18.4 Loans repayable on demand and other short term loans comprising of Cash credit facilities from banks and are secured by a first charge by way of hypothecation of book debts of specific loan assets of the company and are further secured by negative lien on the underlying specific properties and / or secured by demand promissory notes. Certain Cash credit facilities are also secured by way of a first pari passu charge along with other secured loans read with Note 17.2. All cash credit facilities are repayable as per the contracted/ roll over term.

18.5 Pursuant to the refinancing arrangement with NHB, the Company has provided a non-disposal undertaking from the Promoters and Promoter Group with respect to their shareholdings in the Company and corporate guarantee from Wadhawan Global Capital Limited (promoter entity).

18.6 The company is currently undergoing Corporate Insolvency Resolution Process ('CIRP') under the provisions of the Insolvency and Bankruptcy Code, 2016 ('Code'). Accordingly, all its liabilities are crystallised as at as on December 3, 2019 (Insolvency Commencement Date or 'ICD'). Hence, External Commercial Borrowings are translated at official exchange rate published by Reserve Bank of India (RBI) on ICD i.e. December 3,2019

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forming part of the financial statements for the year ended March 31, 2020

19 DEPOSITS

(₹ in Lakh)

Particulars	As at 31.03.2020	As at 31.03.2019
At Amortised Cost		
Public Deposits		
Fixed Deposits	519,081	647,422
Other Deposits	1,267	2,077
Non Public Deposits	7,541	33,178
Total	**527,889**	**682,677**

19.1 The National Housing Bank directives require all HFC's accepting public deposits to create a floating charge on the statutory liquid assets maintained in favour of depositors through the mechanism of a trust deed. The Company has accordingly appointed a SEBI approved trustee Company as trustee for the above by executing the trust deed. Accordingly, the public deposits of the Company as defined in paragraph 2(1)(y) of the Housing Finance Companies (NHB) Directions, 2010, are secured by floating charge on the Statutory Liquid Assets maintained in terms of sub-sections (1) & (2) of Section 29B of the National Housing Bank Act, 1987.

19.2 Fixed Deposits and Other Deposits, including short term fixed deposits and short term other deposits, are repayable as per individual contracted maturities ranging from 12 to 120 months from the date of deposit. The interest is payable on contracted terms depending upon the scheme opted by the depositor Accordingly, the public deposits of the Company as defined in paragraph 2(1)(y) of the Housing Finance Companies (NHB) Directions, 2010, are secured by floating charge on the Statutory Liquid Assets maintained in terms of sub-sections (1) & (2) of Section 29B of the National Housing Bank Act, 1987.

20 SUBORDINATED LIABILITIES

(₹ in Lakh)

Particulars	As at 31.03.2020	As at 31.03.2019
Unsecured		
Non-Convertible Debentures (Perpetual)	129,430	121,251
Total	**129,430**	**121,251**

20.1 All subordinated liabilities are issued in India

20.2 Terms of repayment and rate of interest in case of Borrowings:

As At March 31, 2020	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Secured					
Non-Convertible Debentures (Perpetual)	9.85% - 12.75%	13,360	-	116,070	129,430

As At March 31, 2019	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Secured					
Non-Convertible Debentures (Perpetual)	9.85% - 12.75%	-	-	121,251	121,251

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forming part of the financial statements for the year ended March 31, 2020

21 OTHER FINANCIAL LIABILITIES

(₹ in Lakh)

Particulars	As at 31.03.2020	As at 31.03.2019
Unclaimed dividend	175	185
Unclaimed matured deposits and interest accrued thereon	7,683	8,878
Security and other deposits received	499	845
Creditors for Capital Expenditure	242	884
Amounts payable on Securitised Loans	41,805	105,174
Lease liability	10,630	-
Others	8,506	11,483
Total	**69,540**	**127,449**

21.1 As required under Section 124 of the Companies Act, 2013, the Company has transferred unclaimed dividend of the year 2011-12 ₹ 8 Lakh (₹ 9 Lakh) and towards unclaimed deposits and interest accrued thereon ₹ 14 Lakh (₹ 26 Lakh) to Investor Education & Protection Fund (IEPF) during the year, till stay order of received from Honourable Bombay High Court with general delay ranging from 1 to 16 days in transferring unclaimed public deposits. Further, during the year ₹ 59 lakh unclaimed Deposit & ₹ 5 lakh of unclaimed dividend was due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the yearend in respect of Unclaimed Matured Deposits which was not deposited into IEPF, pursuant to stay order issued by Honourable Bombay High Court and after RBI initiated the CIRP process against the Company.

21.2 Security and other deposits received includes amounts due to related parties ₹ Nil lakh (₹ 224 lakh). (refer note 49)

21.3 Amounts payable on Securitised Loans includes amounts due to related parties ₹ Nil lakh (₹ 15 lakh). (refer note 49).

21.4 Others includes amounts due to related parties ₹ Nil lakh (₹ 4346 lakh). (refer note 49)

22 PROVISIONS

(₹ in Lakh)

Particulars	As at 31.03.2020	As at 31.03.2019
Provision for Employee Benefits	753	1,015
	753	**1,015**

23 OTHER NON-FINANCIAL LIABILITIES

(₹ in Lakh)

Particulars	As at 31.03.2020	As at 31.03.2019
Advance from Customer	13,130	15,155
Statutory Remittances*	621	1,170
Deferred income on fair valuation of deposit taken	186	-
	13,937	**16,325**

** includes statutory dues pertaining to tax deducted at source on interest on NCD's, Public Deposit's (u/s 193 and 194A) which have not been regularly deposited in view of the stay order issued by Honourable Bombay High Court*

Notes

forming part of the financial statements for the year ended March 31, 2020

24 EQUITY SHARE CAPITAL

(₹ in Lakh)

Particulars	As at 31.03.2020		As at 31.03.2019	
	Number	₹	Number	₹
AUTHORISED				
Equity Shares of ₹ 10 each	840,390,024	84,039	578,000,000	57,800
ISSUED, SUBSCRIBED AND FULLY PAID UP				
Equity Shares of ₹ 10 each	313,823,024	31,382	313,823,024	31,382
	313,823,024	**31,382**	**313,823,024**	**31,382**

Reconciliation of number of shares outstanding at the beginning and at the end of the reporting period:

Particulars	31.03.2020		31.03.2019	
	Number	₹	Number	₹
Equity shares outstanding as at the beginning of the year	313,823,024	31,382	313,658,847	31,366
Shares issued during the year	-	-	-	-
Shares allotted pursuant to exercise of stock options	-	-	164,177	16
Equity shares outstanding as at the end of the year	**313,823,024**	**31,382**	**313,823,024**	**31,382**

Terms / Rights attached to equity shares

The Company has only one class of shares i.e. equity. The shareholders have voting rights in the proportion of their shareholdings. The shareholders are entitled to dividend, if declared and paid by the Company. In the event of liquidation, these shareholders are entitled to receive remaining assets of the Company after distribution of all liabilities, in the proportion of their shareholdings.

Details of shareholders holding more than 5 percent shares in the Company are given below:

Particulars	31.03.2020		31.03.2019	
	Number	% holding	Number	% holding
Wadhawan Global Capital Limited	117,049,714	37.30%	117,049,714	37.30%

Employee Stock Option Plans:

Pursuant to the resolution passed by the Board of Directors of the Company, at its meeting held on 16th January, 2015 and the special resolution passed by the Members of the Company on 23rd February, 2015 through Postal Ballot, the DHFL Employee Stock Appreciation Rights Plan 2015 ("DHFL ESAR Plan 2015" / "the Plan") was approved in accordance with the provisions of SEBI (SBEB) Regulations, exercisable into not more than 51,46,023 fully paid-up equity shares in aggregate, having face value of ₹ 10/- each. Consequent to the bonus shares issued by the Company to its Members in the ratio 1:1 during the financial year 2015-16, the total number of employee Stock Appreciation Rights (SARs) also increased in the same ratio i.e. exercisable into not more than 1,02,92,046 fully paid up equity shares. During the financial year 2017-18, the Members of the Company, approved amendment to the DHFL ESAR Plan 2015, inter-alia, for increasing the number of equity shares that can be allotted thereunder to 2,67,82,046 equity shares. ESARs granted are as under:

Particulars	Grant Date	No of ESARs	SAR Price (₹)	Vesting Period	Exercise Period
Grant I	21-03-2015	1,550,100	380.00 (₹ 190/- per SAR Post Bonus issue)	Vest after One year from the date of grant of such ESARs over a period of 5 years in the ratio 20:20:20:20:20	within a maximum period of 3 years from the date of vesting
Grant II	17-11-2016	2,081,545	230.8	Vest after One year from the date of grant of such ESARs over a period of 4 years in the ratio 10:20:30:40	within a maximum period of 3 years from the date of vesting
Grant III	13-07-2017	3,247,100	434.9	Vest after One year from the date of grant of such ESARs over a period of 4 years in the ratio 20:30:20:30	within a maximum period of 3 years from the date of vesting

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Particulars	Grant Date	No of ESARs	SAR Price (₹)	Vesting Period	Exercise Period
Grant IV	13-07-2017	550,000	300.08	Vest after One year from the date of grant of such ESARs over a period of 4 years in the ratio 20:30:20:30	within a maximum period of 3 years from the date of vesting
Grant V	16-10-2017	150,800	434.9	Vest after One year from the date of grant of such ESARs over a period of 4 years in the ratio 20:30:20:30	within a maximum period of 3 years from the date of vesting
Grant VI	22-01-2018	71,900	434.02	Vest after One year from the date of grant of such ESARs over a period of 4 years in the ratio 20:30:20:30	within a maximum period of 3 years from the date of vesting

Movement in options:

Particulars	ESAR 2015 Grant I to VIII
Number of options / ESAR's outstanding at the beginning of the year	5,235,660
Number of options / ESAR's granted during the year	-
Number of options / ESAR's forfeited / lapsed during the year	2,616,486
Number of options / ESAR's Vested during the year	1,020,108
Number of options / ESAR's Exercised during the year	-
Number of shares arising as a result of exercise of options	-
Money realized by exercise of options (in ₹)	-
Number of options outstanding at the end of the year	2,619,174
Number of options exercisable at the end of the year	1,606,344
Weighted Average exercise price & Option price (in ₹):	
Pre Bonus	380.00
Post Bonus	190.00 - 434.90

The Company follows fair value based method of accounting for determining compensation cost for its stock-based compensation scheme. The fair value has been calculated by applying Black-Scholes-Merton model as valued by an independent valuer

The fair value has been calculated using the Black Scholes Option Pricing model, the Assumptions used in the model on a weighted average basis are as follows:

Particulars		2019-20	2018-19
1.	Risk Free Interest Rate	7.57%	7.57%
2.	Expected Life	2.95	2.95
3.	Expected Volatility	37%	37%
4.	Dividend Yield	1.32%	1.32%
5.	Price of the underlying share in market at the time of the option grant (₹)	643.65	643.65

Other Details:

1) Weighted Average Market Price on the date of Exercise is ₹ Nil (₹ 643.10)

2) Remaining Contractual life for ESAR granted and outstanding as on March 31, 2020

Particulars	Remaining Contractual life for unvested SARs outstanding at the end of the year	Remaining Contractual life for SARs exercisable at the end of the year
Grant – I	-	2.15
Grant – II	3.63	2.14
Grant – III	3.89	1.9
Grant – IV	-	-
Grant – V	4.15	2.15
Grant – VI	-	-

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forming part of the financial statements for the year ended March 31, 2020

25 OTHER EQUITY

(₹ in Lakh)

Particulars	As at 31.03.2020	As at 31.03.2019
Securities Premium	220,885	220,885
Debenture Redemption Reserve	117,000	117,000
General Reserve	126,893	131,733
Special Reserve	183,899	183,899
Employee Stock Option Outstanding	2,540	4,332
Other Comprehensive income-Cashflow hedge reserve	-	(3,832)
Retained Earnings	(1,236,393)	124,807
	(585,176)	**778,824**

25.1 Movement in Other Equity

Particulars	As at 31.03.2020	As at 31.03.2019
Securities Premium		
At the beginning of the year	220,885	220,637
Add: On shares allotted upon exercise of stock options by the Employees	-	245
Add: Received during the year	-	3
Closing balance	**220,885**	**220,885**
Debenture Redemption Reserve		
At the beginning of the year	**117,000**	**117,000**
General Reserve		
At the beginning of the year	131,733	135,171
Less : Utilised during the year	4,840	3,438
Closing balance	**126,893**	**131,733**
STATUTORY RESERVE (SPECIAL RESERVE)		
(As per Section 29C of The National Housing Bank Act, 1987)		
At the beginning of the year	**183,899**	**183,899**
EMPLOYEE STOCK OPTION OUTSTANDING		
At the beginning of the year	6,096	22,183
Add: Additions on account of options granted during the year	-	472
Less: Transferred to securities premium reserve upon exercise of stock options	-	(245)
Less: Reduction on account of unvested options lapsed during the year	(2,268)	(16,232)
Less: Reduction on account of vested options lapsed during the year	(1,002)	(82)
	2,826	**6,096**
Less: Deferred employee compensation	(286)	(1,764)
Closing balance	**2,540**	**4,332**
OTHER COMPREHENSIVE INCOME-CASHFLOW HEDGE RESERVE		
At the beginning of the year	(3,832)	(5,637)
Add: Other comprehensive Income	3,832	1,805
Closing balance	**-**	**(3,832)**

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Particulars	As at 31.03.2020	As at 31.03.2019
RETAINED EARNINGS		
At the beginning of the year	124,807	237,773
Add: Change in accounting Policy	147	-
Add/(less): Other Comprehensive Income	(115)	93
Add: Profit for the year	(1,361,232)	(103,605)
Amount available for appropriations	**(1,236,393)**	**134,261**
Appropriations		
Final Dividend Paid	-	7,841
Tax on Final Dividend	-	1,613
	-	**9,454**
Closing Balance	(1,236,393)	124,807
TOTAL	**(585,176)**	**778,824**

a) Securities premium reserve represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies Act, 2013 for specified purposes.

b) General reserve is created from time to time by transferring profits from retained earnings and can be utilised for purposes such as dividend payout, bonus issue, etc.

c) Statutory reserve is the reserve created by transferring the sum not less than 20% of its net profit after tax in terms of Section 29C of the National Housing Bank Act, 1987.

d) Stock options outstanding account relates to the stock options granted by the Company to employees under an ESAR (Employee Stock Appreciation Rights) Plan.

e) Retained earnings represents profits that the Company earned till date, less any transfers to General Reserve, Statutory Reserves, Dividends and other distributions paid to the shareholders.

f) Debenture Redemption Reserve is the reserve created by transferring the sum from retained earning as per the requirement of the Companies Act, 2013.

g) Cashflow hedge Reserve:- It represents the cumulative gains/(losses) arising on fair valuation of the derivative instruments designated as cash flow hedges through OCI.

Statement for Disclosure on Statutory / Special Reserves, as prescribed by NHB vide its circular no NHB(ND)/DRS/Pol. Circular.61/2013-14, dated: 7th April, 2014 and NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017:

		2019-20	2018-19
Balance at the beginning of the year			
a)	Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	65,324	65,324
b)	Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under, Section 29C of the NHB Act, 1987	118,575	118,575
c)	**Total**	**183,899**	**183,899**
Addition during the year			
Add: a)	Amount transferred u/s 29C of the NHB Act, 1987	-	-
b)	Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	-	-
c)	**Total**	**-**	**-**
Balance at the end of the year			
a)	Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	65,324	65,324
b)	Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under, Section 29C of the NHB Act, 1987	118,575	118,575
c)	**Total**	**183,899**	**183,899**

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26 INTEREST INCOME

(₹ in Lakh)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
On Financial Assets measured at Amortised Cost		
Interest on Loans	579,381	983,477
Interest income from investments	3,281	3,575
Interest on deposits	17,292	21,510
Other interest Income	13,286	36,317
	613,240	**1,044,879**
On Financial Assets measured at Fair Value		
Interest on Loans	309,985	185,905
	309,985	**185,905**
Total	**923,225**	**1,230,784**

27 DIVIDEND INCOME

(₹ in Lakh)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Investment in Equity Instrument	-	679
Investment in Mutual Fund	-	556
Total	**-**	**1,235**

28 FEES AND COMMISSION INCOME

(₹ in Lakh)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Loan processing fee and other charges	(144)	22,256
Commission	190	-
Insurance Commission (Refer note 28.1)	237	5,291
Total	**283**	**27,547**

28.1 Insurance Commission income includes amount received from:-

(₹ in Lakh)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Pramerica Life Insurance Limited (Formerly known as DHFL Pramerica Life Insurance Company Limited)	343	2,783
Cholamandalam MS Genera Insurance Company Ltd	-	336
Navi General Insurance Ltd (formerly known as DHFL General Insurance Ltd)	(106)	2,172
Total	**237**	**5,291**

There is no difference between income recognised in Profit and loss account and as per contract.

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29 NET GAIN ON FAIR VALUE CHANGES

(₹ in Lakh)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Measured at FVTPL		
Fair Valuation of Loan		
Unrealised	(1,559,684)	(234,017)
Fair Valuation of Option in Equity Investment		
Unrealised	28,916	(28,916)
Investment in equity measured at FVTPL		
Realised	33,700	491
Unrealised	(5,325)	(760)
	28,375	**(269)**
Investment in Preference shares measured at FVTPL		
Realised	-	39
Unrealised	(842)	1,315
	(842)	**1,354**
Investment in mutual fund measured at FVTPL		
Realised	365	11,846
Unrealised	-	39
	365	**11,885**
Investment in Security Receipts		
Realised	69	
Unrealised	433	222
	502	**222**
Investment in Venture Capital Fund		
Realised	(3)	-
Unrealised	(237)	(3)
	(240)	**(3)**
Derivative Trading		
Realised	2,960	3,907
	(1,499,648)	**(245,837)**

30 NET GAIN ON DERECOGNITION OF FINANCIAL INSTRUMENTS UNDER AMORTISED COST CATEGORY

(₹ in Lakh)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
On assignment of portfolio	2,991	29,388
Sale of Bond and Debenture	(594)	(8,805)
	2,397	**20,583**

31 OTHER OPERATING REVENUE

(₹ in Lakh)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Others*	6,318	8,239
	6,318	**8,239**

** Mainly includes cheque return charges and servicing fees pertaining to securitisation transactions*

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32 OTHER INCOME

(₹ in Lakh)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Rent Income	1,450	1,468
Miscellaneous Income	639	396
Total	**2,089**	**1,864**

33 FINANCE COSTS

(₹ in Lakh)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Interest expenses on financial liabilities measured at amortised cost		
Interest on deposits	31,430	76,711
Interest on borrowings	227,098	377,752
Interest on debt securities	277,872	432,088
Interest on Subordinated Liabilities	8,367	12,364
Interest on others	61	18
Finance charges	26,492	40,352
Interest on lease liability	1,198	-
Total	**572,518**	**939,285**

Refer Note no 58 for interest recognition policy under CIRP

34 IMPAIRMENT ON FINANCIAL INSTRUMENTS

(₹ in Lakh)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
On Financial instruments measured at Amortised Cost		
Loans	605,436	94,088
Investments	18,677	14,410
Total	**624,113**	**108,498**

35 EMPLOYEE BENEFITS EXPENSES

(₹ in Lakh)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Salaries and Bonus	28,182	44,225
Contribution to Provident Fund and other Funds	1,509	1,964
Staff Training and Welfare Expenses	430	811
Share Based Payments to employees	(1,792)	1,533
Total	**28,329**	**48,533**

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36 OTHER EXPENSES

(₹ in Lakh)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Rent	927	5,988
Rates and Taxes	135	386
Travelling and Conveyance	828	4,386
Printing and Stationery	142	640
Advertising	1,882	7,489
Training & Conference Expenses	16	185
Business Sourcing Expense	356	10,238
Insurance Charges	725	574
Legal & Professional Charges	9,486	7,133
CIRP Expense	880	-
Communication Expense	1,290	1,857
Repairs and Maintenance - Other than Buildings	5,482	2,616
Electricity Charges	763	974
Directors' Fees and Commission	26	42
Security Deposit written off	-	1,215
Loss on Sale of Property, plant and equipment	169	5,178
Expenditure on corporate social responsibility (CSR) under section 135 of the Companies Act, 2013 (as below)	6	2,719
Office Maintenance	1,413	1,628
Recovery Expense	1,533	1,383
Bad Debts	20,437	21,226
Less provision for Non Performing Assets utilized	20,437 -	21,226 -
General Office Expenses*	503	4,851
Total	**26,562**	**59,482**

** Includes reversal of trade mark licence fees of ₹ Nil lakh (₹. 3,999 lakh) based on change by regulators.*

36.1 Details of CSR Expenses:-

(₹ in Lakh)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Gross amount required to be spent by the Company during the year	2,857	2,659
Amount Spend During the period in Cash		
Art and Culture	-	2
Early Childhood Care and Education	-	1,654
Education	-	284
Environment	-	3
Financial Literacy	6	242
Health and Medicine	-	9
Rural development	-	123
Skill Development	-	340
Others	0	62
	6	**2,719**
Amount spend during the year yet to be paid in Cash	-	-

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36.2 Legal and professional fees include fees payable to auditor of ₹ 254 lakh (₹ 405 lakh)

(₹ in Lakh)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Audit Fees	180	250
Tax Audit Fees	-	11
Certification and Other Matters	29	270
Out of Pocket Expenses	25	-
GST	20	43
	254	**574**

(a) Certification and other matters includes ₹ Nil lakh (P. Y. ₹ 169 lakh) paid towards fees for public issue of Secured Non-Convertible Debentures(NCD) and Masala Bond and debited to prepaid expenses and amortised over a period of NCD/Masala Bond.

(b) Disclosure for the financial year 2019-20 include ₹ 18 lakh paid to predecessor statutory auditors of the company in their capacity as statutory auditors.

36.3 Remuneration of Non Executive Director consist of ₹ 26 lakh (₹ 42 lakh) towards sitting fee.

37 TAXES

a) Income tax expenses

The major components of income tax expenses

i) Profit and Loss section

(₹ in Lakh)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Current tax expenses	-	53,640
Prior Period adjustments	(1,133)	192
Deferred tax	(462,434)	(66,725)
Total	**(463,567)**	**(12,893)**

ii) Other comprehensive income section

(₹ in Lakh)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Deferred tax	1,449	737
Total	**1,449**	**737**

b) Reconciliation of effective tax rate

(₹ in Lakh)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
(Loss)/ Profit before tax	(1,824,799)	(116,498)
Enacted tax rate in India (including surcharge and cess)	25.630%	34.944%
Expected tax expenses	(467,696)	(40,709)
Effect of income that is exempt from taxation	-	(478)
Effect of expenses that are not deductible in determining taxable profit	-	1,004
Effect of income on investment which are treated as capital gains at lower rate	-	1,619
Effect of differential rate for deferred tax	-	29,098
Others	5,578	(2,690)
Total	**(462,118)**	**(12,156)**
Tax expense recognised in profit and loss	(463,567)	(12,893)
Tax expense recognised in other comprehensive income	1,449	737
Total	**(462,118)**	**(12,156)**

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38 EARNINGS PER SHARE

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit attributable to equity holders of Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following is the computation of earnings per share on basic and diluted earnings per equity share:

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Net profit/(loss) after tax attributable to equity shareholders (₹ In Lakh)	(1,361,232)	(103,605)
Weighted average number of equity shares outstanding during the year (Nos)	313,823,024	313,769,497
Add: Effect of potential issue of shares / stock rights *	-	-
Weighted average number of equity shares outstanding during the year including potential shares outstanding (Nos)	313,823,024	313,769,497
Face value per equity share (₹)	10.00	10.00
Basic earnings per equity share (₹)	(433.76)	(33.02)
Diluted earnings per equity share (₹)	(433.76)	(33.02)

* not considered when anti-dilutive

39 CONTINGENT LIABILITIES

(₹ in Lakh)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Guarantees provided by bank on behalf of Company for Securitisation, Public issue of NCDs, to erstwhile associate company as per share purchase agreement and Representative Office	5,567	22,710
Claims against the Company not acknowledged as debts	1,150	1,157
Income Tax Demand (Disputed)	850	-
Income Tax Penalty(Disputed)	10,168	-
The Company has written put option to Wadhawan Global Capital Private Limited (WGC) in connection with Investment made by WGC in Compulsory Convertible Debentures issued by DHFL Investments Limited.	158,813	-
Undertaking provided by the Company for meeting the shortfall in collection, if any, at the time of securitisation of receivables done prior to April 1, 2017 and outstanding as at 31st March, 2020. The outflows would arise in the event of short collection, in the Cash inflows of the pool of securitised receivable.	50,028	28,603

40 COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for as at March 31, 2020 ₹ 95 Lakh (March 31, 2019 ₹980 Lakh)

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41 LEASE

The Company has lease contracts for office premises. Leases of office premises generally have lease terms between 11 months and 17 years. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Company also has certain leases of office premises with lease terms of 12 months or less and leases of office equipment(printers) with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets (ROU assets) recognised and the movements during the year:

(₹ in Lakh)

Particulars	ROU assets
As at 1st April, 2019	12,222
Addition	80
Depreciation	2,497
As at March 31, 2020	9,805

Set out below are the carrying amounts of lease liability and the movements during the year:

(₹ in Lakh)

Particulars	As at March 31, 2020
As at 1st April, 2019	12,326
Addition	76
Accretion of interest	1,133
Payments	2,982
As at 31st March 2020	10,553

The Maturity analysis of lease liabilities is as under:

(₹ in Lakh)

Particulars	As at March 31, 2020		
	Within 12 months	After 12 months	Total
Lease Liabilities	2,042	8,511	10,553

Contractual maturities of lease liability at 31 March 2020 on an undiscounted basis

(₹ in Lakh)

Particulars	As at March 31, 2020
Within one year	2,986
After one year but not longer than five years	8,249
More than five years	2,453

The following are the amounts recognised in statement of profit or loss:

(₹ in Lakh)

Particulars	As at March 31, 2020
Depreciation expense of right-of-use assets	2,497
Interest expense on lease liabilities	1,133
Expense relating to short-term leases	95
Expense relating to leases of low-value assets	-
Variable lease payments	-
Total amount recognised in profit or loss	3,725

The Company had total cash outflows for leases of ₹ 2982 lakh in 2020.

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The Company adopted Ind AS 116 retrospectively with the cumulative effect of initially applying the standard at the date of initial application and applied the Standard to its leases on a prospective basis. Accordingly, the comparative information is not re-stated. The new accounting policies are disclosed in note 2.7 of significant accounting policies.

At transition, on measurement in accordance with the Ind AS 116, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate at April 1, 2019. The right-of-use assets were recognised at amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. To determine the incremental borrowing rate, the Company uses a rate of company's major borrowing.

The Company has presented lease liability as a separate line item in schedule on 'Other Financial Liabilities'. The Company presents ROU assets (pertaining to its branch/office premises) as part of Properties, Plant and Equipment.

The Company has presented interest expenses on lease liability separately from depreciation charge for the ROU assets. Interest expenses on lease liability is a component of finance cost.

Practical expedients applied

In applying Ind AS 116 for the first time, the Company has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonable similar characteristics
- accounting for operating leases with remaining lease term of less than 12 months as at April 1, 2019 as short-term leases
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Company has elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Company relied on its assessment made applying Ind AS 17 and Appendix C to Ind AS 17, Determining whether an arrangement contains a Lease.

Adjustments recognised in the balance sheet on April 1, 2019

The changes in accounting policy affected the following items in the balance sheet on April 1, 2019:

- Property plant and equipment (right-of-use assets) - increase by ₹ 12,221 lakh
- Prepaid leases - decrease by ₹ 446 lakh
- lease liabilities - increase by ₹ 12,326 lakh
- Other payables(Lease equalisation reserves) - decrease by ₹ 551 lakh

42 FINANCIAL INSTRUMENTS

i Fair value hierarchy

The company uses the following hierarchy to determine the fair values of its financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There were no transfers between levels 1, 2 and 3 during the year.

The Company's recognises transfers in and transfers out of fair value hierarchy levels as at the end of the reporting year.

Notes

forming part of the financial statements for the year ended March 31, 2020

ii Accounting classifications and fair values

As at March 31, 2020 (₹ In Lakh)

Particulars	Measured at FVTPL				Measured at Amortised cost	Others*	Total
	Level 1	Level 2	Level 3	Total			
Financial assets							
Cash and cash equivalents	-	-	-	-	684,861	-	684,861
Other bank Balances	-	-	-	-	87,064	-	87,064
Derivative financial instruments	-	-	-	-	-	-	-
Receivables	-	-	-	-	275	-	275
Housing and other loans	-	-	3,073,231	3,073,231	3,547,037	-	6,620,268
Investments	-	-	255,933	255,933	132,117	1	388,051
Other financial assets	-	-	-	-	148,355	-	148,355
Total Financial Assets	**-**	**-**	**3,329,164**	**3,329,164**	**4,599,709**	**1**	**7,928,874**
Financial Liabilities							
Derivative financial instruments	-	-	-	-	-	-	-
Trade Payables	-	-	-	-	12,122	-	12,122
Debt Securities	-	-	-	-	4,542,829	-	4,542,829
Borrowings (Other than Debt Securities)	-	-	-	-	3,841,077	-	3,841,077
Deposits	-	-	-	-	527,889	-	527,889
Subordinated Liabilities	-	-	-	-	129,430	-	129,430
Other financial liabilities	-	-	-	-	69,540	-	69,540
Total Financial Liabilities	**-**	**-**	**-**	**-**	**9,122,887**	**-**	**9,122,887**

As at March 31, 2019 (₹ In Lakh)

Particulars	Measured at FVTPL				Measured at Amortised cost	Others*	Total
	Level 1	Level 2	Level 3	Total			
Financial assets							
Cash and cash equivalents	-	-	-	-	126,008	-	126,008
Other bank Balances	-	-	-	-	177,148	-	177,148
Derivative financial instruments	-	17,113	-	17,113	-	-	17,113
Receivables	-	-	-	-	476	-	476
Housing and other loans	-	-	3,162,815	3,162,815	6,634,997	-	9,797,812
Investments	10,404	-	106,420	116,824	101,102	18,205	236,131
Other financial assets	-	-	-	-	104,807	-	104,807
Total Financial Assets	**10,404**	**17,113**	**3,269,235**	**3,296,752**	**7,144,538**	**18,205**	**10,459,495**
Financial Liabilities							
Derivative financial instruments	-	1,335	28,916	30,251	-	-	30,251
Trade Payables	-	-	-	-	10,205	-	10,205
Debt Securities	-	-	-	-	4,782,151	-	4,782,151
Borrowings (Other than Debt Securities)	-	-	-	-	4,065,995	-	4,065,995
Deposits	-	-	-	-	682,677	-	682,677
Subordinated Liabilities	-	-	-	-	121,251	-	121,251
Other financial liabilities	-	-	-	-	127,449	-	127,449
Total Financial Liabilities	**-**	**1,335**	**28,916**	**30,251**	**9,789,728**	**-**	**9,819,979**

** Others includes investment in subsidiaries, associates and joint ventures which have been carried at cost*

Notes

forming part of the financial statements for the year ended March 31, 2020

iii Fair value of the financial assets that are measured at amortised cost

As at March 31, 2020 (₹ in lakh)

Particulars	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets					
Investments	132,117	87,814		58,765	146,579
Total Financial Assets	**132,117**	**87,814**	**-**	**58,765**	**146,579**
Financial Liabilities					
Debt Securities	4,542,829	-	-	4,542,829	4,542,829
Borrowings (Other than Debt Securities)	3,841,077	-	-	3,841,077	3,841,077
Deposits	527,889	-	-	527,889	527,889
Subordinated Liabilities	129,430	-	-	129,430	129,430
Total Financial Liabilities	**9,041,225**	**-**	**-**	**9,041,225**	**9,041,225**

As at March 31, 2019 (₹ in lakh)

Particulars	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets					
Investments	101,102	96,303	-	14,126	110,429
Total Financial Assets	**101,102**	**96,303**	**-**	**14,126**	**110,429**
Financial Liabilities					
Debt Securities	4,448,686	-	-	4,294,655	4,294,655
Borrowings (Other than Debt Securities)	239,029	-	-	241,453	241,453
Deposits	682,677	-	-	721,341	721,341
Subordinated Liabilities	121,251	-	-	122,808	122,808
Total Financial Liabilities	**5,491,643**	**-**	**-**	**5,380,257**	**5,380,257**

Notes:

a The fair value of the financial assets and liabilities are considered at the amount at which the instrument could be exchanged in current transaction between willing parties.

b In the previous year, the fair value of fixed rate financial liabilities were determined based on cash flows discounted using current borrowing rate.

c Housing and property loans measured at amortised costs are substantially reprised frequently, with interest rate reflecting current market price and hence the carrying value approximates their fair value.

d The Company considers that the carrying amounts recognised in the financial statements for financial assets and financial liabilities other than disclosed above approximate their fair values.

e For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and balances, Trade receivables, other financial assets and liabilities and trade payables without a specific maturity. Such amounts have been classified as Level 2 on the basis that no adjustments have been made to the balances in the balance sheet.

f The company is currently undergoing Corporate Insolvency Resolution Process ('CIRP') under the provisions of the Insolvency and Bankruptcy Code, 2016 ('Code'). Accordingly, all its liabilities are crystallised as at as on December 3, 2019 (Insolvency Commencement Date or 'ICD'). Hence, it has been assumed that the carrying value of the liabilities approximates the fair value.

Notes

forming part of the financial statements for the year ended March 31, 2020

iv Valuation technique used to determine fair value of financial instruments measured at FVTPL:

a The fair value of a financial instrument on initial recognition is normally the transaction price (fair value of the consideration given or received). Subsequent to initial recognition, the Company determines the fair value of financial instruments that are quoted in active markets using the quoted prices and using valuation techniques for other instruments. Valuation techniques include discounted cash flow method, market comparable method, recent transactions happened in the Company and other valuation models.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

b Financial instruments carried at fair value (level 3 in hierarchy):

The fair values are measured using valuation techniques including the Discounted Cash Flow (DCF) model and market comparable method. The inputs to these models are taken from observable market where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

v The following table presents the changes in level 3 financial instruments for the year ended March 31, 2020 and March 31, 2019:

(₹ in lakh)

Particulars	Housing and property loans measured at FVTPL	Pass through certificate	Security receipts	Venture capital fund	Unquoted equity / preference investments	Derivative financial instruments
As at March 31, 2018	**65,670**	**-**	**66,628**	**2,344**	**14,581**	**-**
Acquisitions		32,500		-	-	28,916
Disposal	(65,670)	-	(3,618)	(39)	-	-
Reclassified from amortised cost category to FVTPL	3,488,160	-	-	-	-	-
Gains / (Losses) recognized in profit or loss	(325,345)	(6,800)	221	(6)	609	-
As at March 31, 2019	**3,162,815**	**25,700**	**63,231**	**2,299**	**15,190**	**28,916**
Acquisitions		170,000	7,502			
Disposal			(1,690)	(348)		
Reclassified from amortised cost category to FVTPL	1,470,100		-			
Gains / (Losses) recognized in profit or loss	(1,559,684)	(19,990)	443	(239)	(6,165)	(28,916)
As at March 31, 2020	**3,073,231**	**175,710**	**69,486**	**1,712**	**9,025**	**-**

Notes

forming part of the financial statements for the year ended March 31, 2020

vi Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (iv) above for the valuation techniques adopted.

(₹ in lakh)

Particulars	Fair value	
	As at March 31, 2020	As at March 31, 2019
Housing and property loans measured at FVTPL	3,073,231	3,162,815
Pass through certificate	175,710	25,700
Security receipts	69,486	63,231
Venture capital fund	1,712	2,299
Unquoted equity / preference investments	9,025	15,190
Derivative financial instruments	-	28,916

(₹ in lakh)

Particulars	Significant unobservable inputs (refer notes below)	Impact on Fair value			
		As at March 31, 2020		As at March 31, 2019	
		Increase in FV	Decrease in FV	Increase in FV	Decrease in FV
Housing and property loans measured at FVTPL	a	11,791	11,333	124,383	117,880
Pass through certificate	a	1,757	(1,757)	257	257
Security receipts	b	6,949	(6,949)	6,323	6,323
Venture capital fund	b	171	(171)	230	230
Unquoted equity / preference investments	c	448	(454)	465	462
Derivative financial instruments	c	-	-	8,736	(8,736)

Notes:

a The expected internal rate of return considered for the purpose of discounting the estimated cash flows. An increase in the rate will result in decrease in the fair value and vice-versa. The impact disclosed above is based on change in the rate of return by 100 basis points.

b The fair value is impacted by the change in the net asset value declared. The impact above has been determined based on 10% change in the net asset value.

c Valuation factor includes equity multiples such as PE ratio, estimated cash flows. The impact above has been determined based on approximately 5% to 10% change in the valuation factor.

Notes

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43 MATURITY PATTERN:

The table below shows an analysis of assets and liabilities according to when they are expected to be recovered or settled. With regard to loans and advances to customers, the Company uses the same basis of expected repayment behaviour as used for estimating the EIR.

(₹ In Lakh)

Particulars	March 31, 2020			March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	684,861	-	684,861	126,008	-	126,008
Other bank Balances	87,064	-	87,064	177,148	-	177,148
Derivative financial instruments	-	-	-	1,568	15,545	17,113
Receivables	275		275	476	-	476
Housing and Other loans	1,172,038	5,448,230	6,620,268	2,248,386	7,549,426	9,797,812
Investments	240	387,811	388,051	90,239	145,892	236,131
Other financial assets	148,355		148,355	26,436	78,371	104,807
Total Financial Assets	**2,092,833**	**5,836,041**	**7,928,874**	**2,670,261**	**7,789,234**	**10,459,495**
Non-Financial assets						
Current Tax Assets (Net)	-	33,023	33,023	-	37,020	37,020
Deferred tax assets	-	505,215	505,215	-	44,281	44,281
Property, plant and equipment	-	85,361	85,361	-	78,293	78,293
Intangible assets under development	-	10,517	10,517	-	10,401	10,401
Other intangible assets	-	6,669	6,669	-	8,175	8,175
Other non-financial assets	14,124	-	14,124	9,860	-	9,860
Total Non-Financial Assets	**14,124**	**640,785**	**654,909**	**9,860**	**178,170**	**188,030**
Total Assets	**2,106,957**	**6,476,826**	**8,583,783**	**2,680,121**	**7,967,404**	**10,647,525**
LIABILITIES						
Financial Liabilities						
Derivative financial instruments	-	-	-	148	30,103	30,251
Trade Payables	12,122	-	12,122	10,205	-	10,205
Debt Securities	1,156,767	3,386,062	4,542,829	1,487,079	3,295,072	4,782,151
Borrowings (Other than Debt Securities)	1,248,692	2,592,385	3,841,077	792,606	3,273,389	4,065,995
Deposits	378,257	149,632	527,889	326,689	355,988	682,677
Subordinated Liabilities	13,360	116,070	129,430	7,670	113,581	121,251
Other financial liabilities	69,540	-	69,540	113,859	13,590	127,449
Total Financial Liabilities	**2,878,738**	**6,244,149**	**9,122,887**	**2,738,256**	**7,081,723**	**9,819,979**
Non-Financial Liabilities						
Provisions	753	-	753	1,015	-	1,015
Other non-financial liabilities	13,937	-	13,937	16,325	-	16,325
Total Non-Financial Liabilities	**14,690**	**-**	**14,690**	**17,340**	**-**	**17,340**
Total liabilities	**2,893,428**	**6,244,149**	**9,137,577**	**2,755,596**	**7,081,723**	**9,837,319**

Notes:

1 The maturity analysis is prepared considering the prepayments on housing and other loans in line with historical trend.

2 For the purposes of the above disclosure, the maturity pattern of the loans measured at FVTPL has been determined based on the management's estimate of realization including through sale.

Notes

forming part of the financial statements for the year ended March 31, 2020

44 FINANCIAL RISK MANAGEMENT

a Liquidity risk is the current and prospective risk arising out of an inability to meet financial commitments as they fall due, through available cash flows or through the sale of assets at fair market value. It includes both, the risk of unexpected increases in the cost of funding an asset portfolio at appropriate maturities and the risk of being unable to liquidate a position in a timely manner at a reasonable price.

The company manages liquidity risk in accordance with our Asset Liability Management Policy. This policy is framed as per the current regulatory guidelines and is approved by the erstwhile Board of Directors.

The company is currently undergoing Corporate Insolvency Resolution Process ('CIRP') under the provisions of the Insolvency and Bankruptcy Code, 2016 ('Code'). Accordingly, a moratorium has been declared under section 14 of the Code. The current liquidity risk management is therefore restricted to the management of current assets and liabilities and the day to day cash flows of the company.

The company would refresh/revise the liquidity risk management framework post implementation of the approved resolution plan. In the mean time the Company has distributed the carrying value basis of contractual obligation, as per table below, without taking into accounts its ability to pay and the risk associated thereof.

Maturity Analysis of Financial assets and Financial Liabilities

As at March 31, 2020

(₹ In Lakh)

Particulars	Carrying Value	Due within 1 year	Due within 1 to 3 year	Due within 3 to 5 year	More than 5 year
Financial Assets					
Cash and cash equivalents	684,861	684,861	-	-	-
Other bank Balances	87,064	87,064	-	-	-
Derivative financial instruments	-	-	-	-	-
Receivables	275	275	-	-	-
Housing and Other loans	6,620,268	1,172,038	1,787,896	3,365,313	295,021
Investments	388,051	240	10,737	-	377,074
Other financial assets	148,355	148,355	-	-	-
Total	**7,928,875**	**2,092,833**	**1,798,633**	**3,365,313**	**672,095**
Financial Liabilities					
Derivative financial instruments	-	-	-	-	-
Trade Payables	12,122	12,122	-	-	-
Debt Securities	4,542,829	1,156,766	1,498,254	942,810	944,998
Borrowings (Other than Debt Securities)	3,841,077	1,248,693	1,646,037	565,844	380,503
Deposits	527,889	378,257	126,198	12,678	10,756
Subordinated Liabilities	129,430	13,360	-	-	116,070
Other financial liabilities	69,540	69,540	-	-	-
Total	**9,122,887**	**2,878,738**	**3,270,489**	**1,521,332**	**1,452,327**
Net	**(1,194,012)**	**(785,905)**	**(1,471,856)**	**1,843,981**	**(780,232)**

Notes

forming part of the financial statements for the year ended March 31, 2020

As at March 31, 2019

(₹ In Lakh)

Particulars	Carrying Value	Due within 1 year	Due within 1 to 3 year	Due within 3 to 5 year	More than 5 year
Financial Assets					
Cash and cash equivalents	126,008	126,008	-	-	-
Other bank Balances	177,148	177,148	-	-	-
Derivative financial instruments	17,113	1,568	12,000	2,362	1,183
Receivables	476	476	-	-	-
Housing and Other loans	9,797,812	2,248,386	3,266,121	3,325,600	957,705
Investments	236,131	90,239	-	-	145,892
Other financial assets	104,807	26,436	24,936	24,936	28,499
Total	**10,459,495**	**2,670,261**	**3,303,057**	**3,352,898**	**1,133,279**
Financial Liabilities					
Derivative financial instruments	30,251	148	1,094	93	28,916
Trade Payables	10,205	10,205	-	-	-
Debt Securities	4,782,151	1,487,079	1,212,457	1,081,085	1,001,530
Borrowings (Other than Debt Securities)	4,065,995	792,606	1,653,009	953,313	667,067
Deposits	682,677	326,689	313,372	30,468	12,148
Subordinated Liabilities	121,251	7,670	-	-	113,581
Other financial liabilities	127,449	113,859	9,943	917	2,730
Total	**9,819,979**	**2,738,256**	**3,189,875**	**2,065,876**	**1,825,972**
Net	**639,516**	**(67,995)**	**113,182**	**1,287,022**	**(692,693)**

Notes:

1 The maturity analysis is prepared considering the prepayments on housing and other loans in line with historical trend.

2 For the purposes of the above disclosure, the maturity pattern of the loans measured at FVTPL has been determined based on the management's estimate of realization including through sale.

b Interest Risk

Our core business is deposit taking, borrowing and lending as permitted by the National Housing Bank. The liabilities are a mix of floating rate liabilities while the assets are primarily floating rate assets. Consequently, different reprising nature and the fluctuations in interest rates exposes the company to interest rate risk.

Exposure to fluctuations in interest rates is measured by way of gap analysis, providing a static view of the maturity and re-pricing characteristic of balance sheet positions. An interest rate sensitivity gap report is prepared by classifying all rate sensitive assets and rate sensitive liabilities into various time period categories according to contracted/behavioural maturities or anticipated re-pricing date. The difference in the amount of rate sensitive assets and rate sensitive liabilities maturing or being re-priced in any time period category, gives an indication of the extent of exposure to the risk of potential changes in the margins on new or re-priced assets and liabilities.

The company is currently undergoing Corporate Insolvency Resolution Process ('CIRP') under the provisions of the Insolvency and Bankruptcy Code, 2016 ('Code'). Accordingly, a moratorium has been declared under section 14 of the Code. The debt liabilities have been crystallised as on December 3, 2019 (Insolvency Commencement Date or 'ICD'). Accordingly, there is no interest rate risk on the debt liabilities till the completion of CIRP.

Notes

forming part of the financial statements for the year ended March 31, 2020

Exposure to interest rate risk

The Company's exposures to interest rates on financial assets and financial liabilities are detailed as under:

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Loans (Gross):		
Fixed rate instruments	1,066,555	738,870
Floating rate instruments	3,185,102	6,016,026
Total	**4,251,657**	**6,754,896**
Borrowings:		
Fixed rate instruments	5,610,599	5,574,956
Floating rate instruments	3,430,626	4,077,118
Total	**9,041,225**	**9,652,074**

Interest Rate Sensitivity

The following table demonstrates the net sensitivity to a reasonably possible change in interest rate (all other variables being constant) of the Statement of Profit and Loss (after taxes) and equity:

Particulars	Basis Points	For the year ended March 31, 2020	For the year ended March 31, 2019
Increase by basis points	50	(913)	6,325
Decrease by basis points	(50)	(913)	6,325

Exchange Rate Risk

The company is exposed to foreign currency risk on account of the External Commercial Borrowings (ECB) availed by the company. ECBs are exposed to risk of rupee weakness against the respective loan currency or rise in interest rate of the loan currency.

The company is currently undergoing Corporate Insolvency Resolution Process ('CIRP') under the provisions of the Insolvency and Bankruptcy Code, 2016 ('Code'). Accordingly, a moratorium has been declared under section 14 of the Code. All the foreign currency liabilities have been crystallised into INR as on December 3, 2019 (Insolvency Commencement Date or 'ICD'). Accordingly, there is no foreign currency risk till the completion of CIRP.

The exposure to External Commercial Borrowings is as under

As at	₹ in Lakh
March 31, 2020	299,739
March 31, 2019	286,323

Hedging Policy

The Company's hedging policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind AS. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and quantitative assessment of effectiveness is performed.

Notes

forming part of the financial statements for the year ended March 31, 2020

Cash Flow Hedge

The impact of the hedging instrument and hedged item on the balance sheet:

Hedging Instrument

₹ in lakh

Particulars	Notional amount	Carrying amount of hedging instruments Assets	Carrying amount of hedging instruments liabilities	Line in the balance sheet	Weighted average contract / strike price of the hedging instrument	Change in the fair value in the hedging instrument used as the basis for recognising hedge ineffectiveness - (profit) / loss
March 31, 2020 (Ref note 6.3)	-	-	-	-	-	-
March 31, 2019						
INR USD - Currency Swaps	294,293	10,198	809	Derivative Financial Instruments	Weighted Average 64.25 Ranging between 59.75 to 67.25	21,252
INR USD - Forward exchange contracts	18,861	-	526	Derivative Financial Instruments	Weighted Average 74.52 Ranging between 71.20 to 85.	-
Total	**313,154**	**10,198**	**1,335**			**21,252**

Hedged Item

₹ in lakh

Particulars	Change in the value of hedged item used as the basis for recognising hedge ineffectiveness	Cash flow hedge reserve as at - (Debit)/ Credit -	Cost of hedging as at	Foreign Currency Monetary Items Translation Reserve
March 31, 2020 (Ref note 6.3)	-	-	-	-
March 31, 2019				
External Commercial Borrowings	17,804	(3,832)	-	NA

The impact of the cash flow hedges in the statement of profit and loss and other comprehensive income:

Particulars	Hedging gains or losses recognised in other comprehensive income	
	31-Mar-20	31-Mar-19
Forward exchange contracts and Currency swaps (Ref note 6.3)	-	1,805

Notes

forming part of the financial statements for the year ended March 31, 2020

Fair Value Hedge

The impact of the hedging instrument and hedged item on the balance sheet:

Hedging Instrument

₹ in lakh

Particulars	Notional amount	Carrying amount - Asset	Line in the balance sheet	Change in fair value used for measuring ineffectiveness for the period
Interest Rate Swap as at				
March 31, 2020	-	-		-
March 31, 2019	190,000	3,281	Derivative Financial Instruments	-

Hedged Item

₹ in lakh

Particulars	Notional amount	Carrying amount - Asset	Line in the balance sheet	Change in fair value used for measuring ineffectiveness for the period
Fixed rate borrowing as at				
March 31, 2020	-	-	-	-
March 31, 2019	190,000	3,294	Debt Securities	-

The impact of the fair value hedges in the statement of profit and loss:

Particulars	Hedge ineffectiveness recognised in statement of profit and loss - Gain/ (Loss)		Line in the statement of profit and loss that includes hedge ineffectiveness
	31-Mar-20	31-Mar-19	
Interest Rate Swap	-	(13)	Finance Cost

c Credit risk

Credit risk is the risk of loss that may occur from the failure of any party to abide by the terms and conditions of any contract, principally the failure to make required payments of amounts due to the company. In its lending operations, the Company is principally exposed to credit risk.

The credit risk is governed by the Credit Policy approved by the Board of Directors. The Credit Policy outlines the type of products that can be offered, customer categories, the targeted customer profile and the credit approval process and limits.

The Company measures, monitors and manages credit risk at an individual borrower level and at the group exposure level for corporate borrowers. The credit risk for retail borrowers is being managed at portfolio level for both Home loans and Other property loans. The Company has a structured and standardized credit approval process, which includes a well-established procedure of comprehensive credit appraisal. The Risk Management Policy addresses the recognition, measurement, monitoring and reporting of the Credit risk.

Credit Risk Assessment Methodology:

Housing and other property loans:

Company's customers for retail loans are primarily Lower and middle income, salaried and self-employed individuals.

The Company's credit officers evaluate credit proposals on the basis of approved operating policies. The criteria typically include factors such as the borrower's income, the loan-to-value ratio and demographic parameters. Any deviations need to be approved at the designated levels.

External agencies such as field investigation agencies facilitate a comprehensive due diligence process including visits to offices and homes in the case of loans made to retail borrowers.

Notes

forming part of the financial statements for the year ended March 31, 2020

The Company has an established credit appraisal procedure leading to appropriate identification of credit risk for wholesale mortgage loans which involves critical assessment of quantitative and qualitative parameters subject to review and approval basis approved operating policies. A significant portion of wholesale mortgage loans are secured by a lien over appropriate assets of the borrower.

Company monitor's borrower account behaviour as well as static data regularly to monitor the portfolio performance of each product segment regularly, and use these as inputs in revising its product programs, target market definitions and credit assessment criteria to meet the twin objectives of combining volume growth and maintenance of asset quality.

The loans are secured by the mortgage of the borrowers' property.

Loan to developers:

The Company has a framework for the appraisal and execution of project finance transactions. The Company believes that this framework creates optimal risk identification, allocation and mitigation and helps minimize residual risk.

The project finance approval process begins with a detailed evaluation of technical, commercial, financial, marketing and management factors and the sponsor's financial strength and experience.

As part of the appraisal process, a risk matrix is generated, which identifies each of the project risks, mitigating factors and residual risks associated with the project. After credit approval, a letter of intent is issued to the borrower, which outlines the principal financial terms of the proposed facility, sponsor obligations, conditions precedent to disbursement, undertakings from and covenants on the borrower.

After completion of all formalities by the borrower, a loan agreement is entered into with the borrower.

Project finance loans are generally fully secured and have full recourse against the borrower. In most cases, the Company has a security interest and first lien on all the fixed assets. Security interests typically include property as well as other tangible assets of the borrower, both present and future. The Corporation also takes additional credit comforts such as corporate or personal guarantees from one or more sponsors of the project.

The Company requires the borrower to submit periodic reports and continue to monitor the credit exposure until loans are fully repaid.

The Company's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses
Stage 1	0-30 days past due loans classified as stage 1	12-month ECL
Stage 2	31-90 days past due loans classified as stage 2	Lifetime ECL
Stage 3	> 90 days past due loans classified as stage 3	Lifetime ECL – credit-impaired

The key elements in calculation of ECL are as follows:

PD - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The PD has been determined based on seasoned historical portfolio data using the survival analysis methodology.

EAD - The Exposure at Default includes repayments scheduled by contract or otherwise, expected drawdowns on committed facilities, accrued interest from missed payments and loan commitments.

LGD - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The LGD is determined based on seasoned historical portfolio data.

Significant increase in credit risk - The Company continuously monitors all assets subject to ECLs in order to determine whether an instrument or a portfolio of instruments is subject to 12 month ECL or lifetime ECL. The Company assesses whether there has been an event which could cause a significant increase in the credit risk of the underlying asset or the customers ability to pay and accordingly change the 12 month ECL to a lifetime ECL.

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Regardless of the above, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition. However, in the current year, the Company has provided moratorium to the borrowers as a result of RBI guidelines relating to COVID-19 regulatory package dated March 27, 2020 and April 17, 2020. Consequently, Company has rebutted the presumption of 30 days past due as the increase in credit risk of borrowers is due to temporary liquidity relief provided for the pandemic.

When estimating ECLs on a collective basis for a Company of similar assets, the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

Grouping financial assets measured on a collective basis - The Company calculates ECLs only on a collective basis. The Company segments the exposure into following pools:

1. Loans to developers
2. Housing and other property loans
3. Inter-corporate deposits
4. Loans to others

Forward looking macro-economic adjustment factors in COVID 19 impact

In order to looking forward, unbiased, probable waited macro-economic adjustments to the PD, following macro-economic variable have been selected

Portfolio	Independent variable
Housing loan	Gross domestic product, housing price index
Non Housing loan	Gross domestic product, housing price index
SME	Housing price index

While estimating Expected credit losses, the company reviewed macro-economic development occurring in economy and market it operate in. on a periodic basis, the company analysis relationship between key economic trends like Gross Domestic Product, Housing Price Index, etc., with the estimate of PD determined by the company base on its internal data

An analysis of changes in the gross carrying amount (excluding adjustment to carrying value on account of application of effective interest rate) and the corresponding ECL allowances in relation to lending is, as follows:

a Housing and Other Property Loan

The table below shows the credit quality and the exposure to credit risk based on the year-end stage classification. The amounts presented are gross of impairment allowances.

Reconciliation of Loan balances is given below: (₹ in Lakh)

Particulars	March 31, 2020				March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**5,644,698**	**122,322**	**267,053**	**6,034,073**	**6,895,953**	**441,024**	**84,575**	**7,421,552**
New assets added during the year	30,063	12	17	30,092	2,259,050	81,022	-	2,340,072
Assets derecognised under direct assignment	(421,383)	49	49	(421,285)	(1,747,976)	(1,668)	-	(1,749,644)
Repayment of Loans (excluding write offs)	(1,395,541)	93,112	(28,173)	(1,330,602)	(2,368,674)	(53,807)	(24,737)	(2,447,218)
Transfers to / from Stage 1	109,833	(26,704)	(5,770)	77,359	1,442,948	(27,310)	41,591	1,457,229
Transfers to / from Stage 2	(128,716)	137,654	(8,938)	-	(67,484)	81,137	(1,322)	12,331
Transfers to / from Stage 3	(858,765)	(152,313)	2,321,163	1,310,085	(90,307)	(60,013)	163,036	12,716
Considered at Fair Value	(208,217)	(3,500)	(1,796,715)	(2,008,432)	(683,584)	(339,599)	(1,076)	(1,024,259)
Amounts written off	5,556	2,259	11,700	19,515	4,772	1,536	4,986	11,294
Gross carrying amount closing balance	**2,777,528**	**172,891**	**760,386**	**3,710,805**	**5,644,698**	**122,322**	**267,053**	**6,034,073**

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Reconciliation of ECL balance is given below: (₹ in Lakh)

Particulars	March 31, 2020				March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance	**20,015**	**925**	**95,572**	**116,512**	**24,146**	**13,448**	**28,454**	**66,048**
ECL remeasurements due to changes in EAD/ assumptions (net)	1,298	5,248	(20,352)	(13,806)	(6,153)	1,003	(9,099)	(14,249)
Transfers to / from Stage 1	(80)	(1,504)	(4,178)	(5,762)	4,812	(1,073)	15,298	19,037
Transfers to / from Stage 2	94	7,753	(6,472)	1,375	(225)	3,188	(486)	2,477
Transfers to / from Stage 3	624	(8,578)	1,680,808	1,672,854	(301)	(2,358)	59,967	57,308
on considered at Fair Value	151	(197)	(1,301,043)	(1,301,089)	(2,280)	(13,343)	(396)	(16,019)
on amounts written off	(4)	127	8,472	8,595	16	60	1,834	1,910
Closing balance	**22,098**	**3,774**	**452,807**	**478,679**	**20,015**	**925**	**95,572**	**116,512**

Notes:

1 The Expected Credit Loss shown above is computed on Exposure At Default (EAD) which comprises of the principal loan amount, EMI/PEMI and interest receivables.

2 Above includes Expected Credit Loss provision on Loan commitment amount to ₹ 898 Lakh (₹ 834 Lakh).

b Loans to Developers

The table below shows the credit quality and the exposure to credit risk based on the year-end stage classification. The amounts presented are gross of impairment allowances.

Reconciliation of Loan balances is given below: (₹ in Lakh)

Particulars	March 31, 2020				March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**147,612**	**1**	**5,249**	**152,862**	**1,611,628**	**252,799**	**32,936**	**1,897,363**
New assets added during the year	-	-	-	-	784,695	6,152	-	790,847
Assets derecognised under direct assignment	30,000	-	-	30,000	135,300	-	-	135,300
Repayment of Loans (excluding write offs)	(1,514)	-	(100)	(1,614)	(163,989)	(57,721)	(27,970)	(249,680)
Transfers to / from Stage 1	-	-	-	-	(262,897)	262,897	-	-
Transfers to / from Stage 2	-	-	-	-	-	-	-	-
Transfers to / from Stage 3	-	-	-	-	-	-	(4,436)	(4,436)
Considered at Fair Value	-	-	-	-	(1,994,632)	(464,126)	(5,214)	(2,463,972)
Amounts written off	-	-	-	-	37,507	-	9,933	47,440
Gross carrying amount closing balance	**176,098**	**1**	**5,149**	**181,248**	**147,612**	**1**	**5,249**	**152,862**

Reconciliation of ECL balance is given below: (₹ in Lakh)

Particulars	March 31, 2020				March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance	**-**	**-**	**686**	**686**	**43,467**	**11,150**	**15,807**	**70,424**
ECL remeasurements due to changes in EAD/ assumptions (net)	-	-	129	129	22,445	(2,275)	(15,275)	4,895
Transfers to / from Stage 1	-	-	-	-	(7,805)	11,596	-	3,791
Transfers to / from Stage 2	-	-	-	-	-	-	-	-
Transfers to / from Stage 3	-	-	-	-	-	-	(2,423)	(2,423)
on considered at Fair Value	-	-	-	-	(59,221)	(20,471)	(2,847)	(82,539)
on amounts written off	-	-	-	-	1,114	-	5,424	6,538
Closing balance	**-**	**-**	**815**	**815**	**-**	**-**	**686**	**686**

Notes

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Notes:

1 The Expected Credit Loss shown above is computed on Exposure At Default (EAD) which comprises of the principal loan amount, EMI/PEMI and interest receivables.

2 Above includes Expected Credit Loss provision on Loan commitment amount to Nil Lakh (₹ Nil Lakh).

c Inter Corporate Deposits

Reconciliation of Inter Corporate loan balances is given below: (₹ in Lakh)

Particulars	March 31, 2020				March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**11,054**	**28,286**	**525,929**	**565,269**	**22,023**	**1,776**	**38,944**	**62,743**
New assets added during the year	64	-	17,997	18,061	606,125	-	-	606,125
Repayment of Loans	(3,080)	-	(221,416)	(224,496)	(103,599)	-	-	(103,599)
Transfers to / from Stage 1	-	-	-	-	(28,286)	28,286	-	-
Transfers to / from Stage 2	-	(28,286)	28,286	-	-	(1,776)	1,776	-
Transfers to / from Stage 3	(8,038)		8,038	-	(485,209)	-	485,209	-
Gross carrying amount closing balance	**-**	**-**	**358,834**	**358,834**	**11,054**	**28,286**	**525,929**	**565,269**

Reconciliation of ECL balance is given below: (₹ in Lakh)

Particulars	March 31, 2020				March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance	**372**	**863**	**1,447**	**2,682**	**675**	**54**	**1,447**	**2,176**
ECL remeasurements due to changes in EAD/ assumptions (net)	-	-	222,350	222,350	13,892	-	-	13,892
Transfers to / from Stage 1	-	-	-	-	(782)	863	-	81
Transfers to / from Stage 2	-	(863)	863	-	-	(54)	-	(54)
Transfers to / from Stage 3	(372)	-	372	-	(13,413)	-	-	(13,413)
Closing balance	**-**	**-**	**225,032**	**225,032**	**372**	**863**	**1,447**	**2,682**

Note:

The Expected Credit Loss shown above is computed on Exposure At Default (EAD) which comprises of the principal loan amount and outstanding interest receivables.

d Reconciliation of ECL balance on loan to others are as given below:

	(₹ in Lakh)
As at March 31, 2018	**19**
Add: on addition	-
Less: on deletion	-
As at March 31, 2019	**19**
Add: on addition	75
Less: on deletion	-
As at March 31, 2020	**94**

e Concentration of Loans & Advances

Particulars	As at 31-03-2020	As at 31-03-2019
Total Exposure to twenty largest borrowers/customers* (₹ in Lakh)	1,680,615	1,397,757
Percentage of Exposures to twenty largest borrowers /Customers to total Exposure on Borrowers /Customers	22.00%	14.95%

** Includes loans which are fair valued*

Notes

forming part of the financial statements for the year ended March 31, 2020

45 Impairment allowance for loan against fixed deposit is Nil and therefore related disclosures as required by Ind AS 109 are not given in the financial statement.

46 CAPITAL MANAGEMENT

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio: Net debt (total borrowings net of cash and cash equivalents and Liquid investments) divided by Total 'equity' (as shown in the balance sheet). However, in view of certain adverse factors and liquidity problems faced by the Company, the net worth of the Company has been fully eroded and the Company is presently under CIRP process and thereby continue to operate as a going concern.

Particulars	Amount
Total borrowings net of cash and cash equivalents (₹ in Lakh)	8,356,364
Total Equity (₹ in Lakh)	(553,794)
Debt Equity Ratio	-

47 SEGMENT REPORTING

As per requirements of Ind AS 108 on 'Operating Segments', based on evaluation of financial information for allocation resources and assessing performance, the Company has identified a single segment i.e. providing loans for purchase or constructions of residential houses including all related activities. Accordingly, there are no separate reportable segments as per Ind AS 108.

The Company has its operations majorly within India and all revenue is generated within India.

48 EMPLOYEE BENEFITS

a Defined Contribution Plan

The company makes contributions to provident fund for qualifying employees to Regional Provident Fund Commissioner under defined contribution plan under the Provident Fund Act.

Amount recognised as an expense and included under the head "Contribution to Provident and Other Funds" of Statement of Profit and Loss are as follows:

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Contribution to provident fund	811	1,049
Contribution to pension fund	418	484

b Defined Obligation Benefit

The company provides gratuity to its employees which are defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

These gratuity plan typically expose the Company to following Risk

Notes

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Investment Risk:

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Interest risk:

A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Mortality risk:

Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk

Salary risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Asset Liability Matching Risk:

The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Concentration Risk:

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

The following table sets out the funded status of the Gratuity and the amount recognised in the Financial Statements:

i Changes in Defined Benefit Obligation

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Liability at the beginning of the year	1,823	1,699
Current Service Cost	255	378
Interest cost	138	134
Benefits paid	(463)	(237)
Actuarial (gain) /losses	140	(151)
Liability at the end of the year	**1,893**	**1,823**

ii Changes in Fair Value of Plan Assets

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Fair Value of Plan Assets at the beginning of the year	2,506	1,856
Expected Return on Plan Assets	190	146
Contributions	67	723
Benefits Paid	(389)	(197)
Actuarial (loss)	(14)	(22)
Fair Value of Plan Assets at the end of the year	**2,360**	**2,506**

Notes

forming part of the financial statements for the year ended March 31, 2020

iii Reconciliation of Fair Value of Assets and Obligations

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Fair value of Plan Assets	2,360	2,506
Present Value of Obligation	1,894	1,823
Net Asset / (Liability) recognized in the Balance Sheet	**466**	**683**

iv Expenses recognized in Statement of Profit and Loss

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current Service Cost	255	378
Net interest on net defined benefit assets	138	134
Past Service Cost	-	-
Expected Return on Plan Assets	(190)	(146)
Expenses recognized in the statement of profit and loss under employee benefits expenses	**203**	**366**

v Expenses recognized in Other Comprehensive Income

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Actuarial (Gain)/Loss on Obligation for the Period	140	(151)
Return on Plan Assets, Excluding Interest Income	14	22
(Income) / Expenses recognized in the other comprehensive income	**154**	**(129)**

vi Expected benefit payments

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
1st Following Year	120	102
2nd Following Year	70	89
3rd Following Year	103	82
4thFollowing Year	124	108
5thFollowing Year	88	127
Sum of Year 6 to 10	772	739

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forming part of the financial statements for the year ended March 31, 2020

vii Actuarial Assumptions

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Mortality Table (LIC)	2006-08	2006-08
Discount Rate (P. A.)	6.82%	7.59%
Expected rate of return on plan asset (per annum)	6.82%	7.59%
Rate of Escalation in Salary (P.A.)	6.00%	6.00%

Salary escalation & attrition rate are considered as advised by the company; they appear to be in line with the industry practice considering promotion and demand & supply of the employees.

The expected rate of return on plan asset is determined considering several applicable factors, mainly the composition of plan asset held, assessed risks, historical result of return on plan assets and the Company's policy for plan assets management.

The weighted average duration of the defined benefit obligation as at 31 March, 2020 is 12 years (2018-19: 12 years)

Effect of change in assumptions

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Projected Benefit Obligation on Current Assumptions	1,894	1,823
Delta Effect of +1% Change in Rate of Discounting	(175)	(172)
Delta Effect of -1% Change in Rate of Discounting	204	202
Delta Effect of +1% Change in Rate of Salary Increase	183	183
Delta Effect of -1% Change in Rate of Salary Increase	(165)	(165)
Delta Effect of +1% Change in Rate of Employee Turnover	12	22
Delta Effect of -1% Change in Rate of Employee Turnover	(14)	(26)

viii Amount recognised in current year and previous year

Gratuity :

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Defined benefit obligation	(1,894)	(1,823)
Fair value of plan asset	2,360	2,506
Surplus in the plan	466	683
Actuarial (gain)/loss on plan obligation	140	(151)
Actuarial (loss) on plan asset	14	22

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49 RELATED PARTY TRANSACTIONS

As per Ind As 24 on "Related Party Disclosure" details of transactions with related parties as defined therein are Given below

(A) List of related parties were control exists:

Sr. No.	Relationship	Name of the Parties
1	Subsidiaries	DHFL Advisory & Investments Private Limited
		DHFL Holdings Limited
2	Joint Ventures	PGIM India Asset Managers Pvt. Ltd. (formerly DHFL Pramerica Asset Managers Pvt. Ltd.) (upto 31.07.2019)
		PGIM India Trustees Pvt. Ltd. (formerly DHFL Pramerica Trustees Pvt. Ltd.) (upto 31.07.2019)
3	Associate Companies	Avanse Financial Services Limited (upto 31.07.2019)
		Aadhar Housing Finance Limited (Formerly known as DHFL Vysya Housing Finance Limited)(1) (upto 10.06.2019)
		Aadhar Housing Finance Limited (Erstwhile)(1) (upto 10.06.2019)
4	Enterprises over which KMP are able to exercise significant influence	Arthveda Fund Management Private Limited (upto 20.11.2019)
		Wadhawan Holdings Private Limited (upto 20.11.2019)
		Dish Hospitality Private Limited (upto 20.11.2019)
		WGC Management Services Private Limited (upto 20.11.2019)
		Essential Hospitality Private Limited (upto 20.11.2019)
		Navi General Insurance Ltd (formerly DHFL General Insurance Ltd - upto 06.02.2020)
		Pramerica Life Insurance Limited (Formerly DHFL Pramerica Life Insurance Company Limited) (upto 31st March, 2017 through DIL)
		Wadhawan Global Capital Limited
		DHFL Changing Lives Foundation
5	Key Management Personnel	Kapil Wadhawan (Chairman & Managing Director - upto 20.11.2019)
		Harshil Mehta (Joint Managing Director - upto 13.02.2019)
		Dheeraj Wadhawan (Non-Executive Director - upto 20.11.2019)
		Srinath Sridharan (Non -executive Director - upto 20.11.2019)
		Vijay Kumar Chopra (Independent Director - upto 11.03.2019)
		G P Kohli (Independent Director - upto 29.03.2019)
		Mannil Venugopalan (Independent Director - upto 30.03.2019)
		Vijaya Sampathn (Independent Director upto 12.02.2019)
		Sunjoy Joshi (Independent Director - upto 20.11.2019)
		Alok Kumar Misra (Independent Director - upto 20.11.2019)
		Depali Pant Rajeev Joshi (Independent Director - upto 20.11.2019)
		Vaijinath M. Gavarshetty (Chief Executive Officer - w.e.f 28.09.2019)
		Sunil Kumar Bansal (Chief Financial Officer - w.e.f. 04.12.2019)
		Satya Narayan Beheti (Company Secretary - w.e.f. 09.12.2019)
6	Resolution Professional	R Subramaniakumar (RBI Administrator - w.e.f. 20.11.2019)
7	Relatives of Key Managerial Personnel	Aruna Wadhawan (upto 20.11.2019)

Notes

forming part of the financial statements for the year ended March 31, 2020

B) Details of transactions :

(₹ in Lakh)

Nature of Transactions		Subsidiaries		Joint Ventures		Associate Companies/ Others*		Key Management Personnel	
		2019-20	2018-2019	2019-20	2018-2019	2019-20	2018-2019	2019-20	2018-2019
1)	**Investments**								
	Investments Made	-	1		-		-		-
	Investments Sold		-	3,613	-	48,390	-		-
2)	**Loans, Advances, Deposits and other assets**				-				
	Given	-	6		-	-	3,075		1,343
	Returned/Written Off	135	25		-	3,114	1,215		767
3)	**Borrowings, Security Deposits and other liabilities**								
	Received		-		-		0		-
	Repayment/Adjusted		-		-		208		-
4)	**Income(Net)**								
	Commission		-	4	41	435	4,955		-
	Trademark License Fees		-		-	143	(3,999)		-
	Dividend		-		-	-	161		-
	Interest	9	13		-	301	353		2
	Rent & Maintenance		-		3	127	1,417		
	Other Income		-		-		389		0
	Technical Fees		-		-	-	5		-
	Servicing fees		-		-	9	17		-
	Miscellaneous income					460			
5)	**Expenditure**								
	Remuneration		-		-	-	-	299	1,068
	Rent Expenses		-		-	321	1,995		-
	Brokerage and Marketing Fees		-		-		17		-
	Insurance Charges		-		-	591	612		-
	Canteen Expenses		-		-	92	140		-
	Electricity Expenses		-		-		2		-
	CSR Expenses		-		-		1,654		-
	Professional Charges		-		-		1		-
	Directors Sitting Fees		-		-		-	24	39
6)	Sale of Loans (Securitisation)		-		-		37,894		-
7)	Purchase/Sale of Securities (Net)		-		-		22,787		-
8)	Sale & Purchase PPE		-		-		7		-
INCOME RECEIVED FROM :									
1)	**Commission**								
	Pramerica Life Insurance Limited (formerly DHFL Pramerica Life Insurance Company Limited)		-		-	343	2,783		-
	PGIM India Asset Managers Pvt. Ltd. (formerly DHFL Pramerica Asset Managers Pvt. Ltd.)		-	4	41	-	-		-
	Navi General Insurance Ltd (formerly DHFL General Insurance Ltd		-		-	(98)	2,172		-
	Wadhawan Global Capital Limited					190			
2)	**Trademark License Fees**								
	Navi General Insurance Ltd (formerly DHFL General Insurance Ltd)		-		-	143	(3,999)		-

Notes

forming part of the financial statements for the year ended March 31, 2020

(₹ in Lakh)

Nature of Transactions		Subsidiaries		Joint Ventures		Associate Companies/ Others*		Key Management Personnel	
		2019-20	2018-2019	2019-20	2018-2019	2019-20	2018-2019	2019-20	2018-2019
3)	**Dividend**								
	Aadhar Housing Finance Ltd (Formerly known as DHFL Vysya Housing Finance Ltd)		-		-	-	161		-
4)	**Interest**								
	DHFL Advisory & Investments P Ltd	9	13		-				-
	Wadhawan Holding Pvt Ltd		-		-	237	338		-
	Wadhawan Global Capital Ltd		-		-	64	15		-
	Mr. Harshil Mehta		-		-			-	2
5)	**Rent & Maintenance Charges**								
	PGIM India Asset Managers Pvt. Ltd. (formerly DHFL Pramerica Asset Managers Pvt. Ltd.)		-		3		-		-
	Arthveda Fund Management Pvt Ltd		-		-		2		-
	Aadhar Housing Finance Ltd (Formerly DHFL Vysya)		-		-	41	163		-
	Avanse Financial Services Ltd		-		-	74	506		-
	WGC Management Services Pvt Ltd		-		-	-	229		-
	Navi General Insurance Ltd (formerly DHFL General Insurance Ltd)		-		-	-	502		-
	Pramerica Life Insurance Limited (Formerly DHFL Pramerica Life Insurance Company Limited)		-		-	12	15		-
6)	**Other Income**								
	Mr. Harshil Mehta		-		-		-		0
	Aadhar Housing Finance Limited (Formerly known as DHFL Vysya Housing Finance Limited)		-		-	-	200		-
	Avanse Financial Services Pvt Ltd		-		-	-	189		-
7)	**Technical Fees**								
	Avanse Financial Services Pvt Ltd		-			-	5		-
8)	**Service Charges**								
	Aadhar Housing Finance Ltd		-		-	9	17		-
9)	**Miscellaneous Income**								
	Avanse Financial Services Pvt Ltd					91			
	Aadhar Housing Finance Ltd					369			
EXPENDITURE :									
1)	**Rent, Rates & Taxes**								
	Wadhawan Holdings Private Limited		-		-	172	258		-
	Essential Hospitality Private Limited		-		-	149	1,736		-
2)	**Remuneration**								
	Mr. Kapil Wadhawan		-		-		-	188	321
	Mr. Harshil Mehta		-		-		-	-	747
	Mr. Vaijinath M Gavarshetty							46	-
	Mr. Sunil Kumar Bansal							11	-
	Mr. Satya Narayan Baheti							19	-
	Directors Sitting Fees								
	Dheeraj Wadhawan		-		-		-	0	5
	G P Kohli		-		-		-	-	14
	Mannil Venugopalan		-		-		-	-	8

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forming part of the financial statements for the year ended March 31, 2020

(₹ in Lakh)

Nature of Transactions	Subsidiaries		Joint Ventures		Associate Companies/ Others*		Key Management Personnel	
	2019-20	2018-2019	2019-20	2018-2019	2019-20	2018-2019	2019-20	2018-2019
Srinath Sridharan		-		-		-	-	1
V K Chopra		-		-		-	-	8
Vijaya Sampath		-		-		-	-	3
Alok Kumar Misra							12	-
Depali Pant Rajeev Joshi							5	-
Sunjoy Joshi							8	-
Professional Fees								
R Subramaniakumar							35	-
3) Brokerage and Marketing Fees								
Avanse Financial Services Ltd		-		-	-	17		-
4) Insurance Charges								
Pramerica Life Insurance Limited (Formerly DHFL Pramerica Life Insurance Company Limited)		-		-	70	92		-
Navi General Insurance Ltd (formerly DHFL General Insurance Ltd		-		-	522	520		-
5) Canteen Expenses								
Dish Hospitality Private Limited		-		-	92	140		-
6) Professional Charges								
Aadhar Housing Finance Limited (Formerly known as DHFL Vysya Housing Finance Limited)		-		-	-	1		-
7) Electricity Expenses								
Arthveda Fund Management Private Limited		-		-	-	2		-
8) CSR Expenses								
DHFL Changing Lives Foundation		-			-	1,654		
ASSETS \ LIABILITIES :								
1) Investments Made		-		-		-		-
DHFL Holdings Ltd	-	1		-		-		-
2) Investments Sold								
PGIM India Asset Managers Pvt. Ltd. (formerly DHFL Pramerica Asset Managers Pvt. Ltd.)		-	3,581	-		-		-
PGIM India Trustees Pvt. Ltd. (formerly DHFL Pramerica Trustees Pvt. Ltd.)			32					
Avanse Financial Services Ltd.					28,716			
Aadhar Housing Finance Ltd.					19,674			
3) Loans, Advances, Deposits paid and other assets								
Pramerica Life Insurance Limited (Formerly DHFL Pramerica Life Insurance Company Limited)		-		-		11		-
DHFL Advisory & Investments P Ltd	-	6		-		-		-
DHFL Holding Ltd	-	0		-		-		-
Navi General Insurance Ltd (formerly DHFL General Insurance Ltd		-		-		64		-
Mr. Harshil Mehta		-		-		-		1,343
Wadhawan Global Capital Limited		-		-		3,000		-
4) Loans & Advances Received Back / Written Off								
DHFL Advisory & Investments Pvt Ltd	134	25		-		-		-
Essential Hospitality Private Ltd (Security Deposit)		-		-	-	1,215		-

Notes

forming part of the financial statements for the year ended March 31, 2020

(₹ in Lakh)

Nature of Transactions	Subsidiaries		Joint Ventures		Associate Companies/ Others*		Key Management Personnel	
	2019-20	2018-2019	2019-20	2018-2019	2019-20	2018-2019	2019-20	2018-2019
Mr. Harshil Mehta		-		-		-		767
DHFL Holding Ltd	0							
Wadhawan Global Capital Limited					3,000	-		
5) Security Deposit Received								
Avanse Financial Services Ltd		-		-		0		-
Navi General Insurance Ltd (formerly DHFL General Insurance Ltd		-		-	114	-		-
6) Repayment of Borrowings/ Deposits								
Avanse Financial Services Ltd		-		-		0		-
Navi General Insurance Ltd (formerly DHFL General Insurance Ltd		-		-	-	208		-
7) Sale of Loans (Securitisation)								
Aadhar Housing Finance Ltd		-		-		37,894		-
8) Sale / (Purchase) of Securities (Net)								
Aadhar Housing Finance Ltd		-		-		22,787		-
9) Sale/ (Purchase) PPE (Net)								
Avanse Financial Services Ltd		-		-		(0)		-
Aadhar Housing Finance Ltd		-		-		7		-
CLOSING BALANCES :								
a) Loans, Advances, Deposits, trade receivables (net) and other assets	-	146	-	2	-	2,463	-	643
b) Borrowings / Security Deposits (Net)		-		-		224		-
c) Investments	7,502	7,502	-	3,775	-	14,529		
CLOSING BALANCES :								
1) Loans, Advances, Deposits and other assets								
DHFL Advisory & Investments Pvt Ltd	-	146		-		-		-
Wadhawan Holdings Private Ltd		-		-	-	2,958		-
DHFL Holdings Ltd	-	0		-		-		-
Wadhawan Global Capital Ltd	-	-	-	-	-	3,015		-
Navi General Insurance Ltd (formerly DHFL General Insurance Ltd)		-		-	-	164		-
Pramerica Life Insurance Limited (Formerly DHFL Pramerica Life Insurance Company Limited)		-		-	39	21		-
Mr. Harshil Mehta		-		-	-	-		643
2) Trade Receivable and other assets								
Aadhar Housing Finance Limited (Refer Note 9)		-		-		237		-
Pramerica Life Insurance Limited (Formerly DHFL Pramerica Life Insurance Company Limited)		-		-	165	33		-
PGIM India Asset Managers Pvt. Ltd. (formerly DHFL Pramerica Asset Managers Pvt. Ltd.)		-		2		-		-
Avanse Financial Services Ltd		-		-		163		-
WGC Management Services Pvt Ltd		-		-		41		-
3) Security Deposit Received								
Avanse Financial Services Ltd		-		-		208		-
Aadhar Housing Finance Ltd (Formerly known as DHFL Vysya Housing Finance Ltd)		-		-	-	16		-

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forming part of the financial statements for the year ended March 31, 2020

(₹ in Lakh)

Nature of Transactions		Subsidiaries		Joint Ventures		Associate Companies/ Others*		Key Management Personnel	
		2019-20	2018-2019	2019-20	2018-2019	2019-20	2018-2019	2019-20	2018-2019
4)	**Trade Payable and Other liabilities**								
	Dish Hospitality Private Ltd		-		-	-	3		-
	Wadhawan Holding Private Ltd		-		-	-	25		-
	Navi General Insurance Ltd (formerly DHFL General Insurance Ltd)		-		-	-	4,126		-
	Aadhar Housing Finance Ltd (Securitisation)		-		-	-	15		-
5)	**Investments**								
	DHFL Advisory & Investments P Ltd	7,501	7,501		-		-		-
	PGIM India Asset Managers Pvt. Ltd. (formerly DHFL Pramerica Asset Managers Pvt. Ltd.)		-	-	3,770		-		-
	PGIM India Trustees Pvt. Ltd. (formerly DHFL Pramerica Trustees Pvt. Ltd.)		-	-	5		-		-
	Aadhar Housing Finance Ltd (Formerly known as DHFL Vysya Housing Finance Ltd)		-		-	-	1,805		-
	Avanse Financial Services Ltd		-		-	-	12,724		-
	DHFL Holdings Ltd	1	1		-		-		-

** Other includes Enterprises over which KMP are able to exercise significant influence.*

Notes :

1) Related party relationship is as identified by the Company and relied upon by the Auditors.

2) The figures of income and expenses are net off Goods and Services tax.

3) Transactions with the related parties are disclosed only till the relationship exists.

4) Previous years figures have been regrouped, rearranged and reclassified wherever necessary.

5) Term loans from banks and loans from NHB are further guaranteed by personal guarantees of Mr Kapil Wadhawan and Mr Dheeraj Wadhawan.

6) Loans from NHB are further guaranteed by personal guarantee of Mrs Aruna Wadhawan and Corporate Guarantee of Wadhawan Global Capital Private Limited.

7) Managerial remuneration excludes the contribution for gratuity as the incremental liability has been accounted by the Company as a whole.

8) There are no provisions for doubtful debts or amount written off or written back for debts due from or due to related parties.

9) The above transactions excludes receivable/ payable in respect of assignment transactions entered into by the Company where either the Company or the associate company is acting as collection agent.

10) Also refer note 6.2

11) Zero denotes amount less than ₹ 50,000.

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forming part of the financial statements for the year ended March 31, 2020

50 The Reserve Bank of India (RBI) vide Press Release dated November 20, 2019 in exercise of the powers conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934 (RBI Act) superseded the Board of Directors of the Company and appointed an Administrator under Section 45-IE (2) of the RBI Act. Thereafter, RBI vide its Press Release dated November 22, 2019, in exercise of the powers conferred under Section 45 IE 5(a) of the RBI Act 1934, constituted a three (3) member Advisory Committee to assist the Administrator in the discharge of his duties. On November 29, 2019, the RBI filed the Petition before the NCLT under sub-Clause (i) of clause (a) of Rule 5 of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudication Authority) Rules, 2019 (FSP Rules) to initiate CIRP against DHFL read with Section 227 of the Code. Accordingly, in terms of Rule 5(b)(i) of the FSP Rules, an interim moratorium came into effect on the filing of the application to initiate CIRP. Further, CIRP was initiated against the Corporate Debtor under Section 227 read with clause (zk) of sub - section (2) of section 239 of the Code and read with rules 5 and 6 of the FSP Rules by an order dated December 3, 2019 of the Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT/Adjudicating Authority). The Adjudicating Authority, vide the above order, appointed the Administrator to perform all the functions of a resolution professional to complete the CIRP of the Company as required under the provisions of the Code. The moratorium was declared by the NCLT. As per the said NCLT order dated 3rd December, 2019, a moratorium in terms of the Sec. 14 of the Code is applicable on the Company.

51 The Administrator after his appointment and with the approval of Committee of Creditors of DHFL, as constituted by him in accordance with Section 18(c) and 21(1) of the Code and the Regulation 17(1) of the CIRP regulations, appointed the Company Secretary ("CS") and the Chief Financial Officer ("CFO"). The Key Managerial Personnel ("KMPs" or "Present Management") the Chief Executive Officer ("CEO"), appointed just before CIRP(October 2019) and joined the company on 21st November 2019 after the board was superseded on 20th November 2019, the Company Secretary ("CS") and the Chief Financial Officer ("CFO") along with the Senior management of the Company has ensured that the Company continues to operate as a "Going Concern". The Administrator and the Advisory Committee as set up by the RBI to assist the Administrator in discharge of his duties exercise oversight on the operations of the Company apart from running the CIR process in accordance with the provisions of the Code and Regulations under IBC, 2016. The Present Management has undertaken various good governance initiatives recently including various efforts to strengthen of the financial policies and processes, functioning of the IT system; loan / security documentation, legal audit, internal financial controls and updating risk control matrices, risk and fraud risk management, through in-house resources and engagement of external professional experts/consultants. The management team has also initiated steps for comprehensive compliance of various applicable rules and regulations within the Company. The betterment process is a continuous effort and the same is impacted due to the COVID 19 situation and the resultant lockdown

The Present Management team believes that these initiatives will strengthen Company's overall governance structure and control environment. On conclusion and implementation of all such initiatives, it is believed that the operational efficiency will improve and operational issues will get addressed.

52 The Administrator, Advisors and KMPs have not been able to analyse in depth the accuracy, validity, completeness or authenticity of the information and figures mentioned in the audited financial statements as they have joined after 20th November 2019. Moreover, the entire Present Management has been involved in the affairs of the Company for less than four months in the entire FY 2019-20. Further, since March 23, 2020 lockdown was imposed in the Country on account of Covid 19 causing a complete shutdown of offices which extended beyond the FY 2020till May 31st 2020. As a part of CIRP of the Company, a Transaction Audit to determine avoidable transactions in terms of Section 43, 45, 49, 50 and 66 of the IBC code and an exercise to determine the liquidation value and fair valuation of the Company is underway. These activities could not be conclusively completed till the signing of the financial statements in view of the disruption caused due to the lockdown restrictions. The outcome of such Transaction Audit may provide additional facts/information about the past data with respect to the Company. The Administrator has signed the audited financial results solely for the purpose of compliance and discharging his duties during CIRP period of the Company and in accordance with the provisions of the IBC, read with the regulations and rules thereunder, and based on the explanations, clarifications, certifications, representations and statements made by the existing staff of the Company in relation to the data pertaining to the period prior to the joining of the Present Management and does not have personal knowledge of the past affairs, finances and operations of the Company.

53 In certain instances, the amount of the claim admitted or to be admitted by the Administrator under CIRP process may differ from the amount reflecting in the books of accounts of the Company. The above audited financial results are drawn on the basis of figures appearing in the books of accounts of the Company as on March 31, 2020. The Administrator, Advisors, and KMPs believe that these figures may be interpreted solely for the purpose of satisfying the regulatory requirement for filing of yearly/ quarterly audited financial results and that these figures could change during the CIRP process or thereafter depending upon the findings made during the CIRP process or thereafter.

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forming part of the financial statements for the year ended March 31, 2020

54 The Ministry of Corporate Affairs (MCA), has initiated investigation in the month of December 2019, into the affairs of the Company under Section 212(1) of the Companies Act, 2013 through Serious Fraud Investigation Office (SFIO). Further, Enforcement Directorate has also initiated investigation in connection with the loans given by the Company to certain borrowers. Central Bureau of Investigation (CBI) has also started investigation in connection with certain loan granted by the Company Apart from this CBI is also investigating into the matter of amounts invested by a state government entity – Provident Fund in the Fixed Deposits of the Company. The Company is fully co-operating with all the investigating agencies.

55 The World Health Organisation has declared the novel coronavirus (COVID- 19) as a pandemic on March 11, 2020. Besides the impact of this outbreak on human life, it has also disrupted the financial, economic and social structures of the entire world. The Central Government in India also declared a national lockdown from March 25, 2020 to May 31, 2020, through various notifications, and subsequently the Central Government has announced Unlock 1.0 till June 30, 2020. During the unlock 1.0 period private offices are allowed to operate with 10% of the staff with certain conditions initially and restricted the movement as a preventive/ precautionary measures to avoid the spread of COVID- 19. The Company remains fully compliance with the guidelines and direction of both Central and State Government. The situation has caused uncertainty and impacted the collection and other operations of the Company. However, with various remote working measures, the Company has been able to restore its normal operations except certain functions which require physical movement eg. field level visits. With unlock 1.0, the branches of the Company were made operational including national office and the field visits have commenced.

In order to give effect to the RBI guidelines on regulatory measures on COVID-19 – Regulatory Package, the Company has offered moratorium to its eligible customers for a period for instalments falling due between 1st March, 2020 and 31st August 2020 based on approved policy in this regard. The Company has taken various steps to ensure the effective implementation of the moratorium policy and continues to monitor the impact of such moratorium on its portfolio. ~35% of account holders by number availed Moratorium. The recovery from the moratorium accounts is forthcoming with the Unlock 1.0 and commencement of field visits. It is believed that the recovery will further improve in Moratorium accounts during the current quarter (Q1 of Financial Year 2020-21).

56 The Company 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 Company has re-measured its deferred tax assets (including re-measuring the opening balance as at April 1, 2019 and has taken a charge of ₹ 40,907 lakh relating to the same in the current financial year) basis the rate provided in the said section. The full impact of above mentioned change has been recognised in the result for the year ended March 31, 2020.

57 The company has credited a net sum of ₹ 4,60,985 lakh to the Statement of Profit and Loss for the year ended 31st March 2020 on account of deferred tax asset created as per Ind AS – 'Income Taxes'. The Company is running as a going concern as per the provisions of the Code which requires the Administrator to preserve the value of the Company and maintain it as a going concern. Further, various bidders have expressed interest in submitting a resolution Plan for the Company which is in an indicator of Company's running as a 'going concern' in future.

58 Pursuant to the admission of the Company under the IBC, with a view to reflecting fairly the position for the purpose of presentation in respect of the Company's obligation for interest and principal amount in respect of all the borrowings, the Company has not provided for interest amount of ₹ 2,36,133 lakh on borrowings since insolvency commencement date i.e. 3rd December 2019, based on the opinion obtained from legal advisors. Under the IBC, the treatment of creditors under the resolution plan is as per debts due as on the insolvency commencement date and therefore, no interest is accrued and payable after this date. If the interest was accrued on borrowings, the loss for the year would have been higher by ₹ 1,75,612 lakh (net of tax) respectively.

59 The investments/ advance by way of unsecured Inter Corporate Deposit (ICD) aggregating ₹ 5,65,269 lakh were outstanding as at March 31, 2019. Of these, ICDs aggregating ₹ 93,835 lakhs have since been repaid by the borrowers and ICDs, aggregating to ₹ 1,30,661 lakh have been converted during the period of previous management into term loans during the period prior to 20th November 2019, resulting in an outstanding of ₹ 3,78,624 lakh- under ICDs, including interest receivable as of 31st March, 2020. The recoverability or otherwise of the remaining amount is yet to be ascertained, and hence the appropriate provision amounting to ₹ 2,25,032 lakh has been made as a prudent measure. Due to non-availability of the recovery data, the Company has considered the Loss Given Default percentage (LGD%) as specified in the guidelines issued by RBI in the circular "Implementation of the Internal Rating Based (IRB) Approaches for Calculation of Capital Charge for Credit Risk" as a proxy LGD%. This is also based on the industry practice followed in the cases where the companies do not have the trend of recovery experience.

60 The wholesale loan portfolio aggregating ₹ 49,58,544 lakh (pursuant to classification of this portfolio to "held for sale" in the previous year ended on 31st March 2019) has been "fair valued" as at 31st March 2020 at ₹ 30,73,231 lakh, with the resulting fair value loss aggregating ₹ 18,85,313 lakh. Out of this, fair value loss aggregating ₹ 3,25,629 lakh has been accounted up to

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forming part of the financial statements for the year ended March 31, 2020

31st March 2019 and balance loss of ₹ 15,59,684 lakh has been charged to the Statement of Profit and Loss for the year ended 31st March 2020. The basis of valuation of the portfolio is changed during the current quarter ended March 31, 2020 by discounting the cash flow assessed by the external registered valuer as against the contractual cash flow used by the erstwhile management in the previous year and during the nine months ended on 31st December 2019. Further, as an outcome of valuation exercise to be completed during the CIRP, this may undergo change. However, the said valuation will be as on 3rd December, 2019, the date of commencement of CIRP.

The recoverability or otherwise of these loans is yet to be ascertained and hence the appropriate provision has been made as a prudent measure on fair valuation method as per Ind As provisions.

61 DISCLOSURES REQUIRED BY THE RESERVE BANK OF INDIA

The following disclosures have been given in terms of Notification no. RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 issued by the Reserve Bank of India ('circular').

Particulars		₹ in lakh
(i)	Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended in terms of paragraph 2 and 3 of above circular	363,018
(ii)	Respective amount where asset classification benefits is extended	105,418
(iii)	Provisions made during the quarter ended 31 March 2020 in terms of paragraph 5 of above circular	5,271
(iv)	Provisions adjusted during the respective accounting periods against slippages and the residual provisions in terms of paragraph 6	-
(v)	Total Provision on such loans as at March 31, 2020, as per the circular	5,271
(vi)	Total Provision on such loans as at March 31, 2020, as per books of accounts (ECL/Fair Valuation)	5,882

62 The Present Management in the process of analysing and reconciling its total assets have observed that an amount of ₹ 3,01,868 lakh have not been reconciled and could not be mapped to any security against which this amounts was disbursed in the past. The process of identifying and mapping of this amount to any scheme under which they were disbursed and further steps to be taken basis the findings, are being addressed as a part of CIRP and the same is underway and the Transaction Audit report may reveal further details in this regard.

In the light of the above position and in the absence of internal confirmations, it has been decided as a prudent measure to treat the amount as loss assets as per asset classification norms and also due to non-availability of any security, the Company has fully provided for this amount while preparing the financials of the Company for the year ended 31st March 2020.

63 The Company in the past has incurred cost for development of customised software for its operations and recording of transactions which has been carried as intangible asset under development, the balance of which as at March 31, 2020 is ₹ 10,517 lakh. Considering the fact that financial statement is prepared on going Concern assumption, the Company is of the view that no adjustment is required to be made to the carrying value of the intangible asset under development pursuant to the requirements of Ind AS 36 on Impairment of Assets.

64 The National Housing Bank has imposed penalty of ₹. 0.10 lakh plus applicable taxes due to Non-compliance with the provisions of Housing Finance Companies - Approval of Acquisition or Transfer of Control (NHB) Directions,2016 and Violation of Policy Circular No. 30 during the financial year ended 31 March 2020.

65 List of Creditors (including Financial, Operational, Workmen & Employees and Other Creditors) and Security Interest, as approved by RP, disclosed on Company Website for all claims received till 28 January, 2020 persuent to public announcement made on 4 December, 2019 in accordance with section 13 and 15 of Insolvency and Bankruptcy code, 2016 read with Regulation 6 of CIRP Regulations.

66 Certain balances of banks, trade receivables, trade payable, other payables are subject to confirmation including any adjustment to the carrying value of the assets and liabilities and their presentation and classification. However, in the opinion of the management, these will not have any significant impact on the losses for the year and on the net worth of the Company as on the balance sheet date

67 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/ disclosure.

68 There are no subsequent events other than disclosed in notes to the financial statements

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forming part of the financial statements for the year ended March 31, 2020

69 DISCLOSURES REQUIRED BY THE NATIONAL HOUSING BANK

The following additional disclosure have been given in terms of Notification no. NHB.HFC.CG DIR.1/MD&CEO/2016 dated February 9, 2017 issued by the National Housing Bank. These figures may not be traceable to the Financial Statements as at March 31, 2020. The differences are arising as the disclosures are made as per the regulatory requirements vis a vis the financial statements prepared as per Indian Accounting Standards prescribed under section 133 of the Companies Act, 2013

As required under above guidelines, read with additional requirement / guidelines with reference to the interpretation of various terms / classifications, the following additional disclosures are given as under by the Management.

1 Minimum Disclosures

The following additional disclosures have been given in terms of Notification no. NHB.HFC.CG DIR.1/MD&CEO/2016 dated February 9, 2017 issued by the National Housing Bank.

2 Summary of Significant Accounting Policies

The accounting policies regarding key areas of operations are disclosed as note no 2 to the Standalone Financial Statement for the year ended March 31, 2020

3 Disclosures :

3.1 Capital

(₹ in Lakh)

Particulars		31.03.2020	31.03.2019
i)	CRAR (%) *	(1.83)%	14.04%
ii)	CRAR – Tier I Capital	(5.95)%	9.38%
iii)	CRAR – Tier II Capital	4.12%	4.66%
iv)	Amount of Subordinated debt raised as Tier II Capital	155,326	173,286
v)	Amount raised by issue of perpetual Debt Instruments	129,430	113,581

3.2 Reserve Fund U/s 29 C of NHB Act, 1987

(₹ in Lakh)

Particulars			31.03.2020	31.03.2019
Balance at the beginning of the year				
a)		Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	65,324	65,324
b)		Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under, Section 29C of the NHB Act, 1987	118,575	118,575
c)		**Total**	**183,899**	**183,899**
Addition during the year				
Add: a)		Amount transferred u/s 29C of the NHB Act, 1987	-	-
b)		Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987	-	-
Less: a)		Amount appropriated from the Statutory Reserve u/s 29C of the NHB Act, 1987	-	-
b)		Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	-	-
	c)	**Total**	**-**	**-**
Balance at the end of the year				
a)		Statutory Reserve u/s 29C of the National Housing Bank Act, 1987	65,324	65,324
b)		Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under, Section 29C of the NHB Act, 1987	118,575	118,575
c)		**Total**	**183,899**	**183,899**

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forming part of the financial statements for the year ended March 31, 2020

3.3 Investments Current

(₹ in Lakh)

Particulars		31.03.2020	31.03.2019
3.5.1	**Value of Investments**		
(i)	Gross Value of Investments	423,793	247,037
	(a) In India	423,793	247,037
	(b) Outside India	-	-
(ii)	Provision for Depreciation	7,500	7,500
	(a) In India	7,500	7,500
	(b) Outside India	-	-
(iii)	Net value of Investments	416,293	239,537
	(a) In India	416,293	239,537
	(b) Outside India	-	-
3.5.2	**Movement of provisions held towards depreciation on Investments**	-	-
(i)	opening balance	7,500	-
(ii)	Add: Provisions Made during the year	-	7,500
(ii)	Less : write-off/written bank of excess provisions during the year	-	-
(iv)	Closing Balance	7,500	7,500

3.4 Derivatives :

3.4.1 Forward Rate agreement (FRA)/ Interest Rate Swap (IRS)

(₹ in Lakh)

Particulars		31.03.2020	31.03.2019
i)	The notional principal of swap agreements	NIL	777,006
ii)	Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	NIL	16,195
iii)	Collateral required by the HFC upon entering into swaps	-	-
iv)	Concentration of credit risk arising from the swaps	NIL	NA**
v)	The fair value of the swap book	NIL	13,281

*** As the company has contracts with multiple banks hence Concentration of credit risk is not applicable*

3.4.2 Exchange Traded Interest Rate (IR) Derivative

The company has not entered into any exchange traded Interest rate Derivative during the financial year 2019 -2020.

3.4.3 Disclosures on Risk Exposure in Derivatives

A Qualitative Disclosure

The Company has not entered into any derivative exposure as on 31st Mar 2020.

B Quantitative Disclosure

(₹ in Lakh)

Particulars		Currency Derivatives	Interest Rate Derivatives
i)	Derivatives (Notional Principal Amount)	NIL	NIL
ii)	Market to Market Positions	NIL	NIL
	(a) Assets (+)	NIL	NIL
	(b) Liability (-)	NIL	NIL
iii)	Credit Exposure	NIL	NIL
iv)	Unhedged Exposures	NIL	NIL

Notes

forming part of the financial statements for the year ended March 31, 2020

3.5 Securitisation

3.5.1 Details of outstanding amount of securitised assets as per books of the SPVs sponsored by the Company and total amount of exposures retained by the Company as on 31st March, 2020 towards the Minimum Retention Requirements (MRR):

(₹ in Lakh)

Particulars				No. / Amount
1.	No of SPVs sponsored / with Transaction on securitisation			18
2.	Total amount of securitised assets as per books of the SPVs sponsored			431,826
3.	Total amount of exposures retained towards the MRR as on the date of balance sheet			94,138
	(I)	Off-balance sheet exposures towards Credit Concentration		30,558
		a)	Cash Collateral	30,558
		b)	Investment in Class 'B' PTCs	-
	(II)	On-balance sheet exposures towards Credit Concentration		63,580
		a)	Cash Collateral	4,814
		b)	Investment in Class 'B' PTCs	58,766
4.	Amount of exposures to securitisation transactions other than MRR			
	(I)	Off-balance sheet exposures towards Credit Concentration		NIL
		a)	Exposure to own Securitization	-
			i)	-
			ii)	-
		b)	Exposure to third party securitization	NIL
			i)	-
			ii)	-
	(II)	On-balance sheet exposures towards Credit Concentration		NIL
		a)	Exposure to own Securitization	
			i)	-
			ii)	-
		b)	Exposure to third party securitization	NIL
			i)	-
			ii)	-

3.5.2 Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

(₹ in Lakh)

Particulars		31.03.2020	31.03.2019
i)	No. of accounts	-	1
ii)	Aggregate value (net of provisions) of accounts sold to SC / RC	-	15.25
iii)	Aggregate consideration	-	15.00
iv)	Additional consideration realized in respect of accounts transferred in earlier years(b) Liability (-)	-	-
v)	Aggregate (gain) / loss over net book value	-	0.25

3.5.3 Detail of Assignment transactions undertaken by HFC's

(₹ in Lakh)

Particulars		31.03.2020	31.03.2019
i)	No. of accounts	6	42
ii)	Aggregate value (Net of Provisions) of accounts assigned	374,324	1,742,136
iii)	Aggregate consideration	374,324	1,742,136
iv)	Additional consideration realized in respect of accounts transferred in earlier years	Nil	Nil
v)	Aggregate (gain)/loss over net book value for the year	Nil	Nil

Notes

forming part of the financial statements for the year ended March 31, 2020

3.5.4 Details of non-performing financial assets purchased / sold

A. Detail of non-performing financial assets purchased

(₹ in Lakh)

Particulars			31.03.2020	31.03.2019
1	(a)	No of accounts purchases during the year	NIL	NIL
	(b)	Aggregate Outstanding	NIL	NIL
2	(a)	of these, number of accounts restructured during the year	NIL	NIL
	(b)	Aggregate Outstanding	NIL	NIL

B. Detail of Non-performing Financial Assets Sold :

(₹ in Lakh)

Particulars		31.03.2020	31.03.2019
1	No of accounts Sold	895	1
2	Aggregate Outstanding	16,289	17.94
3	Aggregate Consideration received	9,772	15.00

3.6 Assets Liability Management (Maturity pattern of certain items of Assets Liabilities)

(₹ in Lakh)

Maturity Buckets	Liabilities			
	Deposits	Borrowings from Bank	Market Borrowing	Foreign Currency Liabilities
Upto 30/31 days (one month)	175,127	553,889	865,526	37,654
Over 1 month & up to 2 month	47,343	25,177	104,700	-
Over 2 month & up to 3 month	33,994	68,487	-	-
Over 3 month & up to 6 month	21,246	124,462	79,000	16,339
Over 6 month & up to 12 month	108,229	326,628	120,900	96,058
Over 1 Year & up to 3 Years	126,198	1,061,619	1,498,254	149,689
Over 3 Year & up to 5 Years	12,678	565,844	942,810	-
Over 5 Year & up to 7 Years	5,508	266,069	620,165	-
Over 7 Year & up to 10 Years	5,248	93,460	324,833	-
Over 10 Years	-	20,970	116,070	-
Total	**535,571**	**3,106,605**	**4,672,258**	**299,739**

Maturity Buckets	Assets		
	Advance	Investments	Foreign Currency Assets
Upto 30/31 days (one month)	11,102	240	-
Over 1 month & up to 2 month	10,762	-	-
Over 2 month & up to 3 month	10,797	-	-
Over 3 month & up to 6 month	32,655	-	-
Over 6 month & up to 12 month	103,932	-	-
Over 1 Year & up to 3 Years	539,567	10,737	-
Over 3 Year & up to 5 Years	2,116,984	-	-
Over 5 Year & up to 7 Years	1,708,140	-	-
Over 7 Year & up to 10 Years	442,371	303,962	-
Over 10 Years	1,265,333	73,113	-
Total	**6,241,643**	**388,052**	**-**

Notes

forming part of the financial statements for the year ended March 31, 2020

3.7 Exposure

3.7.1 Exposure to Real Estate Sector

(₹ in Lakh)

Category			31.03.2020	31.03.2019
a)	**Direct Exposure**			
	(i)	**Residential Mortgages -**		
		Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented (Individual Housing loans upto ₹ 15 Lakh may be shown separately	6,677,202	7,791,376
		Individual Housing loans upto ₹ 15 Lakh (Included In above)	739,922	2,013,421
	(ii)	**Commercial Real Estate -**		
		Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or ware house space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits	909,965	1,107,348
	(iii)	**Investments in Mortgage Backed Securities (MBS) and other securitised exposures -**		
		a) Residential	58,760	14,126
		b) Commercial Real Estate	-	-
b)	**Indirect Exposure**			
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)		-	-

3.7.2 Exposure to Capital Market

(₹ in Lakh)

Particulars		31.03.2020	31.03.2019
i)	Direct Investment in equity shares, Convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate Debt	3,429	13,833
ii)	Advance against shares/bonds/debentures or other securities or on clean basis to individual for the investment in shares(including IPOs/ESOPs), Convertible bonds, convertible debentures and units of equity -oriented mutual funds.	-	-
iii)	Advance for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security.	-	-
iv)	Advance for any other purposes to the extent secured by collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares /Convertible bonds/ convertible debentures/Unit of equity oriented Mutual funds ' does not fully cover the advances.	-	-
v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and Market makers;	-	-
vi)	Loans Sanctioned to corporates against the security of shares /bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
vii)	Bridge loans to companies against expected equity flows/issues;	-	-
viii)	All exposures to venture Capital funds (Both registered and unregistered)	1,502	1,893
Total Exposure to Capital Market		**4,931**	**15,726**

Notes

forming part of the financial statements for the year ended March 31, 2020

3.7.3 Details of financing of parent company products

Not Applicable

3.7.4 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL)

The Company has not exceeded the prudential exposure limits during the year with reference to Single Borrower Limit (SGL) / Group Borrower Limit (GBL).

3.7.5 Unsecured Advances

The Company does not finance any projects (including infrastructure projects) where the collateral being an intangible security i.e. rights, licenses, authorisations.

4 Miscellaneous

4.1 Registration obtained from other financial sector regulators

a) The Company has obtained a Corporate Agent (Composite) license bearing registration no. CA0052 from insurance Regulatory and Development Authority of India (IRDAI)

b) Other Registration with:

i) Financial Intelligence Unit, India (FIU) vide Registration No. FIHFC00010

ii) Association of Mutual Funds in India (AMFI) vide registration no. ARN-101515, as AMFI Registered Mutual Fund Advisor.

4.2 Disclosure of Penalties imposed by NHB and other regulators

During FY 2019-20,NNB has imposed penalty of ₹ 0.10 lakh plus applicable taxes due to short provisioning on account of wrong assets classification of some rescheduled / restructured Slum Redevelopment Project loans and non housing loans. Refer Note No. 64

4.3 Related party Transactions

All Related Party Transactions have been reported in Note No. 49. The policy on dealing with Related party transactions have been placed on website as well as in annual report.

4.4 Rating assigned by Credit Rating Agencies and migration of rating

Rating Particulars	Rating Agency	31-03-2020	31-03-2019
Short-term debt / commercial paper	ICRA	ICRA D	ICRA A2+; Under Watch with Negative Implications
	CRISIL	CRISIL D	CRISIL A2+ (Under Rating Watch with Negative Implications)
IPDIs	CARE	CARE D	CARE BBB+ (Under Credit watch with developing implications)
	BRICKWORKS	BWR D	BWR A+ (Under Credit Watch with Negative Implications)
Subordinated debt	CARE	CARE D	CARE A- (Under Credit watch with developing implications)
	BRICKWORKS	BWR D	BWR AA- (Under Credit Watch with Negative Implications)
NCDs	CARE	CARE D	CARE A (Under Credit watch with developing implications)
	BRICKWORKS	BWR D	BWR AA- (Under Credit Watch with Negative Implications)
NCDs (Public Issue)	CARE	CARE D	CARE A (Under Credit watch with developing implications)
	BRICKWORKS	BWR D	BWR AA- (Under Credit Watch with Negative Implications)
Preference Shares	CARE	CARE D (RPS)	CARE A- (RPS) (Under Credit watch with developing implications)
Long-term Bank Loans	CARE	CARE D	CARE A (Under Credit watch with developing implications)
Public (Fixed) Deposits	CARE	CARE D (FD)	CARE A (FD) (Under Credit watch with developing implications)
	BRICKWORKS	BWR FD	BWR FAA- (Under Credit Watch with Negative Implications)

Notes

forming part of the financial statements for the year ended March 31, 2020

4.5 Remuneration of Directions

Please refer Form No. MGT 9 for Directors Remuneration details.

4.6 Management

The prescribed information is suitably set-out in Management Discussion and Analysis which forms part of annual report.

4.7 Net Profit or Loss for the period, prior period items and changes in accounting policies

Their are no prior period items that have impact on current year's Profit and Loss.

4.8 Revenue Recognition

During the year there were no revenue recognition which has been postponed pending the resolution of significant uncertainties.

4.9 IND AS 110 – Consolidated Financial Statements (CFS)

Refer Note No. 2, Significant Accounting Polices forming part of Consolidated Financial Statement for the relevant disclosures.

5 Additional Disclosures

5.1 Provisions and contingencies

(₹ in Lakh)

Particulars	31.03.2020	31.03.2019
i) Provisions for depreciation on Investment	-	7,500
ii) Provisions made towards Income Tax	(365,111)	(35,638)
iii) Provisions towards NPA	996,328	38,855
iv) Provisions for Standard Assets (with detail like teaser loan,CRE,CRE-RH etc)	(29,093)	305,477
v) Other Provision and Contingencies(with details)	128,816	28,892

(₹ in Lakh)

Break up of Provision and contingencies shown under the head expenditure in profit and loss account	Housing Loan		Non-Housing Loan	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019
Standard Assets				
a) Total Outstanding Amount	1,677,034	6,085,470	1,277,124	2,645,781
b) Provisions made	16,649	34,273	12,861	26,252
Sub-Standard Assets				
a) Total Outstanding Amount	1,494,247	137,889	1,480,282	48,078
b) Provisions made	224,144	20,683	222,050	7,212
Doubtful Assets- Category -I				
a) Total Outstanding Amount	625,474	22,101	351,407	11,404
b) Provisions made	156,369	5,525	87,852	2,851
Doubtful Assets- Category -II				
a) Total Outstanding Amount	128,850	7,045	55,107	4,779
b) Provisions made	51,541	2,818	22,043	1,913
Doubtful Assets- Category -III				
a) Total Outstanding Amount	74,865	10,008	171,594	3,247
b) Provisions made	75,142	10,008	171,594	3,247
Loss Assets				
a) Total Outstanding Amount	301,868	-	-	-
b) Provisions made	301,868	-	-	-
Total				
a) Total Outstanding Amount	4,302,338	6,262,513	3,335,515	2,713,289
b) Provisions made	825,713	73,307	516,401	41,475

Notes

forming part of the financial statements for the year ended March 31, 2020

5.2 Draw Down from Reserves

There was no draw down from the Statutory / Special Reserve during the year.

5.3 Concentration of Public Deposits, Advance, Exposures and NPAs

5.3.1 Concentration of Public Deposits (For Public Deposit taking /holding HFCs)

(₹ in Lakh)

Particulars	31.03.2020	31.03.2019
Total Deposits to twenty Depositors	263,272	281,716
Percentage of Deposits of twenty largest borrowers /Customers to total Exposure of the HFC on Borrowers /Customers	49.71%	40.97%

5.3.2 Concentration of Loans & Advances

(₹ in Lakh)

Particulars	31.03.2020	31.03.2019
Total Exposure to twenty largest borrowers/customers	1,680,615	1,391,077
Percentage of Exposures to twenty largest borrowers /Customers to total Exposure of the HFC on Borrowers /Customers	22.00%	15.50%

5.3.3 Concentration of all Exposure (Including off-balance sheet exposure)

(₹ in Lakh)

Particulars	31.03.2020	31.03.2019
Total Exposure to twenty largest borrowers/customers	1,680,615	1,645,937
Percentage of Exposures to twenty largest borrowers /Customers to total Exposure of the HFC on Borrowers /Customers	21.46%	17.14%

5.3.4 Concentration of NPAs

(₹ in Lakh)

Particulars	31.03.2020	31.03.2019
Total Exposure to top ten NPA accounts	1,729,202	9,698

5.3.5 Sector wise NPA

Sector		Percentage to total Advances
A.	**Housing Loans:**	
1.	Individuals	13.13%
2.	Builders/Project Loans	95.23%
3.	Corporates	0.00%
4.	Others Loans	100.00%
B.	**Non-Housing Loans:**	
1.	Individuals	0.00%
2.	Builders/Project Loans	99.34%
3.	Corporates	0.00%
4.	Others Loans	60.70%

Notes

forming part of the financial statements for the year ended March 31, 2020

5.4 Movement of NPAs

Particulars			31.03.2020	31.03.2019
I)	Net NPAs to Net Advances (%)		44.14%	2.12%
II)	Movement of NPAs (Gross)			
	a)	Opening balance	244,551	88,094
	b)	Additions during the year	4,489,873	201,174
	c)	Reduction during the year	50,729	44,717
	d)	Closing balance	4,683,695	244,551
III)	Movement of NPAs (Net)			
	a)	Opening balance	189,859	51,032
	b)	Additions during the year	3,220,381	162,319
	c)	Reduction during the year	39,148	23,492
	d)	Closing balance	3,371,092	189,859
IV)	Movement of Provisions for NPAs (Excluding provisions on Standard assets)			
	a)	Opening balance	54,692	37,062
	b)	Additions during the year	1,269,491	38,855
	c)	Reduction during the year	11,581	21,225
	d)	Closing balance	1,312,603	54,692

5.5 Overseas Assets

(₹ in Lakh)

Particulars	31.03.2020	31.03.2019
	NIL	NIL
	NIL	NIL

The Company does not have any overseas assets

5.6 Off-balance Sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

The Company does not have any sponsored SPVs which needs to be consolidated as per Accounting norms

Name of SPV Sponsored	
Domestic	**Overseas**
NIL	NIL

Notes

forming part of the financial statements for the year ended March 31, 2020

6 Disclosure of Complaints

6.1 Customers Complaints

Particulars		31.03.2020	31.03.2019
a)	No of Complaints Pending at the beginning of the year	3	13
b)	No of Complaints received during the year	2,531	1,295
c)	No of complaints redressed during the year	2,504	1,305
d)	No of complaints pending at the end of the year	30	3

70. APPROVAL OF FINANCIAL STATEMENTS

The Financial statements have been taken on record by the Administrator while discharging the powers of the erstwhile Board of Directors of the Company which were conferred upon him by the RBI Order dated November 20, 2019 and subsequently, powers conferred upon him in accordance with the NCLT Order dated December 3, 2019 to run the Company as a going concern during CIRP.

DINESH KUMAR BACHCHAS
Partner
Membership No. 097820
For and on Behalf of
K.K. MANKESHWAR & CO.
Chartered Accountants
FRN: 106009W
UDIN: 20097820AAAAHJ4433

New Delhi, dated the
20th June 2020

For Dewan Housing Finance Corporation Limited
(a Company under Corporate Insolvency Resolution Process by an order dated December 3, 2019 passed by Hon'ble NCLT, Mumbai)

Mr. Vaijinath M G
Chief Executive Officer

Mr. S N Baheti
Company Secretary

Mr. S K Bansal
Chief Finance Officer

MR. R SUBRAMANIAKUMAR
ADMINISTRATOR APPOINTED UNDER IBC

Mumbai
20th June 2020

The Administrator has been appointed under Rule 5(a)(iii) of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 under the Insolvency and Bankruptcy Code, 2016. The affairs, business and property of Dewan Housing Finance Corporation Limited are being managed by the Administrator, Mr. R. Subramaniakumar, who acts as agent of the Company only and without any personal liability. Address for Correspondence - Ground & 6th Floor, HDIL Towers, Anant Kanekar Marg, Station Road, Bandra (East), Mumbai 400051Email ID for Correspondence: dhfladministrator@dhfl.com

Independent Auditors' Report

To The Members of
Dewan Housing Finance Corporation Limited

Report on the Audit of the Consolidated Financial Statements

DISCLAIMER OF OPINION

We were engaged to audit the accompanying consolidated financial statements of Dewan Housing Finance Corporation Limited ('the Parent' or 'the Company') and its subsidiaries (the Parent and its subsidiaries together referred to as the 'Group'), and its associates and joint ventures, which comprise of the consolidated balance sheet as at March 31, 2020, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

We do not express an opinion on the accompanying consolidated financial statements of the Group. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

BASIS FOR DISCLAIMER OF OPINION

The predecessor joint statutory auditors had issued a Disclaimer Report basis the observations forming part of their report for the financial year ended 31st March, 2019. Their observations together with the observations noted during the year ended March 31, 2020 are as below:

1. We refer to note no 52 of the consolidated financial statements regarding that the Administrator, the Advisors (refer to the Members of the Committee of Advisors), and the present Key Managerial Personnel ("KMP" / "Present Management") have not been able to analyse in depth the accuracy, validity, completeness or authenticity of the information and figures mentioned in the consolidated financial statements as they have joined after November 20, 2019; and have been involved in the affairs of the Company for less than four months in the entire financial year 2019-20 and also owing to the lockdown which commenced from March 23, 2020 due to COVID 19, causing the office-shut down till the closure of the financial year 2019-20 which subsequently got extended till May 31, 2020. Further, as a part of Corporate Insolvency Resolution Process (CIRP) of the Company, a Transaction Audit to determine avoidable transactions in terms of Section 43, 45, 49, 50 and 66 of the Insolvency & Bankruptcy Code (IBC) and an exercise to determine the liquidation value and fair valuation of the Company is underway. These activities could not be conclusively completed till the signing of the financial statement in view of the disruption caused due to the lockdown restrictions. The outcome of such Transaction Audit may provide additional facts/information about the past data with respect to the Company. The Administrator has signed the consolidated financial statements solely for the purpose of compliance and discharging his duties during CIRP period of the Company and in accordance with the provisions of the IBC, read with the regulations and rules thereunder, and based on the explanations, clarifications, certifications, representations and statement made by the existing staff of the Company in relation to the data pertaining to the period prior to the joining of the Present Management and does not have knowledge of the past affairs, finances and operations of the Company.

2. We refer to note no 51 of the consolidated financial statements regarding various good governance initiatives undertaken by the Present Management including various efforts to strengthen of the financial policies and processes, functioning of the IT system; loan / security documentation, legal audit, internal financial controls and updating risk control matrices, risk and fraud risk management, through in-house resources and engagement of external professional experts/consultants. These initiatives have been undertaken soon after the Present Management became effective. While substantial progress is stated to have been made, by concluding some initiatives undertaken by the present management certain initiatives could not be fully concluded and implemented by March 31, 2020 due to the necessary time required for the same; and also because of lockdown and mobility restrictions introduced in view of COVID-19 and the lockdown imposed by State and Union Government.

   In view of the foregoing we have not been able to obtain sufficient and appropriate evidence in support of the outcomes of the said initiatives and their impact upon the overall governance / control environment within the Company.

3. We refer to the "Written Representations" by Present Management and its limitations and inability thereof in

confirming or non-confirming the assertions (refer para 1 above) forming part of the standard "Written Representation" as required by us in accordance with the guidelines issued by the Institute of Chartered Accountants of India ("the ICAI").

4. We refer to multiple issues of financial significance as highlighted by the predecessor joint statutory auditors in their report for the year ended 31st March, 2019 together with the suspected irregularities as reported and under media scrutiny. These issues are presently investigated by the concerned agencies namely Ministry of Corporate Affairs (MCA); Serious Fraud Investigation Office (SFIO), Enforcement Directorate (ED), and Central Bureau of Investigation (CBI). As of the date of this report, investigations are ongoing and not yet concluded and pending outcome of ongoing investigations, the Present Management believes that adjustments of the impact of these matters on the consolidated financial statements including with regard to any adjustments to the carrying values of the loans, restatement of receivables/payables, related parties and other disclosures and compliances, as applicable can be made only when the same become known in definitive terms following the conclusion of the said investigations together with the outcome of the ongoing transactions audits performed by independent agencies/firms appointed by the Administrator. Further, we also understand that various regulatory authorities / lenders are currently carrying out their own investigations which are yet to be completed/ concluded; and they may make a determination on whether any fraud or any other non-compliance/ illegalities have occurred in relation to the allegations and matters under public scrutiny. We have been informed by the Present Management that these investigations and audits are not yet completed; with no outcomes being communicated by the concerned agencies / firms to the Present Management, and accordingly no adjustments are made in consolidated financial statements in respect of the said reported matters.

   In view of the above and pending outcome of ongoing investigation, we have not been able to comment on the completeness and appropriateness of the balances in relation to these subjected matters as quoted in the consolidated financial statements and the consequential impact that the outcomes of the investigations and transaction audits may have on the consolidated financial statements and the provisions made by the Present Management during this year.

5. We refer to note no 59 of the consolidated financial statements regarding the investments / advances by way of unsecured Inter Corporate Deposit (ICD) aggregating ₹ 565,269 lakh which were outstanding as at March 31, 2019. Of these, ICDs aggregating ₹ 93,835 lakh have since been repaid by the borrowers and ICDs aggregating to ₹ 1,30,661 lakh have been converted during the period of previous management into term loans during the period prior to November 20, 2019, resulting in an outstanding of ₹ 3,78,624 lakh under ICDs, including interest receivable as of March 31, 2020. The recoverability or otherwise of the remaining amount is yet to be ascertained, and hence the appropriate provision amounting to ₹ 2,25,032 lakh has been made as a prudent measure. Due to non-availability of the recovery data, the company has considered the Loss Given Default percentage (LGD)% as specified in the guidelines issued by the RBI in the circular "Implementation of the Internal Rating Based (IRB) Approaches for Calculation of Capital Charge for Credit Risk" as a proxy LGD%. This is also based on the industry practice followed in the cases where the companies do not have the trend of recovery experience. Present Management has stated that these provisions may undergo changes upon the actual realization on case to case basis and has citied its limitations in confirming w.r.t to completeness; correctness and authenticity of the figures as quoted in the consolidated financial statements.

   In view of the foregoing we have not been able to comment upon the completeness; correctness and adequacy / inadequacy of such provisions and their consequential effect on the carrying values of the subjected accounts and impact on the consolidated financial statements.

6. We refer to the observations made by the predecessor joint statutory auditors in respect of certain loans and Pass-through Certificates (PTC) granted or invested by the Company:

   i. Multiple accounting entries were initially recorded in certain customer accounts for receipts despite the cheques or negotiable instrument not having been deposited in the bank(s), as reported in financial year 2018-19 and these were subsequently reversed. Such instances have now been informed to have been constantly reviewed by the Present Management.

   ii. Deficiencies in documentation of Project / Mortgage loans for which the Present Management has initiated a legal audit that is ongoing and it has expressed its inability to express any view on the documentation adequacy / completeness till the conclusion of the same.

7. We refer to note no 60 of the consolidated financial statements regarding the wholesale loan portfolio aggregating

₹ 49,58,544 lakh (pursuant to classification of this portfolio to "held for sale" in the previous year ended 31st March 2019) have been "fair valued" as at 31st March 2020 at ₹30,73,231 lakh, with the resulting fair value loss aggregating ₹ 18,85,313 lakh. The basis of valuation of the portfolio is stated to have been changed during the year ended 31st March 2020 by discounting the cash flow assessed by the external registered valuer as against the contractual cash flow used by the erstwhile management in the previous year and present management for the year ended 31st March 2020. Further, as the outcome of valuation exercise to be completed in CIRP, this may undergo change.

8. We refer to note no 62 of the consolidated financial statements regarding that there exists mis-match amounting to ₹ 3,01,868 lakh that is yet to be identified and mapped to individual parties and the underlying securities available, if any, out of the available surplus security covers and for which Present Management has initiated transaction audit which is still in process. Provisions have been made in consolidated financial statements for the same due to non-availability of internal confirmations; and all the relevant and authenticate data in completeness (as stated). These provisions may undergo changes upon the actual realization on case to case basis. Further the Present Management has citied its limitations in confirming w.r.t completeness; correctness and authenticity of the figures as quoted in consolidated financial statements.

   In view of the foregoing, we have not been able to obtain sufficient appropriate audit evidence to support the values of the loans and we have not been able to determine if these matters would have an impact on the consolidated financial statements including with regard to any adjustments to the carrying value of the loans, restatement, related parties and other disclosures and compliances as applicable.

9. We refer to the observations made by National Housing Bank (NHB) in its inspection for the year ended March 31, 2018 as per the provisions of the National Housing Bank Act, 1987 in respect Project Loans. Accounting Adjustments / Provisions are made in the consolidated financial statements as recommended in the NHB's Inspection Report as per NHB's Guidelines. Some of the key factors such as credit worthiness of parties, historical / past records, market value of underlying certain securities / assets etc., that could influence the values of such provisions, are not factored into while arriving at the values of such provisions due to non-availability of all the relevant and authenticate data in completeness (as stated). These provisions may undergo changes upon the actual realization on case to case basis. Further the Present Management has citied its limitations in confirming w.r.t completeness; correctness and authenticity of the figures as quoted in consolidated financial statements.

   Further, the loss aggregating ₹ 13,41,864 lakh (including comprehensive Income) incurred by the Group during the year ended March 31, 2020, has rendered the Company not able to comply with the regulatory requirements of NHB in respect of the Net Owned Fund (NOF) and which also resulted in multiple contraventions of the provisions of NHB Act, 1987, Directions and Guidelines thereon. Although the aforesaid non-compliance may in ordinary course result in potential action against the Company by NHB in this regard, we have not been able to commenting on the same since the Company is presently under moratorium imposed by the Hon'ble NCLT which prevents any actions against the Company

   In view of the stated observations made by the NHB and of the non-compliance with the NHB's provisions by the Company, we have not been able to obtain sufficient appropriate audit evidence in support of; and comment upon the completeness; correctness and adequacy / inadequacy of such provisions and their consequential effect on the carrying values of the subjected accounts, penal actions, if any, and impact on consolidated financial statements including with regard to any adjustments to the carrying value of the loans, restatement, related parties and other disclosures and compliances as applicable subject to the moratorium declared by NCLT Order in respect of the Company.

10. We refer to note no 44(c) of the consolidated financial statements regarding that the Present Management has revisited the underlying assumptions required to calculate the provisions for ECL on the retail loan portfolio to remediate the deficiencies in the underlying assumptions as followed in the previous year to measure ECL provisions to be considered in consolidated financial statements as on March 31, 2020. However due to inherent deficiencies and non-availability of the historical data which is being used for the purpose of calculating provisioning based on Expected Credit Loss (ECL), some of the key factors such as historical / past records; relevant underlying securities / assets etc., that could influence the values of such provisions, are still to be fully factored into while arriving at the values of such provisions due to non-availability of all the relevant and authenticate data in completeness (as stated). These provisions may undergo change upon the actual realization on case to case basis. Further the Present Management has citied its limitations in confirming w.r.t completeness; correctness and authenticity of the figures as quoted in the consolidated financial statements.

    In view of the foregoing, we have not been able to obtain sufficient appropriate audit evidence in support of; and

comment upon the completeness; correctness and adequacy / inadequacy of such provisions and their consequential effect on the carrying values of the subjected accounts and impact on consolidated financial statements including with regard to any adjustments to the carrying value of the loans, restatement, related parties and other disclosures and compliances as applicable.

11. We refer to note no 58 of the consolidated financial statements regarding that no provision is made by the Company, pursuant to its admission under the IBC (i.e December 3, 2019), in respect of it's obligation for interest on all the borrowings basis the opinion from legal advisors. The interest not so provided for amounts to ₹ 2,36,133 lakh and the loss for the year ended as on March 31, 2020 are accordingly understated respectively to that extent.

    As a legal opinion is confirmed in finality by the competent authority only when concluding the matter, we have not been able to comment upon the position being taken by the Present Management in this regard.

12. We refer to note no 56 & 57 of the consolidated financial statements regarding that the Company has recognized net deferred tax asset of ₹ 5,04,330 lakh as at March 31, 2020. The Company is required to perform an assessment as required by Ind AS 12 - 'Income Taxes' which requires the Company to determine the probability of future taxable income to utilize the deferred tax asset. In the light of the above and pending the outcome of the CIRP, we have not been able to comment on the same.

13. We refer to note no 63 of the consolidated financial statements regarding that the Company has incurred expenditure aggregating ₹ 10,517 lakh for development of customised software for its operations and recording of transactions which has been carried as intangible asset under development as at March 31, 2020. The Company has not performed an impairment assessment as required by Ind AS 36 - 'Impairment of Assets' which requires the Company to determine whether the economic benefit in respect of this intangible asset shall be available to the Company in subsequent periods taking into consideration the uncertainty in respect of its plan to monetize its assets, secure funding from the bankers / investors, restructure its liabilities and recommence its operations. In view of foregoing, we have not been provided sufficient appropriate evidence about the carrying value of the intangible asset under development and adjustments required, if any, to consolidated financial statements.

14. In view of the possible effects of the matters described in paragraphs 1 to 13 above, we have not been able to comment on the Company's compliance of the covenants in respect of all borrowings and consequential implications including disclosures, if any, to these consolidated financial statements

15. In view of the foregoing, we have not been able to obtain sufficient appropriate evidence to support the values of the loans and we have not been able to determine if these matters would have an impact on the consolidated financial statements including with regard to any adjustments to the carrying value of the loans, assets, restatement, related parties and other disclosures and compliances, as applicable. We were further not able to comment whether the loans referred in above paragraphs have been properly secured and hence these loans may have been granted including terms and conditions there-of, in a manner that is prejudicial to the interest of the Company or its members, for the reasons stated therein. We have been informed by the Present Management that appropriate classifications for such loans has been made by them now along with the required provisioning in this regard.

16. We refer to note no 53 of the consolidated financial statements regarding that the differences as noticed in some instances between the claims submitted by the Creditors of the Company, during CIRP, in which in some instances the amount of claim admitted or to be admitted by the Present Management may differ from the amount reflecting in the books of account of the Company. Pending final outcome of the CIRP no adjustments, including of the effects arising due to changes in foreign exchange rates and claims admitted as on the date of acceptance of claims, have been made in the consolidated financial statements and books of account for the differential amounts, if any. Further as stated in note 66 of the consolidated financial statements regarding that certain balances of banks, trade receivables, trade payable, other payables are subject to confirmation including any adjustment to the carrying value of the assets and liabilities and their presentation and classification. However, in the opinion of the management, these will not have any significant impact on the losses for the year and on the net worth of the Company as on the balance sheet date.

17. Refer our comments under 'Material uncertainty related to Going Concern' below.

18. We refer to note no 55 of the consolidated financial statements regarding that in accordance with RBI regulatory package, the Company has offered moratorium to its eligible customers based on an approved policy. The management has informed us that various measures have been taken to reduce the impact of moratorium on the portfolio of the Company. However, since the extent to which COVID-19 will

impact Company's financial performance is dependent on future developments.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

The Group has incurred loss aggregating ₹ 13,41,864 lakh (including comprehensive Income) during the year ended March 31, 2020, and has accumulated losses due to which its net worth has been fully eroded. However these consolidated financial statements are drawn on going concern basis under the ongoing Corporate Insolvency Resolution Process (CIRP), the outcome of which cannot be presently ascertained including matters also listed herein. Therefore, Group's ability to remain as a "going concern" depends upon outcome of the ongoing CIRP.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Parent's Board of Directors/Resolution Professional / Management is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group including its associates and joint ventures in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group including its associates and joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors/Resolution Professional / Management of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors/Resolution Professional / Management of the companies included in the Group and of its associates and joint ventures are responsible for assessing the ability of the Group and of its associates and joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors/Resolution Professional / Management of the companies included in the Group and of its associates and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associates and joint ventures.

However in case of the Company, the Reserve Bank of India (RBI) vide its letter and press release dated November 20, 2019 ("RBI Order") issued under Section 45IE of the Reserve Bank of India Act, 1934, superseded the Board of Directors of the Company owing to governance concerns and defaults by the Company in meeting various payment obligations and appointed an Administrator to run the Company. Subsequently, in accordance with the order dated December 3, 2019 of the National Company Law Tribunal (Mumbai Bench) ("NCLT Order"), the Corporate Insolvency Resolution Process ("CIRP") of the Company commenced under IBC, the RBI appointed Administrator, among other things, to run the Company as a "going concern" during CIRP as also incumbent upon the Resolution Professional, under section 20 of the Code, to manage the operations of the Company as a going concern. Accordingly, the consolidated financial statements for the year ended 31st March 2020 have been prepared on going concern assumptions.

The above consolidated financial statements of the Company have been taken on record by the Administrator while discharging the powers of the Board of Directors of the Company which have been conferred upon him by the RBI Order superseding the Board of Directors of the Company and in accordance with the NCLT Order dated 3rd December 2019, solely for the purpose of ensuring regulatory compliance

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

We are independent of the Group in accordance with the ethical requirements in accordance with the requirements of the Code of Ethics issued by ICAI and the ethical requirements as prescribed under the laws and regulations applicable to the entity.

OTHER MATTERS

i. We did not audit the financial statements and other financial information of one subsidiary included in the Consolidated

Financial Statements, whose financial information reflect total revenues of ₹ Nil, and net loss after tax of ₹ 0.30 Lakh for the year ended March 31, 2020 as considered in the consolidated financial statements.

These financial statements and other financial information have been audited by other auditor, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion, in so far as it relates to the affairs of such subsidiary, is based solely on the report of such other auditor.

The consolidated financial statements also include the Group's share of net loss of ₹ 2,896 lakh for the year ended March 31, 2020, as considered in the consolidated financial statements, in respect of two associates and joint ventures, whose financial information have not been audited by us. This financial information are unaudited and have been furnished to us by the management and are opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of such associates and joint ventures, is based solely on such unaudited financial statements and other unaudited financial information. We are unable to comment on the impact on loss for the year ended 31st March 2020, had such associates and joint ventures been subjected to audit.

ii. The consolidated financial statements of the Company for the year ended 31st March 2019 were audited by the predecessor joint statutory auditors, who have expressed a disclaimer of opinion on those consolidated financial statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(1), we report that, we have not been able to comment whether the loans referred in paragraph 6(ii) above have been properly secured and hence these loans may have been granted in a manner that is prejudicial to the interest of the Company or its members, for the reasons stated therein. Further, in respect to loans referred to in paragraphs 4, 5 and 6(ii) above, we have not been able to comment whether the terms on which these have been made are prejudicial to the interest of the Company or its members, for the reasons stated therein.

2. As required by Section 143(3) of the Act, we report that:

   a) As described in the Basis for Disclaimer of Opinion section above, we have sought but were not able to obtain all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) Due to the possible effects of the matter described in the Basis for Disclaimer of Opinion section above, we have not been able to state whether proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and the reports of the other auditors.

   c) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion section above, we are unable to state whether the consolidated balance Sheet, the consolidated statement of profit and loss including other comprehensive income, consolidated statement of changes in equity, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account.

   d) Due to the possible effects of the matter described in the Basis for Disclaimer of Opinion section above, we are unable to state whether, the aforesaid consolidated financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

   e) The matter described in the Basis for Disclaimer of Opinion section above and in the Material uncertainty related to Going Concern section above, in our opinion, may have an adverse effect on the functioning of the Group.

   f) We are unable to state whether any director of the Company and its subsidiaries are disqualified as on March 31, 2020 from being appointed as a director in the terms of Section 164 (2) of the Act, as we have been explained that the Holding Company has not received any written representation from any director in this respect.

   g) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Disclaimer of Opinion section above.

   h) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses disclaimer of opinion on the Group's internal financial controls over financial reporting for the reasons stated therein.

   i) Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion section above, we are unable to state whether the managerial

remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion section above, we are unable to state whether the Group has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 39 to the consolidated financial statements;

ii. Due to the possible effects of the matter described in the Basis for Disclaimer of Opinion section above, we are unable to state whether the Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund (IEPF) by the Parent and its subsidiary companies, associate companies, and joint venture companies incorporate in India except general delay ranging from 1 to 16 days in transferring unclaimed public deposits and ₹ 59 lakh was due for payment to the IEPF under Section 125 of the Companies Act, 2013 as at the year-end in respect of Unclaimed Matured Deposits which was not deposited into IEPF, pursuant to stay order issued by Honourable Bombay High Court and after RBI initiated the CIRP process against the Company.

DINESH KUMAR BACHCHAS
Partner
Membership No. 097820
For and on Behalf of
K.K. MANKESHWAR & CO.
Chartered Accountants
FRN: 106009W
UDIN: 20097820AAAAHJ4433
New Delhi, dated the
20th June 2020

Annexure "A" to the Independent Auditors' Report

(Referred to in paragraph 2(h) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We were engaged to audit the internal financial controls over financial reporting of Dewan Housing Finance Corporation Limited ('the Parent' or 'the Company') and its subsidiaries (the Parent and its subsidiaries together referred to as the 'Group'), and its associates and joint ventures, which are companies incorporated in India, as of March 31, 2020 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors/Resolution Professional / Management of the Parent, its subsidiary company, its associates companies and joint ventures, which are companies incorporate in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies, its associate companies and its joint ventures, which are companies incorporated in India, based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls.

Because of the matter described in Basis for Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls system over financial reporting of the Company.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting with reference to these Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these Consolidated Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

BASIS FOR DISCLAIMER OF OPINION

During the financial year 2019-20, on November 20, 2019, the Reserve Bank of India (RBI) vide its letter and press release ("RBI Order") issued under Section 45IE of the Reserve Bank of India Act, 1934, superseded the Board of Directors of the Company owing to governance concerns and defaults by the Company in meeting various payment obligations and appointed an Administrator to run the Company and thereafter also constituted a three-member Advisory Committee to assist the Administrator of the Company in discharge of his duties. Subsequently, the National Company Law Tribunal (Mumbai Bench) vide its order dated December 3, 2019 ("NCLT Order"), among other things, admitted the Application filed by the RBI, commenced the Corporate Insolvency Resolution Process ("CIRP") of the Company under IBC and confirmed the appointment of the Administrator appointed by the RBI to perform all the functions of Resolution Professional to complete the CIRP. The Key Managerial Personnel ("KMPs" or "Present Management") team comprises of the Administrator; the Chief Executive Officer ("CEO"), the Company Secretary ("CS") and the Chief Financial Officer ("CFO").

The Present Management has undertaken good governance initiative, soon after it became effective, inclusive of strengthening of Internal Financial Controls and updating Risk Control Matrices, Risk and Fraud Risk Management specifically in context of Internal Controls over Financial Reporting. While substantial progress is stated to have been made, by concluding some as well, the initiative pertaining to straightening, updating and revising the

internal financial controls and risk control matrices could not be fully concluded and implemented by March 31, 2020 due to the time essentially required; and also because of lockdown and mobility restrictions introduced in view of COVID-19, by State and Union Government.

Further, due to possible effects of the matters described in the Basis for Disclaimer of Opinion paragraphs of our Audit Report on the consolidated financial statements for the year ended March 31, 2020, the Company has a deficient / inadequate system of internal financial control over financial reporting with regard to assessment of possible material adjustments that could/ arise may be required to be made to the recorded values of assets and liabilities.

In view of the foregoing, we are unable to obtain sufficient appropriate audit evidence so as to provide a basis for our opinion as to whether the Company had adequate of internal financial control over financial reporting and that whether such internal financial controls were operating effectively as at March 31, 2020.

DISCLAIMER OF OPINION

Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion paragraph above and in our main audit report, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion on whether the Company, Subsidiaries, Associates and Joint Ventures incorporated in India had adequate internal financial controls over financial reporting with reference to these Consolidated Financial Statements as at March 31, 2020 and this report affects our report dated June 20,2020 which expressed a disclaimer of opinion on these Consolidated Financial Statements of the Group.

We have considered the disclaimer of opinion reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2020 Consolidated Financial Statements of the Group and this report affects our report dated August 30, 2019 which expressed a disclaimer of opinion on those Consolidated Financial Statements.

DINESH KUMAR BACHCHAS
Partner
Membership No. 097820
For and on Behalf of
K.K. MANKESHWAR & CO.
Chartered Accountants
FRN: 106009W
UDIN: 20097820AAAAHJ4433
New Delhi, dated the
20th June 2020

Consolidated Balance Sheet

as at March 31, 2020

(₹ in Lakh)

	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Financial assets			
Cash and cash equivalents	5	684,928	126,012
Bank Balances other than Above	5	87,064	177,148
Derivative financial instruments	6	-	17,113
Receivables	7	275	476
Housing and Other loans:-	8		
At amortised cost		3,547,037	6,634,997
At Fair Value		3,073,231	3,162,815
		6,620,268	**9,797,812**
Investments	9	388,051	249,831
Other Financial Assets	10	148,357	104,807
Total Financial Assets		**7,928,943**	**10,473,199**
Non-Financial assets			
Current Tax Assets (Net)	11	33,023	37,020
Deferred tax assets	12	504,330	43,396
Property, plant and equipment	13	85,361	78,293
Intangible assets under development	14	10,517	10,401
Other intangible assets	14	6,669	8,175
Other non-financial assets	15	14,124	9,714
Total Non-Financial Assets		**654,024**	**186,999**
Total Assets		**8,582,967**	**10,660,198**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Derivative financial instruments	6	-	30,251
Trade Payables	16		
(i) Total outstanding dues of micro enterprises and small enterprises		34	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		12,088	10,205
Debt Securities	17	4,542,829	4,811,289
Borrowings (Other than Debt Securities)	18	3,841,077	4,065,993
Deposits	19	527,889	682,677
Subordinated Liabilities	20	129,430	121,251
Other Financial Liabilities	21	69,544	127,457
Total Financial Liabilities		**9,122,891**	**9,849,123**
Non-Financial Liabilities			
Provisions	22	753	1,015
Other Non-Financial Liabilities	23	13,937	16,325
Total Non-Financial Liabilities		**14,690**	**17,340**
Total Liabilities		**9,137,581**	**9,866,463**
EQUITY			
Equity Share Capital	24	31,382	31,382
Other Equity	25	(585,996)	762,353
Total Equity		**(554,614)**	**793,735**
Total Liabilities and Equity		**8,582,967**	**10,660,198**

The accompanying notes form an integral part of the financial statements

DINESH KUMAR BACHCHAS
Partner
Membership No. 097820
For and on Behalf of
K.K. MANKESHWAR & CO.
Chartered Accountants
FRN: 106009W
UDIN: 20097820AAAAHJ4433

New Delhi, dated the
20th June 2020

For Dewan Housing Finance Corporation Limited
(a Company under Corporate Insolvency Resolution Process by an order dated December 3, 2019 passed by Hon'ble NCLT, Mumbai)

Mr. Vaijinath M G
Chief Executive Officer

Mr. S N Baheti
Company Secretary

Mr. S K Bansal
Chief Finance Officer

MR. R SUBRAMANIAKUMAR
ADMINISTRATOR APPOINTED UNDER IBC

Mumbai
20th June 2020

The Administrator has been appointed under Rule 5(a)(iii) of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 under the Insolvency and Bankruptcy Code, 2016. The affairs, business and property of Dewan Housing Finance Corporation Limited are being managed by the Administrator, Mr. R. Subramaniakumar, who acts as agent of the Company only and without any personal liability. Address for Correspondence - Ground & 6th Floor, HDIL Towers, Anant Kanekar Marg, Station Road, Bandra (East), Mumbai 400051Email ID for Correspondence: dhfladministrator@dhfl.com

Consolidated Statement of Profit and Loss

for the year ended March 31, 2019

(₹ in Lakh)

	Notes	Year Ended March 31, 2020	Year Ended March 31, 2019
REVENUE FROM OPERATIONS			
a) Interest Income	26	923,216	1,230,771
b) Dividend Income	27	-	1,074
c) Fees and Commission Income	28	283	27,547
d) Net gain on fair value changes	29	-	-
e) Net gain on derecognition of financial instruments under amortised cost category	30	2,397	20,583
f) Other Operating Revenue	31	29,900	8,239
Total Revenue from Operations		**955,796**	**1,288,214**
Other Income	32	2,089	2,952
Total Income		**957,885**	**1,291,166**
EXPENSES			
Finance costs	33	573,621	941,691
Net loss on fair value changes	29	1,503,471	245,837
Impairment on financial instruments	34	624,213	100,897
Employee benefit expense	35	28,329	48,533
Depreciation and amortisation expense	13	7,941	5,115
Other expenses	36	26,562	59,494
Total Expenses		**2,764,137**	**1,401,567**
(Loss)/Profit before Tax		**(1,806,252)**	**(110,401)**
Tax Expense	37		
- Current tax		-	53,640
- Earlier years adjustments		(1,133)	192
- Deferred tax		(462,434)	(65,840)
Total Tax Expense		**(463,567)**	**(12,008)**
Net (Loss) / Profit After Tax before Share of net profits of associates and joint ventures		**(1,342,685)**	**(98,393)**
Share of net profits of associates and joint ventures		**(2,896)**	**1,802**
Net (Loss) / Profit After Tax (Fully attributable to owners of the Parent)		**(1,345,581)**	**(96,591)**
OTHER COMPREHENSIVE INCOME			
(A) Items that will not be reclassified to profit/(loss)			
(i) Remeasurements of the defined employee benefit plans		(154)	129
(ii) Share of other comprehensive income of associates and joint ventures		-	(5)
(iii) Income tax relating to items that will not be reclassified to profit/(loss)		39	(36)
Subtotal (A)		**(115)**	**88**
(B) Items that will be reclassified to profit/(loss)			
(i) Cash flow hedge		5,320	2,506
(ii) Income tax relating to items that will be reclassified to profit/(loss)		(1,488)	(701)
Subtotal (B)		**3,832**	**1,805**
Other Comprehensive Income (A + B) (Fully attributable to owners of the Parent)		**3,717**	**1,893**
Total Comprehensive Income (Fully attributable to owners of the Parent)		**(1,341,864)**	**(94,698)**
Earnings per Equity Share			
Basic (₹)		(428.77)	(30.78)
Diluted (₹)		(428.77)	(30.78)

The accompanying notes form an integral part of the financial statements

DINESH KUMAR BACHCHAS
Partner
Membership No. 097820
For and on Behalf of
K.K. MANKESHWAR & CO.
Chartered Accountants
FRN: 106009W
UDIN: 20097820AAAAHJ4433

New Delhi, dated the
20th June 2020

For Dewan Housing Finance Corporation Limited
(a Company under Corporate Insolvency Resolution Process by an order dated December 3, 2019 passed by Hon'ble NCLT, Mumbai)

Mr. Vaijinath M G
Chief Executive Officer

Mr. S N Baheti
Company Secretary

Mr. S K Bansal
Chief Finance Officer

MR. R SUBRAMANIAKUMAR
ADMINISTRATOR APPOINTED UNDER IBC

Mumbai
20th June 2020

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Consolidated Cash Flow Statement

for the year ended March 31, 2020

(₹ in Lakh)

Particulars	As at 31st March, 2020	As at 31st March, 2019
A. Cash flow from operating activities		
Net (Loss)/profit before tax	**(1,806,252)**	**(110,401)**
Adjustments for:		
Depreciation and amortisation expense	7,941	5,115
Share Based Payments to employees	(1,791)	1,533
(Profit)/Loss on Sale of Property, plant and equipments	169	5,178
Dividend income	-	(1,074)
Interest income from investments	(3,281)	(3,575)
Other interest income	(3,749)	(18,499)
Net loss/ (gain) on fair value changes	1,503,471	245,837
Net loss/ (gain) on derecognition of financial instruments under amortised cost category	594	8,805
Security Deposit written off	-	1,215
Impairment on financial instruments	624,213	100,897
Liability written off	(23,582)	-
Interest Expense	1,103	2,406
Gain on Dilution of Investment	-	(1,085)
Operating profit before working capital changes	**298,836**	**236,352**
Adjustments for:		
(Decrease)/ Increase in other non financial liabilities	(2,575)	(167)
(Decrease)/Increase in other financial liabilities	83,348	(85,629)
Increase in provisions	(262)	386
Decrease/(Increase) in trade receivables	201	3,798
(Increase)/Decrease in trade payable	1,917	(203)
(Increase)/Decrease in other financial asset	(42,830)	(36,245)
(Increase)/Decrease in other bank balances	88,548	(71,060)
(Increase)/Decrease in other non financial asset	20,235	(25,623)
Cash generated from operations during the year	**447,418**	**21,609**
Taxes paid	5,129	(43,516)
Net cash flow generated from operations before movement in housing and other loans	**452,547**	**(21,906)**
Housing and Other Property Loans Disbursed (Net)	805,076	(851,612)
Net Cash (used in) Operating Activities [A]	**1,257,623**	**(873,518)**
B. Cash flow from investing activities		
Dividend income	-	1,235
Interest Income	7,368	24,627
Sales proceeds from investment (Net)	25,084	-
Net movement in Other Investments	51,691	600,817
Net movement in PTC	(17,726)	(4,727)

Consolidated Cash Flow Statement

for the year ended March 31, 2019

(₹ in Lakh)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Capital Expenditure on Fixed Assets	(2,211)	(8,538)
Proceeds from Sale of Fixed Assets	150	61
Net Cash generated from / (used in) Investing Activities [B]	**64,356**	**613,475**
C. Cash flow from financing activities		
Issue of Equity Shares at Premium	-	19
Proceeds from redeemable non convertible debentures	-	1,909,814
Repayment of redeemable non convertible debentures	(258,526)	(407,073)
(Repayment) of / Proceeds from Commercial Paper	(75,000)	(520,000)
Proceeds from term loan	-	152,500
Repayment of term loan	(442,504)	(733,163)
Proceeds from other borrowings (net)	186,739	111,839
Public / Other Deposits (repaid)/received (net)	(173,762)	(310,752)
Dividend & Dividend Distribution Tax Paid	(10)	(9,438)
Net Cash (used in)/ generated from financing activities [C]	**(763,063)**	**193,746**
Net increase / (decrease) in cash and cash equivalents [A+B+C]	**558,916**	**(66,297)**
Cash and cash equivalents at the beginning of the year	**126,012**	**192,309**
Cash and cash equivalents at the end of the year	**684,928**	**126,012**
The accompanying notes form an integral part of the financial statements		

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Consolidated Statement of Changes in Equity

for the year ended March 31, 2020

A. EQUITY SHARE CAPITAL

(₹ in Lakh)

Particulars	Total
BALANCE AS AT MARCH 31, 2019	31,382
Changes in equity share capital during the year	-
Shares issued during the year under ESOS/ESAR	-
BALANCE AS AT MARCH 31, 2020	**31,382**

B. OTHER EQUITY

(₹ in Lakh)

Particulars	Securities Premium	Debenture Redemption Reserve	Retained Earnings	General Reserve	Special Reserve	Employee Stock Option Outstanding	OCI-Cashflow hedge reserve	Total
BALANCE AS AT MARCH 31, 2018	220,637	117,000	214,319	135,171	183,899	3,044	(5,637)	868,433
Profit/ (loss) for the year	-	-	(96,591)	-	-	-	-	(96,591)
Other comprehensive income for the year	-	-	88	-	-	-	1,805	1,893
Dividends	-	-	(9,487)	-	-	-	-	(9,487)
On shares allotted upon exercise of stock options by the Employees	245	-	-	-	-	-	-	245
Employee Stock Options (Net)	-	-	-	-	-	1,288	-	1,288
Received during the year	3	-	-	-	-	-	-	3
Utilised during the year	-	-	-	(3,438)	-	-	-	(3,438)
Employees Stock Appreciation Rights of associates	-	-	7	-	-	-	-	7
Balance as at March 31, 2019	**220,885**	**117,000**	**108,336**	**131,733**	**183,899**	**4,332**	**(3,832)**	**762,353**
Change in accounting policy	-	-	147	-	-	-		147
Profit/ (loss) for the year	-	-	(1,345,581)	-	-	-		(1,345,581)
Other comprehensive income for the year	-	-	(115)	-	-	-	3,832	3,717
Creation of deferred tax on embedded derivative	-	-	-	(4,840)	-	-	-	(4,840)
On shares allotted upon exercise of stock options by the Employees	-	-	-	-	-	-	-	-
Employee Stock Options (Net)	-	-	-	-	-	(1,792)		(1,792)
Balance as at March 31, 2020	**220,885**	**117,000**	**(1,237,213)**	**126,893**	**183,899**	**2,540**	**-**	**(585,996)**

The accompanying notes form an integral part of the financial statements

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Partner
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forming part of the Consolidated financial statements for the year ended March 31, 2020

1. CORPORATE INFORMATION

Dewan Housing Finance Corporation Limited (the Company) was incorporated in India on April 11, 1984 and has been carrying on, as its main business of providing loans to Retail customers for construction or purchase of residential property, loans against property, loans to real estate developers and loans to SMEs. The company is registered with National Housing Bank (NHB) under Section 29A of the National Housing Bank Act, 1987.

The registered office of the Company is Warden House, 2rd floor, Sir P.M Road, Fort, Mumbai -400001. The principal place of business is disclosed in the introduction to the annual report.

The Reserve Bank of India (RBI) vide its letter and press release dated November 20, 2019 ("RBI Order") issued under Section 45IE of the Reserve Bank of India Act, 1934, superseded the Board of Directors of the Company owing to governance concerns and defaults by the Company in meeting various payment obligations and appointed Mr. R. Subramaniakumar as the Administrator to run the Company. Subsequently, in accordance with the order dated December 3, 2019 of the National Company Law Tribunal (Mumbai Bench) ("NCLT Order"), the Corporate Insolvency Resolution Process ("CIRP") of the Company commenced under IBC, the RBI appointed Administrator, among other things, to run the Company as a "going concern" during CIRP as also incumbent upon the Resolution Professional, under section 20 of the Code, to manage the operations of the Company as a going concern. Accordingly, the financial statements of the Company have been prepared on going concern assumptions.

The financial statements of the Company have been taken on record by the Administrator while discharging the powers of the Board of Directors of the Company which were conferred by the RBI Order and in accordance with the NCLT Order solely for the purpose of ensuring regulatory compliance.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Consolidation

The Company consolidates all entities which are controlled by it. The Company establishes control when; it has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect the entity's returns by using its power over relevant activities of the entity.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Company's voting rights and potential voting rights.
- The size of the Company's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Entities controlled by the Company are consolidated from the date control commences until the date control ceases. All inter-Company transactions, balances and income and expenses are eliminated in full on consolidation.

Changes in the Company's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to shareholders of the Company.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Company uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Company member's financial statements in preparing the consolidated financial statements to ensure conformity with the Company's accounting policies.

2.2 Consolidation procedure

(a) Combine like items of assets, liabilities, equity, income, and expenses of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

Notes

forming part of the Consolidated financial statements for the year ended March 31, 2020

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Company's accounting policies. All intra-group assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Details of Companies Consolidated in these consolidated financial statements

Name of the Company	Type	Country of Incorporation	Holding As at March 31, 2020	Holding As at March 31, 2019
DHFL Advisory & Investments Pvt. Ltd.	Subsidiary	India	100.00%	100.00%
DHFL Holdings Ltd.	Subsidiary	India	100.00%	100.00%
PGIM India Asset Managers Pvt. Ltd. (formerly DHFL Pramerica Asset Managers Pvt. Ltd.)	Joint Ventures	India	-	50.00%
PGIM India Trustees Pvt. Ltd. (formerly DHFL Pramerica Trustees Pvt. Ltd.)	Joint Ventures	India	-	50.00%
Aadhar Housing Finance Ltd. (Formerly known as DHFL Vysya Housing Finance Ltd.)	Associate	India	-	9.15%
Avanse Financial Services Ltd.	Associate	India	-	30.63%

2.3 Business combinations and Goodwill

In accordance with Ind AS 101 provisions related to first time adoption, the Company has elected to apply Ind AS accounting for business combinations prospectively from April 01, 2017. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward.

Business combinations except under common control are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Company measures the non-controlling interests in the acquiree at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 non-current assets held for sale and discontinued operations are measured in accordance with that standard.

2.4 Investment in Associate or Joint Venture

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

Notes

forming part of the Consolidated financial statements for the year ended March 31, 2020

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results, assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting.

Under the equity method, the investment in an associate or joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Distributions received from associate or joint venture is recognised as reduction in the carrying amount of the investments. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired. After application of the equity method of accounting, the Group determines whether there any is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect.to the Group's investment in an associate or a joint venture.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with an associate of the Group, profit or losses resulting from the transactions with associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

2.5 Presentation of financial statement

The financial statements of the Company are presented as per Schedule III (Division III) of the Companies Act, 2013 applicable to NBFCs, as notified by the Ministry of Corporate Affairs (MCA). Financial assets and financial liabilities are generally reported on a gross basis except when, there is an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the parties intend to settle on a net basis in the following circumstances:

i. The normal course of business

ii. The event of default

iii. The event of insolvency or bankruptcy of the Company and/or its counterparties

Derivative assets and liabilities with master netting arrangements (e.g. International Swaps and Derivative Association Arrangements) are presented net if all the above criteria are met.

2.6 Statement of compliance

These Consolidated financial statements of the Company have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 and the other relevant provisions of the Act.

Notes

forming part of the Consolidated financial statements for the year ended March 31, 2020

2.7 Financial instruments

(i) Classification of financial instruments

Financial Assets

The Company classifies its financial assets into the following measurement categories:

1. Financial assets to be measured at amortised cost

2. Financial assets to be measured at fair value through other comprehensive income

3. Financial assets to be measured at fair value through profit or loss account

The classification depends on the contractual terms of the financial assets' cash flows and the Company's business model for managing financial assets which are explained below:

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the company's key management personnel

- The risks that affect the performance of the business model (and the financial assets held within that business model) and the way those risks are managed

- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)

- The expected frequency, value and timing of sales are also important aspects of the Company's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The Solely Payments of Principal and Interest (SPPI) test

As a second step of its classification process the Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss

Financial Liabilities and Equity

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain/loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity

Notes

forming part of the Consolidated financial statements for the year ended March 31, 2020

under conditions that are potentially unfavourable to the Company or a contract that will or may be settled in the Company's own equity instruments and is a non-derivative contract for which the Company is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Company's own equity instruments.

The Company classifies its financial liabilities at amortised costs unless it has designated liabilities at fair value through the profit and loss account or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost.

Financial liabilities are subsequently measured at amortised cost.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(ii) Financial assets measured at amortised cost

Debt instruments

The Company assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset individually and the Company's business model for managing the asset.

These financial assets comprise bank balances, Loans, Trade receivables, Derivative Financial Instrument investments and other financial assets.

Debt instruments are measured at amortised cost where they have:

a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and

b) are held within a business model whose objective is achieved by holding to collect contractual cash flows.

For the purpose of SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated. Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

Notes

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An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how financial assets are managed individually and together to achieve a particular business objective.

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss. In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss but transferred within equity. Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment.

(iii) Financial assets measured at fair value through other comprehensive income

Debt instruments

Investments in debt instruments are measured at fair value through other comprehensive income where they have:

a) contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and

b) are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest revenue and foreign exchange gains and losses are recognised in profit and loss. Upon disposal, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the statement of profit and loss. As at the reporting date the Company does not have any financial instruments measured at fair value through other comprehensive income.

Equity instruments

Investment in equity instruments that are neither held for trading nor contingent consideration recognised by the Company in a business combination to which Ind AS 103 'Business Combination' applies, are measured at fair value through other comprehensive income, where an irrevocable election has been made by management and when such instruments meet the definition of Equity under Ind AS 32 Financial Instruments: Presentation. Such classification is determined on an instrument-by-instrument basis. As at reporting date, there are no equity instruments measured at FVOCI.

Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. Dividends on such investments are recognised in profit or loss.

(iv) Items at fair value through profit or loss

Items at fair value through profit or loss comprise:

- Investments (including equity shares) held for trading;
- Items specifically designated as fair value through profit or loss on initial recognition; and
- debt instruments with contractual terms that do not represent solely payments of principal and interest

Financial instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the statement of profit and loss as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the statement of profit and loss as they arise.

Financial instruments held for trading

A financial instrument is classified as held for trading if it is acquired or incurred principally for selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking, or it is a derivative not in a qualifying hedge relationship.

Trading derivatives and trading securities are classified as held for trading and recognised at fair value.

Financial instruments designated as measured at fair value through profit or loss

Upon initial recognition, financial instruments may be designated as measured at fair value through profit or loss. A financial asset may only be designated at

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fair value through profit or loss if doing so eliminates or significantly reduces measurement or recognition inconsistencies (i.e. eliminates an accounting mismatch) that would otherwise arise from measuring financial assets or liabilities on a different basis.

A financial liability may be designated at fair value through profit or loss if it eliminates or significantly reduces an accounting mismatch or:

- if a host contract contains one or more embedded derivatives; or
- if financial assets and liabilities are both managed, and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Where a financial liability is designated at fair value through profit or loss, the movement in fair value attributable to changes in the Company's own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in other comprehensive income.

(v) Derivatives

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- It is settled at a future date.

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps. Further details of derivative financial instruments are disclosed in Note no. 6. Derivatives are initially recognised at fair value at the date the derivative contracts are entered and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

(vi) Embedded Derivatives

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract.

(vii) Hedge Accounting

The Company designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

Ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

(viii) Fair Value Hedge

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The change in the fair value of the designated portion of hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in profit or loss in the line item relating to the hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount

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of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

(ix) Cash Flow Hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in Other Comprehensive Income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Amounts previously recognised in Other Comprehensive Income and accumulated in Equity relating to (effective portion as described above) are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a re-classification adjustment) and included in the initial measurement of the cost of the non -financial asset or non-financial liability.

In cases where the designated hedging instruments are options and forward contracts, the Company has an option, for each designation, to designate on an instrument only the changes in intrinsic value of the options and spot element of forward contracts respectively as hedges. In such cases, the time value of the options is accounted based on the type of hedged item which those options hedge.

In case of transaction related hedged item in the above cases, the change in time value of the options is recognised in other comprehensive income to the extent it relates to the hedged item and accumulated in a separate component of equity i.e. Reserve for time value of options and forward elements of forward contracts in hedging relationship. This separate component is removed and directly included in the initial cost or other carrying amount of the asset or the liability (i.e. not as a re-classification adjustment thus not affecting other comprehensive income) if the hedged item subsequently results in recognition of a non-financial asset or a non-financial liability. In other cases, the amount accumulated is reclassified to profit or loss as a re-classification adjustment in the same period in which the hedged expected future cash flows affect profit or loss.

In case of time-period related hedged item in the above cases, the change in time value of the options is recognised in other comprehensive income to the extent it relates to the hedged item and accumulated in a separate component of equity i.e. Reserve for time value of options and forward elements of forward contracts in hedging relationship. The time value of options at the date of designation of the options in the hedging relationships is amortised on a systematic and rational basis over the period during which the options' intrinsic value could affect profit or loss. This is done as a re-classification adjustment and hence affects other comprehensive income.

In cases where only the spot element of the forward contracts is designated in a hedging relationship and the forward element of the forward contract is not designated, the Company makes the choice for each designation whether to recognise the changes in forward element of fair value of the forward contracts in profit or loss or to account for this element similar to the time value of an option (as described above).

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

(x) Investment in equity instruments at FVTOCI

The Company subsequently measures all equity investments at fair value through profit or loss, unless the Company's management has elected to classify irrevocably some of its equity investments as equity instruments at FVTOCI.

The Company has not elected to classify any equity investment at FVTOCI.

(xi) Debt securities and other borrowed funds

After initial measurement, debt issued, and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issue funds, and transaction costs that are an integral part of the Effective Interest Rate (EIR).

(xii) Subsequent Measurement of Financial assets

All recognised financial assets that are within the scope of Ind AS 109 are required to be subsequently

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measured at amortised cost or fair value on the basis of the company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The Company business model objective is to hold financial assets in order to collect contractual cash flows. The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates. During the current year due to certain market conditions, the company has sold financial assets during the year by way of assignment transactions which does not impact the business model of the Company and hence the Company continues to carry the financial assets at amortised cost.

(xiii) Reclassification of financial assets and liabilities

If the business model under which the Company holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category are applied prospectively.

(xiv) Recognition and Derecognition of financial assets and liabilities

Recognition:

Financial instruments comprise of financial assets and financial liabilities. Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets primarily comprise of loans and advances, deposits, trade receivables and cash and cash equivalents. Financial liabilities primarily comprise of borrowings and trade payables.

Derecognition of financial assets due to substantial modification of terms and conditions:

The Company derecognises a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised loans are classified as Stage 1 for ECL measurement purposes, unless the new loan is deemed to be Purchased or Originated as Credit Impaired (POCI).

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

Derecognition of financial assets other than due to substantial modification

a) Financial assets:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Company also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Company has transferred the financial asset if, and only if, either:

i. The Company has transferred its contractual rights to receive cash flows from the financial asset, or

ii. It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement

Pass-through arrangements are transactions whereby the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

i. The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates

ii. The Company cannot sell or pledge the original asset other than as security to the eventual recipients

iii. The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled

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to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

i. The Company has transferred substantially all the risks and rewards of the asset, or

ii. The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Company considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Company has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Company's continuing involvement, in which case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

The Company transfers loans through assignment transactions. In accordance with the Ind AS 109, on derecognition of a financial asset under assignment transactions, the difference between the carrying amount and the consideration received shall be recognised in Statement of Profit and Loss.

b) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

(xv) Impairment of financial assets

Overview of the ECL principles

The Company records allowance for expected credit losses for all loans, other debt financial assets not held at FVTPL, together with financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under Ind AS 109.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is the portion of Lifetime ECL that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The Company measures ECL based on category of loans at a collective level. The measurement of the loss allowance in respect of stage 3 developers' loans (other than those measured at FVTPL) is based on the present value of the asset's expected cash flows using the asset's original EIR. The Retail portfolio has been segmented into Home Loans (HL), Non- Home Loans (Non-HL) and Small and Medium Enterprises (SME) based on the nature and unique risk characteristics of each portfolio. The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. The Company does the assessment of significant increase in credit risk at a borrower level. If a borrower has various facilities having different past due status, then the highest days past due (DPD) is considered to be applicable for all the facilities of that borrower.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

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Based on the above, the Company categorises its loans into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1

All exposures where there has not been a significant increase in credit risk since initial recognition or that has low credit risk at the reporting date and that are not credit impaired upon origination are classified under this stage. The company classifies all standard advances and advances up to 30 days default under this category. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.

Stage 2

All exposures where there has been a significant increase in credit risk since initial recognition but are not credit impaired are classified under this stage. 30 Days Past Due is considered as significant increase in credit risk.

Stage 3

All exposures assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred are classified in this stage. For exposures that have become credit impaired, a lifetime ECL is recognised and interest revenue is calculated by applying the effective interest rate to the amortised cost (net of provision) rather than the gross carrying amount. Above 90 Days Past Due is considered as default for classifying a financial instrument as credit impaired.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

The Financial assets for which the Company has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

Credit-impaired financial assets:

At each reporting date, the company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

a) Significant financial difficulty of the borrower;

b) A breach of contract such as a default or past due event;

c) The restructuring of a loan or advance by the company on terms that the company would not consider otherwise;

Forward looking information

While estimating the expected credit losses, the Company reviews macro-economic developments occurring in the economy and market it operates in. On a periodic basis, the Company analysis if there is any relationship between key economic trends like GDP, housing price index etc. with the estimate of PD, LGD determined by the Company based on its internal data.

Collateral Valuation

To mitigate its credit risks on financial assets, the Company seeks to use collateral, where possible. The collateral comes in various forms, such as movable and immovable assets, guarantees etc. However, the fair value of collateral affects the calculation of ECLs. To the extent possible, the Company uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as vehicles, is valued based on data provided by third parties or management judgements.

Collateral repossessed

In its normal course of business whenever default occurs, the Company may take possession of properties or other assets in its retail portfolio and generally disposes such assets through auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, assets under legal repossession processes are not recorded on the balance sheet.

(xvi) Write-offs

The Company reduces the gross carrying amount of a financial asset when the Company has no reasonable

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expectations of recovering a financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event. The Company may apply enforcement activities to financial assets written off. Any subsequent recoveries against such loans are credited to the statement of profit and loss.

(xvii) Determination of fair value

On initial recognition, all the financial instruments are measured at fair value. For subsequent measurement, the Company measures certain categories of financial instruments at fair value on each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i. In the principal market for the asset or liability, or

ii. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

Level 1 financial instruments - Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company has access to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.

Level 2 financial instruments - Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.

Level 3 financial instruments - Those that include one or more unobservable input that is significant to the measurement as whole.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. No such instances of transfers between levels of the fair value hierarchy were recorded during the reporting period.

Difference between transaction price and fair value at initial recognition

The best evidence of the fair value of a financial instrument at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, the Company recognises the difference

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between the transaction price and the fair value in profit or loss on initial recognition (i.e. on day one).

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognises the difference between the transaction price and fair value in net gain on fair value changes. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognised in profit or loss when the inputs become observable, or when the instrument is derecognised.

2.8. Revenue from operations

Revenue is recognised to the extent that it is probable the economic benefits will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery. Revenue is measured at the fair value of the consideration received or receivable, as applicable.

(i) Interest Income

The main source of revenue for the Company is Income from Housing and Other property loans. Repayment of housing and property loan is generally by way of Equated Monthly Instalments (EMIs) comprising of principal and interest. EMIs generally commence once the entire loan is disbursed. Pending commencement of EMIs, pre-EMI interest is payable every month/quarter/annual, as applicable, on the loan that has been disbursed. Interest is calculated either on annual rest or on monthly rest on the basis of agreed terms with the borrowers.

Interest income is recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial assets other than credit-impaired assets and financial assets classified as measured at FVTPL.

The EIR in case of a financial asset is computed

a. As the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset.

b. By considering all the contractual terms of the financial instrument in estimating the cash flows

c. Including all fees received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest income on credit impaired assets is recognised by applying the effective interest rate to the net amortised cost (net of provision) of the financial asset.

(ii) Dividend Income

Dividend income is recognised

a. When the right to receive the payment is established,

b. it is probable that the economic benefits associated with the dividend will flow to the company and

c. the amount of the dividend can be measured reliably

(iii) Rental Income

Rental income arising from operating leases is recognised on a straight-line basis over the lease term. Operating leases are leases where the Company does not transfer substantially all of the risk and benefits of ownership of the asset.

(iv) Investment Income

The gains/losses on sale of investments are recognised in the Statement of Profit and Loss on trade date. Gain or loss on sale of investments is determined on the basis of weighted average cost.

(v) Fees & Commission Income

Fee and commission, other than the fee that forms an integral part of EIR, are accounted on accrual basis.

(vi) Net gain on Fair value changes

Any differences between the fair values of financial assets classified as fair value through the profit or loss (refer Note 29), held by the Company on the balance sheet date is recognised as an unrealised gain / loss. In cases there is a net gain in the aggregate, the same is recognised in “Net gains on fair value changes” under Revenue from operations and if there is a net loss the same is disclosed under “Expenses” in the statement of Profit and Loss.

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Similarly, any realised gain or loss on sale of financial instruments measured at FVTPL and debt instruments measured at FVOCI is recognised in net gain / loss on fair value changes. As at the reporting date the Company does not have any debt instruments measured at FVOCI.

However, net gain / loss on derecognition of financial instruments classified as amortised cost is presented separately under the respective head in the Statement of Profit and Loss.

(vii) Other Operating Income

Prepayment charges, delayed payment interest and other such incomes where recovery is uncertain are recognized on receipt basis.

2.9. Expenses

(i) Finance costs

Finance costs represents Interest expense recognised by applying the Effective Interest Rate (EIR) to the gross carrying amount of financial liabilities other than financial liabilities classified as FVTPL.

The EIR in case of a financial liability is computed

a. As the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the gross carrying amount of the amortised cost of a financial liability.

b. By considering all the contractual terms of the financial instrument in estimating the cash flows

c. Including all fees paid between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Any subsequent changes in the estimation of the future cash flows is recognised in interest income with the corresponding adjustment to the carrying amount of the assets.

Interest expense includes issue costs that are initially recognized as part of the carrying value of the financial liability and amortized over the expected life using the effective interest method. These include fees and commissions payable to advisers and other expenses such as external legal costs, Rating Fee etc, provided these are incremental costs that are directly related to the issue of a financial liability.

(ii) Retirement and other employee benefits

Short term employee benefit

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include short term compensated absences such as paid annual leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the period. Benefits such as salaries and wages, etc. and the expected cost of the bonus/ex-gratia are recognised in the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under:

(a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and

(b) in case of non-accumulating compensated absences, when the absences occur.

Post-employment employee benefits

a) Defined contribution schemes

The contribution to provident fund, pension fund, National Pension Scheme and employee state insurance scheme are considered as defined contribution plans and are charged as an expense in the Statement of Profit and Loss based on the amount of contribution required to be made as and when services are rendered by the employees.

The Company has no liability for future benefits other than its annual contribution and recognises such contributions as an expense in the period in which employee renders the related service. If the contribution payable to the scheme for service received before the Balance Sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the Balance Sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

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b) Defined Benefit schemes

The Company provides for the gratuity, a defined benefit retirement plan covering all employees. The plan provides for lump sum payments to employees upon death while in employment or on separation from employment after serving for the stipulated years mentioned under 'The Payment of Gratuity Act, 1972'. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary at each Balance Sheet date, using the Projected Unit Credit Method, which recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government Securities as at the Balance Sheet date.

Net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on the plan assets above or below the discount rate is recognized as part of re-measurement of net defined liability or asset through other comprehensive income. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, attrition rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, these liabilities are highly sensitive to changes in these assumptions. All assumptions are reviewed annually.

Re-measurement, comprising of actuarial gains and losses and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Re-measurements are not reclassified to profit and loss in subsequent periods.

Other long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

(c) Share-based payment arrangements

The share appreciation rights granted to employees pursuant to the Company's Stock Appreciation Rights Scheme are measured at the fair value of the rights at the grant date. The fair value of the rights is treated as discount and accounted as employee compensation cost over the vesting period on a straight-line basis. The amount recognised as expense in each year is at based on the number of grants expected to vest. If a grant lapses after the vesting period, the cumulative discount recognised as expense in respect of such grant is transferred to Other Equity.

(iii) Impairment of non-financial assets

The carrying amount of assets is reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets, net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(iv) Taxes

Current Tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries

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where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax assets and liabilities are recognised for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are only recognised for temporary differences, unused tax losses and unused tax credits if it is probable that future taxable amounts will arise to utilise those temporary differences and losses. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities are realised simultaneously.

Minimum Alternate Tax (MAT)

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that it is probable that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the MAT Credit Entitlement asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Goods and services tax /value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the goods and services tax/value added taxes paid, except:

i. When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

ii. When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

(v) Other income and expenses

All Other income and expense are recognized in the period they occur.

2.10. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities representing obligations to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease

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liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (s) Impairment of non-financial assets.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company's exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities are included in note no. 21

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

2.11. Foreign currency translation

(i) Functional and presentational currency

The Consolidated financial statements are presented in Indian Rupees which is also functional currency of the Company and the currency of the primary economic environment in which the Company operates. Functional currency of the Company has been determined based on the primary economic environment in which the Company operate considering the currency in which funds are generated, spent and retained.

(ii) Transactions and balances

Initial recognition:

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Conversion:

Monetary assets and liabilities denominated in foreign currency, which are outstanding as at the reporting date, are translated at the reporting date at the closing exchange rate and the resultant exchange differences are recognised in the Statement of Profit and Loss.

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Non–monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.

2.12. Cash and cash equivalents

Cash and cash equivalents comprise the net amount of short-term, highly liquid investments that are readily convertible to known amounts of cash (short-term deposits with an original maturity of three months or less) and are subject to an insignificant risk of change in value, cheques on hand and balances with banks. They are held for the purposes of meeting short-term cash commitments (rather than for investment or other purposes).

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short- term deposits, as defined above.

2.13. Property, plant and equipment

Property, plant and equipment (PPE) are measured at cost less accumulated depreciation and accumulated impairment, (if any). The total cost of assets comprises its purchase price, freight, duties, taxes and any other incidental expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Changes in the expected useful life are accounted for by changing the amortisation period or methodology, as appropriate, and treated as changes in accounting estimates.

Subsequent expenditure related to an item of tangible asset are added to its gross value only if it increases the future benefits of the existing asset, beyond its previously assessed standards of performance and cost can be measured reliably. Other repairs and maintenance costs are expensed off as and when incurred.

Depreciation

Depreciation is calculated using the straight–line method to write down the cost of property and equipment to their residual values over their estimated useful lives which is in line with the estimated useful life as specified in Schedule II of the Companies Act, 2013. Depreciation method is reviewed at each financial year end to reflect expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives are as follows:

Particulars	Useful life as prescribed by Schedule II of the Companies Act, 2013	Useful life estimated by Company
Building	60 years	60 years
Furniture and fixture	10 years	10 years
Office equipment	5 years	5 years
Vehicles	10 years	8 years
Computer	3 years	3 years
Leasehold improvement		Lease Period
Leasehold Premises		Lease period

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Property plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in other income / expense in the statement of profit and loss in the year the asset is derecognised. The date of disposal of an item of property, plant and equipment is the date the recipient obtains control of that item in accordance with the requirements for determining when a performance obligation is satisfied in Ind AS 115.

2.14. Intangible assets

An intangible asset is recognised only when its cost can be measured reliably, and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset comprises its purchase price and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

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The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life, or the expected pattern of consumption of future economic benefits embodied in the asset, are accounted for by changing the amortisation period or methodology, as appropriate, which are then treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is presented as a separate line item in the statement of profit and loss. Amortisation on assets acquired/sold during the year is recognised on a pro-rata basis to the Statement of Profit and Loss from / up to the date of acquisition/sale.

Amortisation is calculated using the straight–line method to write down the cost of intangible assets to their residual values over their estimated useful lives. Intangible assets comprising of software are amortised on a straight-line basis over a period of 3 years to 6 years, unless it has a shorter useful life.

The Company's intangible assets consist of computer software with definite life. It includes Intangible asset under development.

Gains or losses from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

2.15. Provisions

Provisions are recognised when the enterprise has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

When the effect of the time value of money is material, the enterprise determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

2.16. Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent Assets:

Contingent assets are not recognised but disclosed in the financial statements. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date

2.17. Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- estimated number of contracts remaining to be executed on capital account and not provided for;
- other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

2.18. Earning Per Share

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

2.19. Non-Current Assets held for sale

Non-current assets are classified as held for sale if their carrying amount is intended to be recovered principally through a sale (rather than through continuing use) when the asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and the sale is highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

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Non-current assets classified as held for sale are measured at lower of their carrying amount and fair value less costs to sell.

2.20. Exceptional items

An item of income or expense which its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and the same is disclosed in the notes to accounts.

2.21. Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method. Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as on the date of Balance Sheet.

2.22. Special Reserve

The company creates statutory reserve every year out of its profits in terms of section 36(1)(viii) of the Income Tax Act, 1961 read with section 29C of the National Housing Bank Act, 1987.

2.23. Investments in Subsidiary, Associates and Joint ventures

Investments in Subsidiary, Associates and Joint Ventures are measured at cost as per Ind AS 27 – Separate Financial Statements.

2.24. Segments

Based on "Management Approach" as defined by Ind AS 108, The Chief Operating Decision Maker (CODM) evaluates the "Operating Segments". Operating segments are reported in a manner consistent with the internal reporting provided to the CODM. The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Income / costs which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under Unallocated Income / Costs

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with the Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosure and the disclosure of contingent liabilities, at the end of the reporting period. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

3.1 Business Model Assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Company monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. Also refer Note in respect of change in business model in respect of certain mortgage and developer loans. All other loans are held at amortised cost based on the business model of collecting contractual cash flows on account of principal and interest.

3.2 Defined employee benefit assets and liabilities

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate; future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly

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sensitive to changes in these assumptions. All assumptions are reviewed annually.

3.3 Fair value measurement:

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using various valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Fair valuation of Investments (other than investment in subsidiaries, associates and joint ventures) and certain developer and mortgage loans.

The Company measures some of its investments and certain developer and mortgage loans at fair value. In determining the fair value, the Company uses quoted prices in active markets for identical assets or based on inputs which are observable either directly or indirectly. However, in certain cases, the Company adopts valuation techniques and inputs which are not based on market data. When market observable information is not available, the Company has applied appropriate valuation techniques and inputs to the valuation model.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Information about valuation techniques and inputs used in determining the fair value are disclosed in Note 42.

3.4 Impairment of loans portfolio

The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

The impairment loss on loans and advances is disclosed in more detail in Note 44 Overview of ECL principles.

3.5 Contingent liabilities and provisions other than impairment on loan portfolio

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and revised to take account of changing facts and circumstances.

3.6 Effective Interest Rate (EIR) method

The Company's EIR methodology, recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of loans given / taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges).

This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to India's base rate and other fee income/expense that are integral parts of the instrument

3.7 Other estimates:

These include contingent liabilities, useful lives of tangible and intangible assets etc.

4. RECENT ACCOUNTING DEVELOPMENTS

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

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5 CASH AND BANK BALANCE

(₹ in Lakh)

Particulars	As at March 31, 2020	As at April 1, 2019
Cash and Cash Equivalents		
(i) Cash on hand		
(ii) Balances with Banks:	55	1,047
- In Current Accounts	30,521	120,892
- In Deposit Accounts	654,352	4,073
	684,928	**126,012**
Other Bank Balances		
(i) In other Deposit Accounts		
- Other deposit accounts		
- Original Maturity less than 3 months	13,061	18,322
- Original Maturity more than 3 months but less than 12 months	33,238	98,177
- Original Maturity more than 12 months	40,590	60,464
(ii) Earmarked Balances with Banks		
- Unclaimed Dividend Account	175	185
	87,064	**177,148**
Total	**771,992**	**303,160**

5.1 Short-term deposits are made for varying periods of between seven day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

5.2 Fixed deposit with banks earns interest at fixed rate.

5.3 Balances with Banks in Deposit Accounts includes deposits under lien are as follows:-

	As at 31.03.2020	As at 31.03.2019
SLR Requirement	58,886	72,514
Bank Guarantee	2,555	1,241
Securitisation comforts provided to various trustees/buyers	23,452	80,811
Sinking fund requirement of debentures provided to Trustee(s) of debentures	-	1,350
Margin Money	486	-
Collateral against derivatives	-	18,000
Total	**85,379**	**173,916**

5.4 Cheques received before 31st March, 2020 but deposited after 31st March, 2020 due to Covid-19 lockdown are included in the Bank Balances and accounted for as on 31st March, 2020.

6 DERIVATIVE FINANCIAL INSTRUMENTS

The Company enters into derivatives for risk management purposes. Derivatives held for risk management purposes include hedges that either meet the hedge accounting requirements or hedges that are economic hedges.

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.

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The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

(₹ in Lakh)

Particulars	31-03-2020			31-03-2019		
	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities	Notional Amounts	Fair Value - Assets	Fair Value - Liabilities
Part I						
(i) Currency derivatives:						
- Currency swaps-Principal only swaps	-	-	-	294,293	10,198	809
- Forwards	-	-	-	18,861	-	526
Subtotal (i)	**-**	**-**	**-**	**313,154**	**10,198**	**1,335**
(ii) Interest rate derivatives						
- Interest Rate Swaps	-	-	-	484,293	6,915	-
- Written options (Refer note 6.3)		-	-		-	28,916
Subtotal(ii)	-	-	-	484,293	6,915	28,916
Total Derivative Financial Instruments (i)+(ii)	**-**	**-**	**-**	**797,447**	**17,113**	**30,251**
Part II						
Included in above (Part I) are derivatives held for hedging and risk management purposes as follows:						
(i) Fair value hedging:						
- Interest rate derivatives	-	-	-	190,000	3,294	-
Subtotal (i)	**-**	**-**	**-**	**190,000**	**3,294**	**-**
(ii) Cash flow hedging:						
- Currency derivatives		-	-	294,293	10,198	809
- Interest rate derivatives		-	-	294,293	3,621	-
- Forward			-	18,861	-	526
Subtotal (ii)	**-**	**-**	**-**	**607,447**	**13,819**	**1,335**
Total Derivative Financial Instruments (i)+(ii)	**-**	**-**	**-**	**797,447**	**17,113**	**1,335**

6.1 Refer Note 44(c) For Foreign currency risk.

6.2 The Company has written put option to Wadhawan Global Capital Private Limited (WGC) in connection with Investment made by WGC in Compulsory Convertible Debentures issued by DHFL Investments Limited. However this liability would be considered as contingent liability as there are other legal remedies available with the counter party. The Company has disclosed this as a contingent liability. (Refer Note 39)

6.3 During the year all the hedging instruments are terminated by the banks. The company has assessed that the hedge future cash flows are no longer expected to occur accordingly company has reclassified amount accumulated in cash flow hedge reserve of ₹ 5,320 Lakh from the cash flow hedge reserve to profit or loss under the head finance cost as a reclassification adjustment.

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7 RECEIVABLES

(₹ in Lakh)

Particulars	As at 31.03.2020	As at 31.03.2019
Trade receivables		
Unsecured considered good	275	476
Unsecured which have significant increase in credit risk	-	79
Unsecured - credit impaired	79	-
	354	**555**
Provision for impairment for:		
Unsecured considered good		
Receivables which have significant increase in credit risk	-	79
Receivables - credit impaired	79	-
	275	**476**

7.1 Trade Receivables includes amounts due from the related parties ₹ 165 lakh (₹ 476 Lakh) (Refer note 49)

7.2 No trade or other receivable are due from directors or other officers of the Corporation either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member. In these notes the 'directors' represent the directors of the Board of the Company superseded by the RBI vide its letter and press release dated 20th November 2019.

7.3 Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

7.4 Trade receivables days past due

	More than 360 days past due	Total
ECL rate	100%	
As at March 31, 2020		
Estimated total		
gross carrying	79	79
amount at default		
ECL-Simplified approach	79	79
Net carrying amount	-	-
As at March 31, 2019		
Estimated total		
gross carrying	79	79
amount at default		
ECL-Simplified approach	79	79
Net carrying amount	-	-

7.5 Reconciliation of impairment allowance is as under:

As at April 1, 2018	95
Add: on addition	-
Less: on deletion	16
As at March 31, 2019	79
Add: on addition	-
Less: on deletion	-
As at March 31, 2020	79

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8 HOUSING AND OTHER LOANS

(₹ in Lakh)

Particulars	As at 31.03.2020	As at 31.03.2019
At Amortised Cost		
Housing and other property loan	3,710,805	6,034,073
Loans to developers	181,248	152,862
Intercorporate deposit (Refer note 8.11) (unsecured)	358,834	565,269
Loan to others	770	2,692
Total gross	**4,251,657**	**6,754,896**
Less: Impairment loss allowance	(704,620)	(119,899)
Total net	**3,547,037**	**6,634,997**
At Fair Value		
Housing and other property loan	1,029,956	905,719
Loans to developers	2,043,275	2,257,096
Total	**3,073,231**	**3,162,815**
Total	**6,620,268**	**9,797,812**

8.1 All loans are secured unless otherwise stated and all loans are disbursed in India.

8.2 **Transfer of financial assets:-**

The Company transfers loans in securitisation transactions. Generally in such transactions, the Company also provides credit enhancements to the transferee. Because of the existence of credit enhancements in such transactions, the Company continues to have the obligation to pay to the transferee, limited to the extent of credit enhancement provided, even if it does not collect the equivalent amounts from the original asset and hence continues to retain substantially all risks and rewards associated with such loan, and as a result of which such transfer does not meet the derecognition criteria, resulting in the transfer not being recorded as sale. Consequently, the proceeds received from such transfers are recorded as collateralised debt obligations.

8.3 Other property loans include mortgage loan, non residential property loan, plot loan for self construction where construction has not began in last three years and loan against the lease rental income from properties in accordance with directions of National Housing Bank (NHB). These also include loans granted to Small & Medium Enterprise (SME) and certain part are unsecured in terms of the particular scheme of an aggregate amount of ₹ 8,354 lakh (₹ 13,769 lakh).

8.4 Loans given by the Company are secured by equitable mortgage/ registered mortgage of the property and assets financed and/ or assignment of Life Insurance policies and/or personal guarantees and/or undertaking to create a security and/or hypothecation of assets and are considered appropriate and good.

8.5 The above include insurance portion amounting to ₹ 76,332 lakhs (₹ 1,13,218) to meet the cost of the insurance premium to secure the borrower's life and thereby further secure the loan portfolio by way of risk mitigation method and to secure the Company's Housing loan portfolio against any eventuality.

8.6 The Company has repossessed certain assets under SARFAESI Act which are retained for the purpose of sale under the Rules and Regulations of SARFAESI Act involving ₹ 28,062 lakh as at March 31, 2020 (₹ 10,267 lakh), which are part of NPA portfolio for which necessary provisions have already been made. These assets are accounted as and when they are realised as per related accounting policy.

8.7 The Company has securitized / assigned pool of certain housing and property loans and managed servicing of such loan accounts. The balance outstanding in the pool, as at the reporting date aggregates ₹ 29,31,057 lakh (₹ 30,59,465 lakh). These assets have been de-recognised in the books of the Company. The Company is responsible for collection and getting servicing of this loan portfolio on behalf of buyers / investors. In terms of the said securitization/assignment agreements, the Company pays to buyer/ investor on monthly basis the prorata collection amount as per individual agreement terms.

Notes

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8.8 The company is not granting any loans against gold jewellery as collateral.

8.9 Loans to Others include loan to employees which are secured by the hypothecation of respective assets against which these loans have been granted.

8.10 Two subsidiaries of the Company were amalgamated into the Company pursuant to the Scheme of amalgamation (Scheme) under Sections 391 to 394 of the Companies Act, 1956 approved by the Board of directors of all the three companies and sanctioned by the Hon'ble High Court of judicature at Bombay vide its order dated July 27, 2012 and by the Hon'ble High Court of judicature at Delhi vide its order dated January 4, 2013 which were filed with the Registrar of Companies on January 31, 2013 being the effective date for the amalgamation scheme. In terms of the above scheme, the Assets and Liabilities of the subsidiary companies were amalgamated with DHFL at their respective fair value in the earlier years. Proportionate Fair value appreciation surplus amounting to ₹ 4,840 Lakh (₹ 4,772 lakh) has been amortised out of the General Reserve in terms of the valuation report of the scheme.

8.11 Intercorporate deposit includes ₹ Nil Lakh (₹ 3105 Lakh) due from related parties. (Refer note 49)

9 INVESTMENTS

(₹ in Lakh)

Particulars	As at 31.03.2020	As at 31.03.2019
Investments in equity instruments of Associates and Joint Venture held for sale (refer note 49)	-	14,529
Add: Share of Profit / (Loss)	-	7,837
Add: Gain on Dilution of stake in Associate	-	3,824
Less: Dividend	-	(635)
	-	**25,555**
Investments in equity instruments - Joint Ventures	-	6,757
(Inclusive of Capital Reserve of ₹ 340 Lakh)		
Add: Share of Profit / (Loss)	-	(407)
	-	**6,350**
At fair value through profit or loss		
Investments in unquoted equity instruments (others than Joint Venture)		
Investments in mutual funds (Unquoted)	-	10,404
Investment in Venture Capital Fund - unquoted		
Investment in Venture Capital Fund - unquoted	1,712	2,299
Investment in Security Receipts	69,486	63,231
Investment in Preference Share	2,714	3,556
Investment in Pass Through Certificates	175,710	25,700
Total	**255,933**	**116,824**
At Amortised Cost		
Debentures - quoted	240	14,422
Investment in Government securities (SLR) - quoted	73,112	71,860
Investment in Government securities - quoted	-	695
Investment in Pass Through Certificates (Ref. note No 9.4)	58,765	14,126
Total	**132,118**	**101,102**
Grand Total	**388,051**	**249,831**

Notes

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9.1 All investments are made within India

9.2 Investment in Government and other SLR Securities aggregating ₹ 72,128 Lakh (₹ 70,933 Lakh) carry a floating charge created in favour of depositors in the Fixed Deposit schemes of the Company (read with Note 19).

9.3 The Company holds 100% of equity share capital of DHFL Investments Limited (DIL), however, based on the agreement dated March 31, 2017, the Company does not exercise control over DIL and hence is not considered as a subsidiary company for the purpose of preparation of these Ind AS financial statements.

9.4 Impairment loss allowance recognised on Investment in PTC ₹ 275 lakh (₹ 18 lakh) is included in Impairment loss allowance on loans and advances to customers.

9.5 As a part of the Company's effort to sell down its non-core investments in associates to generate liquidity, the Company had entered into following Binding Share Purchase Agreement in previous year which were concluded in current financial year After obtaining applicable regulatory and other approvals –

(a) sale of 23,01,090 (9.15%) equity shares held in Aadhar Housing Finance Limited to private equity funds managed by Blackstone for a total consideration of ₹ 20,442 lakh.

(b) sale of 1,92,50,719 (30.63%) equity shares held by in Avanse Financial Services Limited to Olive Vine Investments Limited an affiliate of Warburg Pincus Group for a consideration of ₹ 29,261 lakh.

(c) sale of 1,85,68,825(17.20%) equity shares held in DHFL Pramerica Asset Managers Private Limited & 50000 (50.00%) equity shares held in PGIM India Trustees Pvt. Ltd. (formerly known DHFL Pramerica Trustees Pvt. Ltd.), to M/s PGLH of Delaware Inc. for a consideration of ₹ 3,613 lakh.

10 OTHERS FINANCIAL ASSETS (UNSECURED AND CONSIDERED GOOD)

(₹ in Lakh)

Particulars	As at 31.03.2020	As at 31.03.2019
Receivable on assigned loans	82,245	87,385
Security Deposits	2,920	3,563
Receivable from mutual fund	449	10,449
Other assets	63,127	3,519
	148,741	**104,916**
Less: Provision for impairment	384	109
Total	**148,357**	**104,807**

10.1 Security Deposits includes amounts due from the related parties ₹ 39 lakh (₹ 210 lakh). (refer note 49)

10.2 Other assets includes amounts due from the related parties ₹ Nil lakh (₹ 425 lakh). (refer note 49)

11 CURRENT TAX ASSETS (NET)

Particulars	As at 31.03.2020	As at 31.03.2019
Advance Tax (Net of Provision)	33,023	37,020
	33,023	**37,020**

Notes

forming part of the Consolidated financial statements for the year ended March 31, 2020

12 DEFERRED TAX ASSETS (NET)

(₹ in Lakh)

Particulars	As at 31.03.2020	As at 31.03.2019
Deferred tax liabilities	(259,340)	(88,389)
MAT Credit entitlement	-	-
Deferred Tax Assets	763,670	131,785
Total	**504,330**	**43,396**

12.1 Deferred Tax assets and Liabilities in relation to:

Particulars	Opening balance as at April 1, 2019	Recognised in Profit and Loss	Recognised in Other Comprehensive Income	Utilisations / Adjustments	Closing balance as at March 31, 2020
Deferred tax liabilities					
On difference between book balance and tax balance of Property, plant & equipment	(24,014)	4,478	-	-	(19,536)
On account of measurement of Financial instrument at amortised cost	(22,073)	(175,456)	-	-	(197,529)
On Cash flow hedge reserve	1,488	-	(1,488)	-	(1)
Receivable on assigned loans	(24,428)	3,353	-	-	(21,075)
Others	(19,361)	(1,838)	-	-	(21,199)
	(88,389)	**(169,463)**	**(1,488)**	**-**	**(259,340)**
Deferred tax assets					
On account of impairment on financial instruments	32,202	152,523		-	184,725
On account of provision for employee benefits	-	154	39	-	193
Fair value on Investment	(655)	1,595	-	-	940
Fair value on Employee Stock Options/Employee Stock Appreciation Rights Expenses	1,128	(553)		-	575
Fair Valuation of Loan	91,030	392,161		-	483,191
Lease Accounting	-	167		(51)	116
Fair Valuation of Derivative	8,080	(8,080)		-	-
Business Loss	-	93,930			93,930
	131,785	**631,897**	**39**	**(51)**	**763,670**
Net	**43,396**	**462,434**	**(1,449)**	**(51)**	**504,330**

12.2 National Company Law Tribunal (NCLT) has admitted petition application filed by the RBI under sub-Clause (i) of clause (a) of Rule 5 of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudication Authority) Rules, 2019 (FSP Rules)read with Section 227 of the Code. Accordingly, in terms of Rule 5(b)(i) of the FSP Rules, an interim moratorium came into effect on the filing of the application to initiate CIRP. Further, CIRP was initiated against the Corporate Debtor under Section 227 read with clause (zk) of sub - section (2) of section 239 of the Code and read with rules

Notes

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5 and 6 of the FSP Rules by an order dated December 3, 2019 of the Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT/Adjudicating Authority). The CIRP is to facilitate a sustainable resolution plan for the Company. The Company believes that financial position of the Company will improve upon implementation of approved resolution plan by committee of creditors and NCLT.

13 PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakh)

	Gross block				Accumulated depreciation				Net block
Description	**As at April 1, 2019**	**Additions**	**Deductions**	**As at March 31, 2020**	**As at April 1, 2019**	**Charge for the year**	**Deductions**	**As at March 31, 2020**	**As at March 31, 2020**
Building	57,045	-	-	57,045	1,249	943	-	2,192	54,853
Leasehold Improvements	2,281	993	314	2,961	115	481	284	312	2,649
Furniture and Fixtures	2,847	93	47	2,893	571	390	44	917	1,976
Vehicles	388	-	156	232	57	81	47	91	141
Office Equipment	5,682	409	287	5,804	1,051	788	115	1,724	4,080
Leasehold Premises	9,326	-	-	9,326	325	163	-	488	8,838
Computers	5,572	20	148	5,445	1,480	1,087	142	2,425	3,019
Right to Use Assets	12,222	80	-	12,302		2,497	-	2,497	9,805
Total	**95,363**	**1,595**	**951**	**96,007**	**4,848**	**6,430**	**632**	**10,646**	**85,361**

Previous Year

(₹ in Lakh)

	Gross block				Accumulated depreciation				Net block
Description	**As at April 1, 2018**	**Additions**	**Deductions**	**As at March 31, 2019**	**As at April 1, 2018**	**Charge for the year**	**Deductions**	**As at March 31, 2019**	**As at March 31, 2019**
Building	57,038	7	-	57,045	308	941	-	1,249	55,796
Leasehold Improvements	5,650	1,014	4,383	2,281	237	758	880	115	2,166
Furniture and Fixtures	3,017	321	491	2,847	285	400	114	571	2,276
Vehicles	302	167	81	388	39	82	64	57	331
Office Equipment	5,536	1,729	1,583	5,682	522	925	396	1,051	4,631
Leasehold Premises	9,326	-	-	9,326	163	162	-	325	9,001
Computers	5,424	519	371	5,572	511	1,185	216	1,480	4,092
Total	**86,293**	**3,757**	**6,909**	**83,141**	**2,065**	**4,453**	**1,670**	**4,848**	**78,293**

14 INTANGIBLE ASSETS

(₹ in Lakh)

	Gross block				Accumulated amortisation				Net block
Description	**As at April 1, 2019**	**Additions**	**Deductions**	**As at March 31, 2020**	**As at April 1, 2019**	**Charge for the year**	**Deductions**	**As at March 31, 2020**	**As at March 31, 2020**
Computer (Software)	9,148	3	-	9,151	973	1,509	-	2,482	6,669
Total	9,148	3	-	9,151	973	1,509	-	2,482	6,669
Intangible Assets under development (Software)									**10,517**

Previous Year

(₹ in Lakh)

	Gross block				Accumulated amortisation				Net block
Description	**As at April 1, 2018**	**Additions**	**Deductions**	**As at March 31, 2019**	**As at April 1, 2018**	**Charge for the year**	**Deductions**	**As at March 31, 2019**	**As at March 31, 2019**
Computer (Software)	1,062	8,086	-	9,148	311	662	-	973	8,175
Total	1,062	8,086	-	9,148	311	662	-	973	8,175
Intangible Assets under development (Software)									**10,401**

Notes

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15 OTHER NON-FINANCIAL ASSETS (UNSECURED AND CONSIDERED GOOD)

(₹ in Lakh)

Particulars	As at 31.03.2020	As at 31.03.2019
Capital Advances	-	65
Employee Advance	19	12
Recoverable from employees (refer note 49)	-	643
Advance to Vendors	257	2
Gratuity Fund	465	683
Prepaid Expenses	4,902	684
Input tax credit Receivable	8,481	7,625
	14,124	**9,714**

16 TRADE PAYABLES

There are no overdue amounts to Micro, Small and Medium Enterprises as at March 31, 2020 for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.

Trade Payables include ₹ Nil Lakh (₹ 3 Lakh) due to related parties. (Refer note 49)

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of Information available with the Company. The amount of principal and interest outstanding during the year is given below.

Particulars		31.03.2020	31.03.2019
a)	Amount outstanding but not due as at year end	34	-
b)	Amount due but unpaid as at the year end	-	-
c)	Amounts paid after appointed date during the year	-	-
d)	Amount of interest accrued and unpaid as at year end	-	-
e)	The amount of further interest due and payable even in the succeeding year	-	-
Total		**34**	**-**

17 DEBT SECURITIES

(₹ in Lakh)

Particulars	As at 31.03.2020	As at 31.03.2019
At Amortised Cost		
Secured		
Redeemable non convertible debentures	4,297,968	4,458,712
Optionally Convertible Redeemable Debentures (OCDs)	-	29,138
Unsecured		
Redeemable non convertible debentures (Subordinated issue)	234,603	240,121
Commercial Papers [Unamortised discount as at ₹ Nil (₹ 1,682 Lakh)]	10,258	83,318
Total	**4,542,829**	**4,811,289**
Debt Securities in India	4,457,129	4,711,289
Debt Securities outside India	85,700	100,000

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17.1 Terms of repayment and rate of interest in case of Debt Securities.

As At March 31, 2020	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Secured					
Redeemable non convertible debentures	5.50%-14.63%	2,559,690	933,280	804,998	4,297,968
Unsecured					
Redeemable non convertible debentures (Subordinated issue)	8.80%-11.35%	85,073	9,530	140,000	234,603
Commercial Papers	6.62% - 9.00%	10,258			10,258

As At March 31, 2019	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Secured					
Redeemable non convertible debentures	5.50% - 11.55%	2,545,473	1,051,575	861,664	4,458,712
Optionally convertible debentures	Refer note 17.5	29,138	-	-	29,138
Unsecured					
Redeemable non convertible debentures (Subordinated issue)	8.80% - 11.20%	70,747	29,509	139,865	240,121
Commercial Papers	6.62% - 9.00%	83,318	-	-	83,318

17.2 Secured Non-Convertible Debentures/ZCD are secured by way of first charge to and in favour of Debenture Trustees jointly ranking pari passu inter-se, on the Company's whole of the present and future book debts, housing loan instalments/receivables, investments including all the receivables of the Company and other movable assets, wherever situated, excluding SLR assets, read with Note 18.4 hereinafter. They are further secured on pari passu basis by constructive delivery of various title deeds of certain immovable properties of the Company, to Union Bank of India, acting for itself and as an agent of other participating lenders and Debenture trustees.

17.3 Redeemable non convertible debentures also include amount outstanding for Zero Coupon Secured Redeemable Non-Convertible Debentures (ZCD) aggregating ₹ Nil Lakh (₹ 102,449 lakh), which are redeemable at premium on maturity. The accumulated premium payable on outstanding ZCD accrued till March 31, 2020 amounting to ₹ Nil Lakh (₹ 40,449 Lakh) is included above.

17.4 Unsecured Redeemable Non Convertible Subordinated Debentures aggregating to ₹ 221,900 Lakh (₹ 221,900 Lakh), outstanding as at March 31, 2020, are subordinated to present and future senior indebtedness of the Company. It qualifies as Tier II capital in accordance with National Housing Bank (NHB) guidelines for assessing capital adequacy based on balance term to maturity. These debentures are redeemable at par on maturity on various periods.

17.5 OCDs are issued for a tenure of 5 years beginning from April '16 to April '21. As per the terms, the debenture holder shall at any time during the Tenor of the OCD, have the right to exercise at its discretion either to redeem the debentures or convert the debentures into equity shares of ₹ 10 each of the company. Premium payable on redemption is @ 9% pa. XIRR. The OCD's are secured by an unconditional and irrevocable guarantee (DSRA Guarantee) issued by Dewan Housing Finance Corporation Limited (Holding Company) in favour of the OCD Security Trustee.) However, during FY 2019-20, with the sale of investment in PGIM India Asset Managers Pvt. Ltd. (formerly known as DHFL Pramerica Asset Managers Pvt. Ltd.) for ₹ 6,880.03 Lakh, DHFL Advisory & Investments Pvt. Ltd. paid the OCD of ₹ 6,650.00 Lakh and the balance of ₹ 15,850.00 Lakh was waived off. Further, premium of ₹ 7,731.67 Lakh is waived off after taking a consent from the respective parties and Axis Bank Debenture Trustees.

Notes

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18 BORROWINGS (OTHER THAN DEBT SECURITIES)

(₹ in Lakh)

Particulars	As at 31.03.2020	As at 31.03.2019
Secured		
At amortised cost		
Term Loans		
from Banks	2,744,451	3,175,938
from National Housing Bank	243,102	243,493
Term Loans from other parties		
External Commercial Borrowing	299,739	286,323
Cash credit facilities and Working Capital Demand Loan		
Loans repayable on demand	119,055	119,654
Collateralised debt obligations	434,730	240,585
Grand Total(A)	**3,841,077**	**4,065,993**
Borrowings in India	3,541,338	3,779,670
Borrowings outside India	299,739	286,323
Total (B) to tally with (A)	**3,841,077**	**4,065,993**

18.1 Collateralised debt obligation

Collateralised debt obligation represent amount received against Housing and other loan securitised, which does not qualify for derecognition.The Company is expected to recover the same within a period of over 5 years. (Refer Note 8.2)

18.2 Terms of repayment and rate of interest in case of Borrowings:

As At March 31, 2020	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Secured					
Term loan from Banks	Floating*	1,943,209	518,775	282,467	2,744,451
Term Loan from National Housing Bank	6.12% -9.00%	98,001	47,069	98,032	243,102
Term Loan from External Commercial Borrowing	Floating**	299,739	-	-	299,739

As At March 31, 2019	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Secured					
Term loan from Banks	Floating*	1,878,705	817,814	479,419	3,175,938
Term Loan from National Housing Bank	6.12%-8.95%	74,857	47,069	121,567	243,493
Term Loan from External Commercial Borrowing	Floating**	266,812	19,511	-	286,323

* Linked with MCLR/Base Rate of Respective Banks

** Link with LIBOR

18.3 All Secured loans, from the National Housing Bank (NHB), Other Banks, External Commercial Borrowing and Financial Institutions are secured by way of first charge to and in favour of participating banks, Institutions, National Housing Bank and Debenture Trustees jointly ranking pari passu, inter-se, on the Company's whole of the present and future book debts, housing loan instalments/ receivables, investments including all the receivables of the Company and other movable assets, wherever situated, excluding SLR assets. They are further secured on pari passu basis by constructive delivery of various title deeds of certain immovable properties of the Company, to Union Bank of India, acting for itself and as an agent of other participating lenders and Debenture trustees, and are also guaranteed by the promoter directors of the Company.

Notes

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18.4 Loans repayable on demand and other short term loans comprising of Cash credit facilities from banks and are secured by a first charge by way of hypothecation of book debts of specific loan assets of the company and are further secured by negative lien on the underlying specific properties and / or secured by demand promissory notes. Certain Cash credit facilities are also secured by way of a first pari passu charge along with other secured loans read with Note 17.2. All cash credit facilities are repayable as per the contracted/ roll over term.

18.5 Pursuant to the refinancing arrangement with NHB, the Company has provided a non-disposal undertaking from the Promoters and Promoter Group with respect to their shareholdings in the Company and corporate guarantee from Wadhawan Global Capital Limited (promoter entity).

18.6 The company is currently undergoing Corporate Insolvency Resolution Process ('CIRP') under the provisions of the Insolvency and Bankruptcy Code, 2016 ('Code'). Accordingly, all its liabilities are crystallised as at as on December 3, 2019 (Insolvency Commencement Date or 'ICD'). Hence, External commercial Borrowings are translated at official exchange rate published by Reserve Bank of India (RBI) on ICD i.e. December 3,2019

19 DEPOSITS

(₹ in Lakh)

Particulars	As at 31.03.2020	As at 31.03.2019
At Amortised Cost		
Public Deposits		
Fixed Deposits	519,081	647,422
Other Deposits	1,267	2,077
Non Public Deposits	7,541	33,178
Total	**527,889**	**682,677**

19.1 The National Housing Bank directives require all HFC's accepting public deposits to create a floating charge on the statutory liquid assets maintained in favour of depositors through the mechanism of a trust deed. The Company has accordingly appointed a SEBI approved trustee Company as trustee for the above by executing the trust deed. Accordingly, the public deposits of the Company as defined in paragraph 2(1)(y) of the Housing Finance Companies (NHB) Directions, 2010, are secured by floating charge on the Statutory Liquid Assets maintained in terms of sub-sections (1) & (2) of Section 29B of the National Housing Bank Act, 1987.

19.2 Fixed Deposits and Other Deposits, including short term fixed deposits and short term other deposits, are repayable as per individual contracted maturities ranging from 12 to 120 months from the date of deposit. The interest is payable on contracted terms depending upon the scheme opted by the depositor Accordingly, the public deposits of the Company as defined in paragraph 2(1)(y) of the Housing Finance Companies (NHB) Directions, 2010, are secured by floating charge on the Statutory Liquid Assets maintained in terms of sub-sections (1) & (2) of Section 29B of the National Housing Bank Act, 1987.

20 SUBORDINATED LIABILITIES

(₹ in Lakh)

Particulars	As at 31.03.2020	As at 31.03.2019
Unsecured		
Non-Convertible Debentures (Perpetual)	129,430	121,251
Total	**129,430**	**121,251**

20.1 All subordinated liabilities are issued in India

Notes

forming part of the Consolidated financial statements for the year ended March 31, 2020

20.2 Terms of repayment and rate of interest in case of Borrowings:

As At March 31, 2020	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Secured					
Non-Convertible Debentures (Perpetual)	9.85%-12.75%	13,360	-	116,070	129,430

As At March 31, 2019	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Secured					
Non-Convertible Debentures (Perpetual)	9.85% to 12.75%	-	-	121,251	121,251

21 OTHER FINANCIAL LIABILITIES

(₹ in Lakh)

Particulars	As at 31.03.2020	As at 31.03.2019
Unclaimed dividend	175	185
Unclaimed matured deposits and interest accrued thereon	7,683	8,878
Security and other deposits received	499	845
Creditors for Capital Expenditure	242	884
Amounts payable on Securitised Loans	41,805	105,174
Lease liability	10,630	-
Others	8,510	11,491
Total	**69,544**	**127,457**

21.1 As required under Section 124 of the Companies Act, 2013, the Company has transferred unclaimed dividend of the year 2011-12 ₹ 8 Lakh (₹ 9 Lakh) and towards unclaimed deposits and interest accrued thereon ₹ 14 Lakh (₹ 26 Lakh) to Investor Education & Protection Fund (IEPF) during the year, till stay order of received from Honourable Bombay High Court with general delay ranging from 1 to 16 days in transferring unclaimed public deposits. Further, during the year ₹ 59 lakh unclaimed Deposit & ₹ 5 lakh of unclaimed dividend was due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at the yearend in respect of Unclaimed Matured Deposits which was not deposited into IEPF, pursuant to stay order issued by Honourable Bombay High Court and after RBI initiated the CIRP process against the Company.

21.2 Security and other deposits received includes amounts due to related parties ₹ Nil lakh (₹ 224 lakh). (refer note 49)

21.3 Amounts payable on Securitised Loans includes amounts due to related parties ₹ Nil lakh (₹ 15 lakh). (refer note 49).

21.4 Others includes amounts due to related parties ₹ Nil lakh (₹ 4346 lakh). (refer note 49)

22 PROVISIONS

(₹ in Lakh)

Particulars	As at 31.03.2020	As at 31.03.2019
Provision for Employee Benefits	753	1,015
	753	**1,015**

Notes

forming part of the Consolidated financial statements for the year ended March 31, 2020

23 OTHER NON-FINANCIAL LIABILITIES

(₹ in Lakh)

Particulars	As at 31.03.2020	As at 31.03.2019
Advance from Customer	13,130	15,155
Statutory Remittances*	621	1,170
Deferred income on fair valuation of deposit taken	186	-
	13,937	**16,325**

*Includes statutory dues pertaining to tax deducted at source on interest on NCD's, Public Deposits's (u/s 193 and 194A) which have not been regularly deposited in view of the stay order issued by Honourable Bombay High Court.

24 EQUITY SHARE CAPITAL

(₹ in Lakh)

Particulars	As at 31.03.2020		As at 31.03.2019	
	Number	₹	Number	₹
AUTHORISED				
Equity Shares of ₹ 10 each	840,390,024	84,039	578,000,000	57,800
ISSUED, SUBSCRIBED AND FULLY PAID UP				
Equity Shares of ₹ 10 each	313,823,024	31,382	313,823,024	31,382
	313,823,024	**31,382**	**313,823,024**	**31,382**

Reconciliation of number of shares outstanding at the beginning and at the end of the reporting year:

Particulars	31.03.2020		31.03.2019	
	Number	₹	Number	₹
Equity shares outstanding as at the beginning of the year	313,823,024	31,382	313,658,847	31,366
Shares issued during the year	-	-	-	-
Shares allotted pursuant to exercise of stock options	-	-	164,177	16
Equity shares outstanding as at the end of the year	**313,823,024**	**31,382**	**313,823,024**	**31,382**

Terms / Rights attached to equity shares

The Company has only one class of shares i.e. equity. The shareholders have voting rights in the proportion of their shareholdings. The shareholders are entitled to dividend, if declared and paid by the Company. In the event of liquidation, these shareholders are entitled to receive remaining assets of the Company after distribution of all liabilities, in the proportion of their shareholdings.

Details of shareholders holding more than 5 percent shares in the Company are given below:

Particulars	31.03.2020		31.03.2019	
	Number	% holding	Number	% holding
Wadhawan Global Capital Limited	117,049,714	37.30%	117,049,714	37.30%

Employee Stock Option Plans:

Pursuant to the resolution passed by the Board of Directors of the Company, at its meeting held on 16th January, 2015 and the special resolution passed by the Members of the Company on 23rd February, 2015 through Postal Ballot, the DHFL Employee Stock Appreciation Rights Plan 2015 ("DHFL ESAR Plan 2015" / "the Plan") was approved in accordance with the provisions of SEBI (SBEB) Regulations, exercisable into not more than 51,46,023 fully paid-up equity shares in aggregate, having face value of ₹ 10/- each. Consequent to the bonus shares issued by the Company to its Members in the ratio 1:1 during the financial year 2015-16, the total number of employee Stock Appreciation Rights (SARs) also increased in the same ratio i.e. exercisable into not more than 1,02,92,046 fully paid up equity shares. During the financial year 2017-18, the Members of the Company, approved

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amendment to the DHFL ESAR Plan 2015, inter-alia, for increasing the number of equity shares that can be allotted thereunder to 2,67,82,046 equity shares. ESARs granted are as under:

Particulars	Approval Date	No of ESARs	SAR Price (₹)	Vesting Period	Exercise Period
Grant I	3/21/2015	1,550,100	380.00 (₹ 190/- per SAR Post Bonus issue)	Vest after One year from the date of grant of such ESARs over a period of 5 years in the ratio 20:20:20:20:20	within a maximum period of 3 years from the date of vesting
Grant II	11/17/2016	2,081,545	230.8	Vest after One year from the date of grant of such ESARs over a period of 4 years in the ratio 10:20:30:40	within a maximum period of 3 years from the date of vesting
Grant III	7/13/2017	3,247,100	434.9	Vest after One year from the date of grant of such ESARs over a period of 4 years in the ratio 20:30:20:30	within a maximum period of 3 years from the date of vesting
Grant IV	7/13/2017	550,000	300.08	Vest after One year from the date of grant of such ESARs over a period of 4 years in the ratio 20:30:20:30	within a maximum period of 3 years from the date of vesting
Grant V	10/16/2017	150,800	434.9	Vest after One year from the date of grant of such ESARs over a period of 4 years in the ratio 20:30:20:30	within a maximum period of 3 years from the date of vesting
Grant VI	1/22/2018	71,900	434.02	Vest after One year from the date of grant of such ESARs over a period of 4 years in the ratio 20:30:20:30	within a maximum period of 3 years from the date of vesting

Movement in options:

Particulars	ESAR 2015
	Grant I to VIII
Number of options / ESAR's outstanding at the beginning of the year	5,235,660
Number of options / ESAR's granted during the year	-
Number of options / ESAR's forfeited / lapsed during the year	2,616,486
Number of options / ESAR's Vested during the year	1,020,108
Number of options / ESAR's Exercised during the year	-
Number of shares arising as a result of exercise of options	-
Money realized by exercise of options (in (₹)	-
Number of options outstanding at the end of the year	2,619,174
Number of options exercisable at the end of the year	1,606,344
Weighted Average exercise price & Option price (in (₹):	
Pre Bonus	380.00
Post Bonus	190.00 - 434.90

The Company follows fair value based method of accounting for determining compensation cost for its stock-based compensation scheme. The fair value has been calculated by applying Black-Scholes-Merton model as valued by an independent valuer

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The fair value has been calculated using the Black Scholes Option Pricing model, the Assumptions used in the model on a weighted average basis are as follows:

Particulars		2019-20	2018-19
1.	Risk Free Interest Rate	7.57%	7.57%
2.	Expected Life	2.95	2.95
3.	Expected Volatility	37%	37%
4.	Dividend Yield	1.32%	1.32%
5.	Price of the underlying share in market at the time of the option grant (₹)	643.65	643.65

Other Details:

1) Weighted Average Market Price on the date of Exercise is ₹ Nil (₹ 643.10)

2) Remaining Contractual life for ESAR granted and outstanding as on March 31, 2020

Particulars	Remaining Contractual life for unvested SARs outstanding at the end of the year	Remaining Contractual life for SARs exercisable at the end of the year
Grant – I	-	2.15
Grant – II	3.63	2.14
Grant – III	3.89	1.9
Grant – IV	-	-
Grant – V	4.15	2.15
Grant – VI	-	-

25 OTHER EQUITY

(₹ in Lakh)

Particulars	As at 31.03.2020	As at 31.03.2019
Securities Premium	220,885	220,885
Debenture Redemption Reserve	117,000	117,000
General Reserve	126,893	131,733
Special Reserve	183,899	183,899
Employee Stock Option Outstanding	2,540	4,332
Other Comprehensive income-Cashflow hedge reserve	-	(3,832)
Retained Earnings	(1,237,213)	108,336
	(585,996)	**762,353**

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25.1 Movement in Other Equity

Particulars	As at 31.03.2020	As at 31.03.2019
SECURITIES PREMIUM		
At the beginning of the year	220,885	220,637
Add: On shares allotted upon exercise of stock options by the Employees	-	245
Add: Received during the year	-	3
Closing balance	**220,885**	**220,885**
DEBENTURE REDEMPTION RESERVE		
At the beginning of the year		
Closing balance	**117,000**	**117,000**
GENERAL RESERVE		
At the beginning of the year	131,733	135,171
Less: Utilised during the year	4,840	3,438
Closing balance	**126,893**	**131,733**
STATUTORY RESERVE (SPECIAL RESERVE)		
(As per Section 29C of The National Housing Bank Act, 1987)		
At the beginning of the year	**183,899**	**183,899**
EMPLOYEE STOCK OPTION OUTSTANDING		
At the beginning of the year	6,096	22,183
Add: Additions on account of options granted during the year	-	472
Less: Transferred to securities premium reserve upon exercise of stock options	-	(245)
Less: Reduction on account of unvested options lapsed during the year	(2,267)	(16,232)
Less: Reduction on account of vested options lapsed during the year	(1,002)	(82)
	2,827	**6,096**
Less: Deferred employee compensation	(287)	(1,764)
	2,540	**4,332**
OTHER COMPREHENSIVE INCOME-CASHFLOW HEDGE RESERVE		
At the beginning of the year	(3,832)	(5,637)
Add: Other comprehensive Income	3,832	1,805
	-	**(3,832)**
RETAINED EARNINGS		
At the beginning of the year	108,336	214,319
Add: Change in accounting Policy	147	88
Add/(less): Other Comprehensive Income	(115)	7
Add:- Profit/(Loss) for the year	(1,345,581)	(96,591)
Amount available for appropriations	**(1,237,213)**	**117,823**
Appropriations		
Final Dividend Paid	-	7,841
Tax on Final Dividend	-	1,646
	-	**9,487**
Closing Balance	(1,237,213)	108,336
TOTAL	**(585,996)**	**762,353**

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a) Securities premium reserve represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies Act, 2013 for specified purposes.

b) General reserve is created from time to time by transferring profits from retained earnings and can be utilised for purposes such as dividend payout, bonus issue, etc.

c) Statutory reserve is the reserve created by transferring the sum not less than 20% of its net profit after tax in terms of Section 29C of the National Housing Bank Act, 1987.

d) Stock options outstanding account relates to the stock options granted by the Company to employees under an ESAR (Employee Stock Appreciation Rights) Plan.

e) Retained earnings represents profits that the Company earned till date, less any transfers to General Reserve, Statutory Reserves, Dividends and other distributions paid to the shareholders.

f) Debenture Redemption Reserve is the reserve created by transferring the sum from retained earning as per the requirement of the Companies Act, 2013.

g) Cashflow hedge Reserve:- It represents the cumulative gains/(losses) arising on fair valuation of the derivative instruments designated as cash flow hedges through OCI.

Statement for Disclosure on Statutory / Special Reserves, as prescribed by NHB vide its circular no NHB(ND)/DRS/Pol. Circular.61/2013-14, dated: 7th April, 2014 and NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017:

Particulars			2019-20	2018-19
Balance at the beginning of the year				
a)	Statutory Reserve u/s 29C of the National Housing Bank Act, 1987		65,324	65,324
b)	Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under, Section 29C of the NHB Act, 1987		118,575	118,575
c)	**Total**		**183,899**	**183,899**
Addition during the year				
Add: a)	Amount transferred u/s 29C of the NHB Act, 1987		-	-
b)	Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987		-	-
c)	**Total**		**-**	**-**
Balance at the end of the year				
a)	Statutory Reserve u/s 29C of the National Housing Bank Act, 1987		65,324	65,324
b)	Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under, Section 29C of the NHB Act, 1987		118,575	118,575
c)	**Total**		**183,899**	**183,899**

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26 INTEREST INCOME

(₹ in Lakh)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
On Financial Assets measured at Amortised Cost		
Interest on Loans	579,381	983,477
Interest income from investments	3,281	3,575
Interest on deposits	17,292	21,510
Other interest Income	13,277	36,304
	613,231	**1,044,866**
On Financial Assets measured at Fair Value		
Interest on Loans	309,985	185,905
	309,985	**185,905**
Total	**923,216**	**1,230,771**

27 DIVIDEND INCOME

(₹ in Lakh)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Investment in Equity Instrument	-	518
Investment in Mutual Fund	-	556
Total	**-**	**1,074**

28 FEES AND COMMISSION INCOME

(₹ in Lakh)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Loan processing fee and other charges	(144)	22,256
Commission	190	-
Insurance Commission (Refer note 28.1)	237	5,291
Total	**283**	**27,547**

28.1 Insurance Commission income includes amount received from:-

(₹ in Lakh)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Pramerica Life Insurance Limited (Formerly DHFL Pramerica Life Insurance Company Limited)	343	2,783
Cholamandalam MS General Insurance Company Ltd	-	336
Navi General Insurance Ltd (formerly DHFL General Insurance Ltd)	(106)	2,172
Total	**237**	**5,291**

There is no difference between income recognised in Profit and loss account and as per contract.

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29 NET GAIN ON FAIR VALUE CHANGES

(₹ in Lakh)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Measured at FVTPL		
Fair Valuation of Loan		
Unrealised	(1,559,684)	(234,017)
Fair Valuation of Option in Equity Investment		
Unrealised	28,916	(28,916)
Investment in equity measured at FVTPL		
Realised	29,877	491
Unrealised	(5,325)	(760)
	24,552	**(269)**
Investment in Preference shares measured at FVTPL		
Realised	-	39
Unrealised	(842)	1,315
	(842)	**1,354**
Investment in mutual fund measured at FVTPL		
Realised	365	11,846
Unrealised	-	39
	365	**11,885**
Investment in Security Receipts		
Realised	69	-
Unrealised	433	222
	502	**222**
Investment in Venture Capital Fund		
Realised	(3)	-
Unrealised	(237)	(3)
	(240)	**(3)**
Derivative Trading		
Realised	2,960	3,907
	(1,503,471)	**(245,837)**

30 NET GAIN ON DERECOGNITION OF FINANCIAL INSTRUMENTS UNDER AMORTISED COST CATEGORY

(₹ in Lakh)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
On assignment of portfolio	2,991	29,388
Sale of Bond and Debenture	(594)	(8,805)
	2,397	**20,583**

31 OTHER OPERATING REVENUE

(₹ in Lakh)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Others*	29,900	8,239
	29,900	**8,239**

* Mainly includes cheque return charges and servicing fees pertaining to securitisation transactions.

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32 OTHER INCOME

(₹ in Lakh)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Rent Income	1,450	1,468
Miscellaneous Income	639	399
Gain on dilution of stake in Associate company	-	1,085
Total	**2,089**	**2,952**

33 FINANCE COSTS

(₹ in Lakh)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Interest expenses on financial liabilities measured at amortised cost		
Interest on deposits	31,430	76,711
Interest on borrowings	227,098	377,752
Interest on debt securities	278,975	434,494
Interest on Subordinated Liabilities	8,367	12,364
Interest on others	61	18
Finance charges	26,492	40,352
Interest on lease liability	1,198	-
Total	**573,621**	**941,691**

Refer Note no 58 for interest recognition policy under CIRP

34 IMPAIRMENT ON FINANCIAL INSTRUMENTS

(₹ in Lakh)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
On Financial instruments measured at Amortised Cost		
Loans	605,436	94,088
Investments	18,777	6,809
Total	**624,213**	**100,897**

35 EMPLOYEE BENEFITS EXPENSES

(₹ in Lakh)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Salaries and Bonus	28,182	44,225
Contribution to Provident Fund and other Funds	1,509	1,964
Staff Training and Welfare Expenses	430	811
Share Based Payments to employees	(1,792)	1,533
Total	**28,329**	**48,533**

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36 OTHER EXPENSES

(₹ in Lakh)

Particulars	For the year ended 31.03.2020		For the year ended 31.03.2019	
Rent		927		5,988
Rates and Taxes		135		386
Travelling and Conveyance		828		4,386
Printing and Stationery		142		640
Advertising		1,882		7,489
Training & Conference Expenses		16		185
Business Sourcing Expense		356		10,238
Insurance Charges		725		574
Legal & Professional Charges		9,486		7,137
CIRP Expense		880		-
Communication Expense		1,290		1,857
Repairs and Maintenance - Other than Buildings		5,482		2,616
Electricity Charges		763		974
Directors' Fees and Commission		26		44
Security Deposit written off		-		1,215
Loss on Sale of Property, plant and equipments		169		5,178
Expenditure on corporate social responsibility (CSR) under section 135 of the Companies Act, 2013		6		2,719
Office Maintenance		1,413		1,628
Recovery Expense		1,533		1,383
Bad Debts	20,437		21,226	
Less provision for Non Performing Assets utilized	(20,437)	-	(21,226)	-
General Office Expenses*		503		4,857
Total		**26,562**		**59,494**

* Includes reversal of trade mark licence fees of ₹ Nil lakh (₹ 3,999 lakh) based on change by regulators.

36.1 Details of CSR Expenses:-

(₹ in Lakh)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Gross amount required to be spent by the Company during the year	2,857	2,659
Amount Spend During the year in Cash		
Art and Culture	-	2
Early Childhood Care and Education	-	1,654
Education	-	284
Environment	-	3
Financial Literacy	6	242
Health and Medicine	-	9
Rural development	-	123
Skill Development	-	340
Others	0	62
	6	**2,719**
Amount Spend During the year yet to be paid in Cash	-	-

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36.2 Legal and professional fees include fees payable to auditor of ₹ 254 lakh (₹ 405 lakh)

(₹ in Lakh)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Audit Fees	180	250
Tax Audit Fees	-	11
Certification and Other Matters	29	270
Out of Pocket Expenses	25	
GST	20	43
	254	**574**

(a) Certification and other matters includes ₹ Nil lakh (P. Y. ₹ 169 lakh) paid towards fees for public issue of Secured Non-Convertible Debentures(NCD) and Masala Bond and debited to prepaid expenses and amortised over a period of NCD/ Masala Bond.

(b) Disclosure for the financial year 2019-20 include ₹ 18 lakh paid to predecessor statutory auditors of the company in their capacity as statutory auditors.

36.3 Remuneration of Non Executive Director consist of ₹ 26 lakh (₹ 42 lakh) towards sitting fee.

37 TAXES

a) Income tax expenses

The major components of income tax expenses

i) Profit and Loss section

(₹ in Lakh)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Current tax expenses	-	53,640
Prior Period adjustments	(1,133)	192
Deferred tax	(462,434)	(65,840)
Total	**(463,567)**	**(12,008)**

ii) Other comprehensive income section

(₹ in Lakh)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Deferred tax	1,449	737
Total	**1,449**	**737**

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b) Reconciliation of effective tax rate

(₹ in Lakh)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
(Loss)/ Profit before tax	(1,806,252)	(110,401)
Enacted tax rate in India (including surcharge and cess)	25.630%	34.944%
Expected tax expenses	(462,942)	(38,579)
Effect of income that is exempt from taxation	-	(421)
Effect of expenses that are not deductible in determining taxable profit	-	1,004
Effect of income on investment which are treated as capital gains at lower rate	-	1,619
Effect of differential rate for deferred tax	-	27,327
Deduction under section 16(1)(viii) of the Income Tax Act 1961	-	-
Others	824	(2,221)
Total	**(462,118)**	**(11,271)**
Tax expense recognised in profit and loss	(463,567)	(12,008)
Tax expense recognised in other comprehensive income	1,449	737
Total	**(462,118)**	**(11,271)**

38 EARNINGS PER SHARE

Basic earnings per share (EPS) is calculated by dividing the net profit/(loss) for the year attributable to equity holders of Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS is calculated by dividing the net profit/(loss) attributable to equity holders of Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following is the computation of earnings per share on basic and diluted earnings per equity share:

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Net profit/(Loss) after tax attributable to equity shareholders (₹ In Lakh)	(1,345,581)	(96,591)
Weighted average number of equity shares outstanding during the year (Nos)	313,823,024	313,769,497
Add: Effect of potential issue of shares / stock rights *	-	-
Weighted average number of equity shares outstanding during the year including potential shares outstanding (Nos)	313,823,024	313,769,497
Face value per equity share (₹)	10.00	10.00
Basic earnings per equity share (₹)	(428.77)	(30.78)
Diluted earnings per equity share (₹)	(428.77)	(30.78)

* not considered when anti-dilutive

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39 CONTINGENT LIABILITIES

(₹ in Lakh)

Particulars	For the year ended 31.03.2020	For the year ended 31.03.2019
Guarantees provided by bank on behalf of Company for Securitisation, Public issue of NCDs, to erstwhile associate company as per share purchase agreement and Representative Office	5,567	22,710
Claims against the Company not acknowledged as debts	1,150	1,157
Income Tax Demand (Disputed)	850	-
Income Tax Penalty(Disputed)	10,168	-
The Company has written put option to Wadhawan Global Capital Private Limited (WGC) in connection with Investment made by WGC in Compulsory Convertible Debentures issued by DHFL Investments Limited.	158,813	-
Undertaking provided by the Company for meeting the shortfall in collection, if any, at the time of securitisation of receivables done prior to April 1, 2017 and outstanding as at 31st March, 2020. The outflows would arise in the event of short collection, in the Cash inflows of the pool of securitised receivable.	50,028	28,603

40 COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for as at March 31, 2020 ₹ 95 Lakh (March 31, 2019 ₹ 980 Lakh)

41 LEASE

The Company has lease contracts for office premises. Leases of office premises generally have lease terms between 11 months and 17 years. There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Company also has certain leases of office premises with lease terms of 12 months or less and leases of office equipment(printers) with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets (ROU assets) recognised and the movements during the year:

(₹ in Lakh)

Particulars	ROU assets
As at 1st April, 2019	12,222
Addition	80
Depreciation	2,497
As at March 31, 2020	9,805

Set out below are the carrying amounts of lease liability and the movements during the year:

(₹ in Lakh)

Particulars	As at March 31, 2020
As at 1st April, 2019	12,326
Addition	76
Accretion of interest	1,133
Payments	2,982
As at 31st March, 2020	10,553

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The Maturity analysis of lease liabilities is as under:

(₹ in Lakh)

Particulars	As at March 31, 2020		
	Within 12 months	After 12 months	Total
Lease Liabilities	2,042	8,511	10,553

Contractual maturities of lease liability at 31 March 2020 on an undiscounted basis

(₹ in Lakh)

Particulars	As at March 31, 2020
Within one year	2,986
After one year but not longer than five years	8,249
More than five years	2,453

The following are the amounts recognised in statement of profit/(loss):

(₹ in Lakh)

Particulars	As at March 31, 2020
Depreciation expense of right-of-use assets	2497
Interest expense on lease liabilities	1133
Expense relating to short-term leases	95
Expense relating to leases of low-value assets	-
Variable lease payments	-
Total amount recognised in profit/(loss)	3725

The Company had total cash outflows for leases of ₹ 2982 lakh in 2020.

The Company adopted Ind AS 116 retrospectively with the cumulative effect of initially applying the standard at the date of initial application and applied the Standard to its leases on a prospective basis. Accordingly, the comparative information is not re-stated. The new accounting policies are disclosed in note 2.7 of significant accounting policies.

At transition, on measurement in accordance with the Ind AS 116, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Company's incremental borrowing rate at April 1, 2019. The right-of-use assets were recognised at amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. To determine the incremental borrowing rate, the Company uses a rate of company's major borrowing.

The Company has presented lease liability as a separate line item in schedule on 'Other Financial Liabilities'. The Company presents ROU assets (pertaining to its branch/office premises) as part of Properties, Plant and Equipment.

The Company has presented interest expenses on lease liability separately from depreciation charge for the ROU assets. Interest expenses on lease liability is a component of finance cost.

Practical expedients applied

In applying Ind AS 116 for the first time, the Company has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonable similar characteristics
- accounting for operating leases with remaining lease term of less than 12 months as at April 1, 2019 as short-term leases
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Company has elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Company relied on its assessment made applying Ind AS 17 and Appendix C to Ind AS 17, Determining whether an arrangement contains a Lease.

Notes

forming part of the Consolidated financial statements for the year ended March 31, 2020

Adjustments recognised in the balance sheet on April 1, 2019

The changes in accounting policy affected the following items in the balance sheet on April 1, 2019:

- Property plant and equipment (right-of-use assets) - increase by ₹ 12,221 lakh
- Prepaid leases - decrease by ₹ 446 lakh
- lease liabilities - increase by ₹ 12,326 lakh
- Other payables(Lease equalisation reserves) - decrease by ₹ 551 lakh

42 FINANCIAL INSTRUMENTS

i Fair value hierarchy

The company uses the following hierarchy to determine the fair values of its financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

There were no transfers between levels 1, 2 and 3 during the year.

The Company's recognises transfers in and transfers out of fair value hierarchy levels as at the end of the reporting year.

Notes

forming part of the Consolidated financial statements for the year ended March 31, 2020

ii Accounting classifications and fair values

As at March 31, 2020 (₹ In Lakh)

Particulars	Measured at FVTPL				Measured at Amortised cost	Others	Total
	Level 1	Level 2	Level 3	Total			
Financial assets							
Cash and cash equivalents	-	-	-	-	684,928	-	684,928
Bank Balances other than Above	-	-	-	-	87,064	-	87,064
Derivative financial instruments	-	-	-	-	-	-	-
Receivables	-	-	-	-	275	-	275
Housing and other loans	-	-	3,073,231	3,073,231	3,547,037	-	6,620,268
Investments	-	-	255,933	255,933	132,118	-	388,051
Other financial assets	-	-	-	-	148,357	-	148,357
Total Financial Assets	**-**	**-**	**3,329,164**	**3,329,164**	**4,599,779**	**-**	**7,928,943**
Financial Liabilities							
Derivative financial instruments	-	-	-	-	-	-	-
Trade Payables	-	-	-	-	12,122	-	12,122
Debt Securities	-	-	-	-	4,542,829	-	4,542,829
Borrowings (Other than Debt Securities)	-	-	-	-	3,841,077	-	3,841,077
Deposits	-	-	-	-	527,889	-	527,889
Subordinated Liabilities	-	-	-	-	129,430	-	129,430
Other financial liabilities	-	-	-	-	69,544	-	69,544
Total Financial Liabilities	**-**	**-**	**-**	**-**	**9,122,891**	**-**	**9,122,891**

As at March 31, 2019 (₹ In Lakh)

Particulars	Measured at FVTPL				Measured at Amortised cost	Others*	Total
	Level 1	Level 2	Level 3	Total			
Financial assets							
Cash and cash equivalents	-	-	-	-	126,012	-	126,012
Other bank Balances	-	-	-	-	177,148	-	177,148
Derivative financial instruments	-	17,113	-	17,113	-	-	17,113
Receivables	-	-	-	-	476	-	476
Housing and other loans	-	-	3,162,815	3,162,815	6,634,997	-	9,797,812
Investments	10,404	-	106,420	116,824	133,007	-	249,831
Other financial assets	-	-	-	-	104,807	-	104,807
Total Financial Assets	**10,404**	**17,113**	**3,269,235**	**3,296,752**	**7,176,447**	**-**	**10,473,199**
Financial Liabilities							
Derivative financial instruments	-	1,335	28,916	30,251	-	-	30,251
Trade Payables	-	-	-	-	10,205	-	10,205
Debt Securities	-	-	-	-	4,811,289	-	4,811,289
Borrowings (Other than Debt Securities)	-	-	-	-	4,065,993	-	4,065,993
Deposits	-	-	-	-	682,677	-	682,677
Subordinated Liabilities	-	-	-	-	121,251	-	121,251
Other financial liabilities	-	-	-	-	127,457	-	127,457
Total Financial Liabilities	**-**	**1,335**	**28,916**	**30,251**	**9,818,872**	**-**	**9,849,123**

Notes

forming part of the Consolidated financial statements for the year ended March 31, 2020

iii Fair value of the financial assets that are measured at amortised cost

As at March 31, 2020 (₹ in lakh)

Particulars	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets					
Investments	132,118	87,814		58,765	146,579
Total Financial Assets	**132,118**	**87,814**	**-**	**58,765**	**146,579**
Financial Liabilities					
Debt Securities	4,542,829	-	-	4,542,829	4,542,829
Borrowings (Other than Debt Securities)	3,841,077	-	-	3,841,077	3,841,077
Deposits	527,889	-	-	527,889	527,889
Subordinated Liabilities	129,430	-	-	129,430	129,430
Total Financial Liabilities	**9,041,225**	**-**	**-**	**9,041,225**	**9,041,225**

As at March 31, 2019 (₹ in lakh)

Particulars	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets					
Investments	101,102	96,303	-	14,126	110,429
Total Financial Assets	**101,102**	**96,303**	**-**	**14,126**	**110,429**
Financial Liabilities					
Debt Securities	4,448,686	-	-	4,294,655	4,294,655
Borrowings (Other than Debt Securities)	239,029	-	-	241,453	241,453
Deposits	682,677	-	-	721,341	721,341
Subordinated Liabilities	121,251	-	-	122,808	122,808
Total Financial Liabilities	**5,491,643**	**-**	**-**	**5,380,257**	**5,380,257**

Notes:

a The fair value of the financial assets and liabilities are considered at the amount at which the instrument could be exchanged in current transaction between willing parties.

b In the previous year, the fair value of fixed rate financial liabilities were determined based on cash flows discounted using current borrowing rate.

c Housing and property loans measured at amortised costs are substantially repriced frequently, with interest rate reflecting current market price and hence the carrying value approximates their fair value.

d The Company considers that the carrying amounts recognised in the financial statements for financial assets and financial liabilities other than disclosed above approximate their fair values.

e For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and balances, Trade receivables, other financial assets and liabilities and trade payables without a specific maturity. Such amounts have been classified as Level 2 on the basis that no adjustments have been made to the balances in the balance sheet.

Notes

forming part of the Consolidated financial statements for the year ended March 31, 2020

f The company is currently undergoing Corporate Insolvency Resolution Process ('CIRP') under the provisions of the Insolvency and Bankruptcy Code, 2016 ('Code'). Accordingly, all its liabilities are crystalised as at as on December 3, 2019 (Insolvency Commencement Date or 'ICD'). Hence, it has been assumed that the carrying value of the liabilities approximates the fair value.

iv Valuation technique used to determine fair value of financial instruments measured at FVTPL:

a The fair value of a financial instrument on initial recognition is normally the transaction price (fair value of the consideration given or received). Subsequent to initial recognition, the Company determines the fair value of financial instruments that are quoted in active markets using the quoted prices and using valuation techniques for other instruments. Valuation techniques include discounted cash flow method, market comparable method, recent transactions happened in the Company and other valuation models.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

b Financial instruments carried at fair value (level 3 in hierarchy):

The fair values are measured using valuation techniques including the Discounted Cash Flow (DCF) model and market comparable method. The inputs to these models are taken from observable market where possible, but where this is not feasible, a degree of judgement is exercised in establishing fair values. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

v The following table presents the changes in level 3 financial instruments for the year ended March 31, 2020 and March 31, 2019:

(₹ in lakh)

Particulars	Housing and property loans measured at FVTPL	Pass through certificate	Security receipts	Venture capital fund	Unquoted equity / preference investments	Derivative financial instruments
As at March 31, 2018	**65,670**	**-**	**66,628**	**2,344**	**14,581**	**-**
Acquisitions	-	32,500	-	-	-	28,916
Disposal	(65,670)	-	(3,618)	(39)	-	-
Reclassified from amortised cost category to FVTPL	3,488,160	-	-	-	-	-
Gains / (Losses) recognized in profit or loss	(325,345)	(6,800)	221	(6)	609	-
As at March 31, 2019	**3,162,815**	**25,700**	**63,231**	**2,299**	**15,190**	**28,916**
Acquisitions	-	170,000	7,502	-	-	-
Disposal	-	-	(1,690)	(348)	-	-
Reclassified from amortised cost category to FVTPL	1,470,100	-	-	-	-	-
Gains / (Losses) recognized in profit or loss	(1,559,684)	(19,990)	443	(239)	(6,165)	(28,916)
As at March 31, 2020	**3,073,231**	**175,710**	**69,486**	**1,712**	**9,025**	**-**

Notes

forming part of the Consolidated financial statements for the year ended March 31, 2020

vi Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements. See (iv) above for the valuation techniques adopted.

(₹ in lakh)

Particulars	Fair value	
	As at March 31, 2020	As at March 31, 2019
Housing and property loans measured at FVTPL	3,073,231	3,162,815
Pass through certificate	175,710	25,700
Security receipts	69,486	63,231
Venture capital fund	1,712	2,299
Unquoted equity / preference investments	9,025	15,190
Derivative financial instruments	-	28,916

(₹ in lakh)

Particulars	Significant unobservable inputs (refer notes below)	Impact on Fair value			
		As at March 31, 2020		As at March 31, 2019	
		Increase in FV	Decrease in FV	Increase in FV	Decrease in FV
Housing and property loans measured at FVTPL	a	11,791	11,333	124,383	117,880
Pass through certificate	a	1,757	(1,757)	257	257
Security receipts	b	6,949	(6,949)	6,323	6,323
Venture capital fund	b	171	(171)	230	230
Unquoted equity / preference investments	c	448	(454)	465	462
Derivative financial instruments	c	-	-	8,736	(8,736)

Notes:

a The expected internal rate of return considered for the purpose of discounting the estimated cash flows. An increase in the rate will result in decrease in the fair value and vice-versa. The impact disclosed above is based on change in the rate of return by 100 basis points.

b The fair value is impacted by the change in the net asset value declared. The impact above has been determined based on 10% change in the net asset value.

c Valuation factor includes equity multiples such as PE ratio, estimated cash flows. The impact above has been determined based on approx 5% to 10% change in the valuation factor.

Notes

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43 MATURITY PATTERN:

The table below shows an analysis of assets and liabilities according to when they are expected to be recovered or settled. With regard to loans and advances to customers, the Company uses the same basis of expected repayment behaviour as used for estimating the EIR.

(₹ In Lakh)

Particulars	March 31, 2020			March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	684,928	-	684,928	126,012	-	126,012
Other bank Balances	87,064	-	87,064	177,148	-	177,148
Derivative financial instruments	-	-	-	1,568	15,545	17,113
Receivables	275	-	275	476	-	476
Housing and Other loans	1,172,038	5,448,230	6,620,268	2,248,386	7,549,426	9,797,812
Investments	240	387,811	388,051	90,239	159,592	249,831
Other financial assets	148,357	-	148,357	26,436	78,371	104,807
Total Financial Assets	**2,092,902**	**5,836,041**	**7,928,943**	**2,670,265**	**7,802,934**	**10,473,199**
Non-Financial assets						
Current Tax Assets (Net)	-	33,023	33,023	-	37,020	37,020
Deferred tax assets	-	504,330	504,330	-	43,396	43,396
Property, plant and equipment	-	85,361	85,361	-	78,293	78,293
Intangible assets under development	-	10,517	10,517	-	10,401	10,401
Other intangible assets	-	6,669	6,669	-	8,175	8,175
Other non-financial assets	14,124	-	14,124	9,714	-	9,714
Total Non-Financial Assets	**14,124**	**639,900**	**654,024**	**9,714**	**177,285**	**186,999**
Total Assets	**2,107,026**	**6,475,941**	**8,582,966**	**2,679,979**	**7,980,219**	**10,660,198**
LIABILITIES						
Financial Liabilities						
Derivative financial instruments	-	-	-	148	30,103	30,251
Trade Payables	12,122	-	12,122	10,205	-	10,205
Debt Securities	1,156,766	3,386,062	4,542,828	1,487,079	3,324,210	4,811,289
Borrowings (Other than Debt Securities)	1,248,692	2,592,385	3,841,077	792,604	3,273,389	4,065,993
Deposits	378,257	149,632	527,889	326,689	355,988	682,677
Subordinated Liabilities	13,360	116,070	129,430	7,670	113,581	121,251
Other financial liabilities	69,544	-	69,544	113,864	13,590	127,455
Total Financial Liabilities	**2,878,741**	**6,244,149**	**9,122,891**	**2,738,259**	**7,110,861**	**9,849,121**
Non-Financial Liabilities						
Provisions	753	-	753	1,015	-	1,015
Other non-financial liabilities	13,937	-	13,937	16,325	-	16,325
Total Non-Financial Liabilities	**14,690**	**-**	**14,690**	**17,340**	**-**	**17,340**
Total liabilities	**2,893,431**	**6,244,149**	**9,137,581**	**2,755,599**	**7,110,861**	**9,866,461**

Notes:

1 The maturity analysis is prepared considering the prepayments on housing and other loans in line with historical trend.

2 For the purposes of the above disclosure, the maturity pattern of the loans measured at FVTPL has been determined based on the management's estimate of realization including through sale.

Notes

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44 FINANCIAL RISK MANAGEMENT

a Liquidity risk is the current and prospective risk arising out of an inability to meet financial commitments as they fall due, through available cash flows or through the sale of assets at fair market value. It includes both, the risk of unexpected increases in the cost of funding an asset portfolio at appropriate maturities and the risk of being unable to liquidate a position in a timely manner at a reasonable price.

The company manages liquidity risk in accordance with our Asset Liability Management Policy. This policy is framed as per the current regulatory guidelines and is approved by the erstwhile Board of Directors.

The company is currently undergoing Corporate Insolvency Resolution Process ('CIRP') under the provisions of the Insolvency and Bankruptcy Code, 2016 ('Code'). Accordingly, a moratorium has been declared under section 14 of the Code. The current liquidity risk management is therefore restricted to the management of current assets and liabilities and the day to day cash flows of the company.

The company would refresh/revise the liquidity risk management framework post implementation of the approved resolution plan. In the mean time the Company has distributed the carrying value basis of contractual obligation, as per table below, without taking into accounts its ability to pay and the risk associated thereof.

Maturity Analysis of Financial assets and Financial Liabilities

As at March 31, 2020

(₹ In Lakh)

Particulars	Carrying Value	Due within 1 year	Due within 1 to 3 year	Due within 3 to 5 year	More than 5 year
Financial Assets					
Cash and cash equivalents	684,928	684,928	-	-	-
Other bank Balances	87,064	87,064	-	-	-
Derivative financial instruments	-	-	-	-	-
Receivables	275	275	-	-	-
Housing and Other loans	6,620,268	1,172,038	1,787,896	3,365,313	295,021
Investments	388,051	240	10,737	-	377,074
Other financial assets	148,357	148,357	-	-	-
Total	**7,928,943**	**2,092,902**	**1,798,633**	**3,365,313**	**672,095**
Financial Liabilities					
Derivative financial instruments	-	-	-	-	-
Trade Payables	12,122	12,122	-	-	-
Debt Securities	4,542,829	1,156,766	1,498,254	942,810	944,998
Borrowings (Other than Debt Securities)	3,841,077	1,248,693	1,646,037	565,844	380,503
Deposits	527,889	378,257	126,198	12,678	10,756
Subordinated Liabilities	129,430	13,360	-	-	116,070
Other financial liabilities	69,544	69,544	-	-	-
Total	**9,122,891**	**2,878,741**	**3,270,489**	**1,521,332**	**1,452,327**
Net	**(1,193,948)**	**(785,840)**	**(1,471,856)**	**1,843,981**	**(780,232)**

Notes

forming part of the Consolidated financial statements for the year ended March 31, 2020

As at March 31, 2019

(₹ In Lakh)

Particulars	Carrying Value	Due within 1 year	Due within 1 to 3 year	Due within 3 to 5 year	More than 5 year
Financial Assets					
Cash and cash equivalents	126,012	126,012	-	-	-
Other bank Balances	177,148	177,148	-	-	-
Derivative financial instruments	17,113	1,568	12,000	2,362	1,183
Receivables	476	476	-	-	-
Housing and Other loans	9,797,812	2,248,386	3,266,121	3,325,600	957,705
Investments	249,831	90,239	-	-	159,592
Other financial assets	104,807	26,436	24,936	24,936	28,499
Total	**10,473,199**	**2,670,265**	**3,303,057**	**3,352,898**	**1,146,979**
Financial Liabilities					
Derivative financial instruments	30,251	148	1,094	93	28,916
Trade Payables	10,205	10,205	-	-	-
Debt Securities	4,811,289	1,487,079	1,212,457	1,110,223	1,001,530
Borrowings (Other than Debt Securities)	4,065,993	792,604	1,653,009	953,313	667,067
Deposits	682,677	326,689	313,372	30,468	12,148
Subordinated Liabilities	121,251	7,670	-	-	113,581
Other financial liabilities	127,457	113,865	9,943	917	2,730
Total	**9,849,123**	**2,738,260**	**3,189,875**	**2,095,014**	**1,825,972**
Net	**624,077**	**(67,995)**	**113,182**	**1,257,884**	**(678,993)**

Notes:

1 The maturity analysis is prepared considering the prepayments on housing and other loans in line with historical trend.

2 For the purposes of the above disclosure, the maturity pattern of the loans measured at FVTPL has been determined based on the management's estimate of realization including through sale.

b Interest Risk

Our core business is deposit taking, borrowing and lending as permitted by the National Housing Bank. The liabilities are a mix of floating rate liabilities while the assets are primarily floating rate assets. Consequently, different reprising nature and the fluctuations in interest rates exposes the company to interest rate risk.

Exposure to fluctuations in interest rates is measured by way of gap analysis, providing a static view of the maturity and re-pricing characteristic of balance sheet positions. An interest rate sensitivity gap report is prepared by classifying all rate sensitive assets and rate sensitive liabilities into various time period categories according to contracted/behavioural maturities or anticipated re-pricing date. The difference in the amount of rate sensitive assets and rate sensitive liabilities maturing or being re-priced in any time period category, gives an indication of the extent of exposure to the risk of potential changes in the margins on new or re-priced assets and liabilities.

The company is currently undergoing Corporate Insolvency Resolution Process ('CIRP') under the provisions of the Insolvency and Bankruptcy Code, 2016 ('Code'). Accordingly, a moratorium has been declared under section 14 of the Code. The debt liabilities have been crystallised as on December 3, 2019 (Insolvency Commencement Date or 'ICD'). Accordingly, there is no interest rate risk on the debt liabilities till the completion of CIRP.

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Exposure to interest rate risk

The Company's exposures to interest rates on financial assets and financial liabilities are detailed as under:

(₹ in Lakh)

Particulars	As at March 31, 2020	As at March 31, 2019
Loans (Gross):		
Fixed rate instruments	1,066,555	738,870
Floating rate instruments	3,185,102	6,016,026
Total	**4,251,657**	**6,754,896**
Borrowings:		
Fixed rate instruments	5,610,599	5,574,956
Floating rate instruments	3,430,626	4,077,118
Total	**9,041,225**	**9,652,074**

Interest Rate Sensitivity

The following table demonstrates the net sensitivity to a reasonably possible change in interest rate (all other variables being constant) of the Statement of Profit/(Loss) (after taxes) and equity:

Particulars	Basis Points	For the year ended March 31, 2020	For the year ended March 31, 2019
Increase by basis points	50	(913)	6,325
Decrease by basis points	(50)	(913)	6,325

Exchange Rate Risk

The company is exposed to foreign currency risk on account of the External Commercial Borrowings (ECB) availed by the company. ECBs are exposed to risk of rupee weakness against the respective loan currency or rise in interest rate of the loan currency.

The company is currently undergoing Corporate Insolvency Resolution Process ('CIRP') under the provisions of the Insolvency and Bankruptcy Code, 2016 ('Code'). Accordingly, a moratorium has been declared under section 14 of the Code. All the foreign currency liabilities have been crystallised into INR as on December 3, 2019 (Insolvency Commencement Date or 'ICD'). Accordingly, there is no foreign currency risk till the completion of CIRP.

The exposure to External Commercial Borrowings is as under

As at	(₹ in Lakh)
March 31, 2020	299,739
March 31, 2019	286,323

Hedging Policy

The Company's hedging policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind AS. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Company enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item, and so a qualitative and quantitative assessment of effectiveness is performed.

Cash Flow Hedge

The impact of the hedging instrument and hedged item on the balance sheet:

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forming part of the Consolidated financial statements for the year ended March 31, 2020

Hedging Instrument (₹ in Lakh)

Particulars	Notional amount	Carrying amount of hedging instruments Assets	Carrying amount of hedging instruments liabilities	Line in the balance sheet	Weighted average contract / strike price of the hedging instrument	Change in the fair value in the hedging instrument used as the basis for recognising hedge ineffectiveness - (profit) / loss
March 31, 2020 (Ref note 6.3)	-	-	-	-	-	-
March 31, 2019						
INR USD - Currency Swaps	294,293	10,198	809	Derivative Financial Instruments	Weighted Average 64.25 Ranging between 59.75 to 67.25	21,252
INR USD - Forward exchange contracts	18,861	-	526	Derivative Financial Instruments	Weighted Average 74.52 Ranging between 71.20 to 85.	-
Total	**313,154**	**10,198**	**1,335**			**21,252**

Hedged Item (₹ in Lakh)

Particulars	Change in the value of hedged item used as the basis for recognising hedge ineffectiveness	Cash flow hedge reserve as at - (Debit)/ Credit -	Cost of hedging as at	Foreign Currency Monetary Items Translation Reserve
March 31, 2020 (Ref note 6.3)	-	-	-	-
March 31, 2019				
External Commercial Borrowings	17,804	(3,832)	-	-

The impact of the cashflow hedges in the statement of profit/(loss) and other comprehensive income:

Particulars	Hedging gains or losses recognised in other comprehensive income	
	31-Mar-20	31-Mar-19
Forward exchange contracts and Currency swaps (Ref note 6.3)	-	1,805

Notes

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Fair Value Hedge

The impact of the hedging instrument and hedged item on the balance sheet:

Hedging Instrument (₹ in Lakh)

Particulars	Notional amount	Carrying amount - Asset	Line in the balance sheet	Change in fair value used for measuring ineffectiveness for the year
Interest Rate Swap as at				
March 31, 2020	-	-		-
March 31, 2019	190,000	3,281	Derivative Financial Instruments	-

Hedged Item (₹ in Lakh)

Particulars	Notional amount	Carrying amount - Asset	Line in the balance sheet	Change in fair value used for measuring ineffectiveness for the year
Fixed rate borrowing as at				
March 31, 2020	-	-	-	-
March 31, 2019	190,000	3,294	Debt Securities	-

The impact of the fair value hedges in the statement of profit and loss:

Particulars	Hedge ineffectiveness recognised in statement of profit and loss - Gain/ (Loss)		Line in the statement of profit and loss that includes hedge ineffectiveness
	31-Mar-20	31-Mar-19	
Interest Rate Swap	-	(13)	Finance Cost

c Credit risk

Credit risk is the risk of loss that may occur from the failure of any party to abide by the terms and conditions of any contract, principally the failure to make required payments of amounts due to the company. In its lending operations, the Company is principally exposed to credit risk.

The credit risk is governed by the Credit Policy approved by the Board of Directors. The Credit Policy outlines the type of products that can be offered, customer categories, the targeted customer profile and the credit approval process and limits.

The Company measures, monitors and manages credit risk at an individual borrower level and at the group exposure level for corporate borrowers. The credit risk for retail borrowers is being managed at portfolio level for both Home loans and Other property loans. The Company has a structured and standardized credit approval process, which includes a well-established procedure of comprehensive credit appraisal. The Risk Management Policy addresses the recognition, measurement, monitoring and reporting of the Credit risk.

Credit Risk Assessment Methodology:

Housing and other property loans:

Company's customers for retail loans are primarily Lower and middle income, salaried and self-employed individuals.

The Company's credit officers evaluate credit proposals on the basis of approved operating policies. The criteria typically include factors such as the borrower's income, the loan-to-value ratio and demographic parameters. Any deviations need to be approved at the designated levels.

External agencies such as field investigation agencies facilitate a comprehensive due diligence process including visits to offices and homes in the case of loans made to retail borrowers.

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The Company has an established credit appraisal procedure leading to appropriate identification of credit risk for wholesale mortgage loans which involves critical assessment of quantitative and qualitative parameters subject to review and approval basis approved operating policies. A significant portion of wholesale mortgage loans are secured by a lien over appropriate assets of the borrower.

Company monitor's borrower account behaviour as well as static data regularly to monitor the portfolio performance of each product segment regularly, and use these as inputs in revising its product programs, target market definitions and credit assessment criteria to meet the twin objectives of combining volume growth and maintenance of asset quality.

The loans are secured by the mortgage of the borrowers' property.

Loan to developers:

The Company has a framework for the appraisal and execution of project finance transactions. The Company believes that this framework creates optimal risk identification, allocation and mitigation and helps minimize residual risk.

The project finance approval process begins with a detailed evaluation of technical, commercial, financial, marketing and management factors and the sponsor's financial strength and experience.

As part of the appraisal process, a risk matrix is generated, which identifies each of the project risks, mitigating factors and residual risks associated with the project. After credit approval, a letter of intent is issued to the borrower, which outlines the principal financial terms of the proposed facility, sponsor obligations, conditions precedent to disbursement, undertakings from and covenants on the borrower.

After completion of all formalities by the borrower, a loan agreement is entered into with the borrower.

Project finance loans are generally fully secured and have full recourse against the borrower. In most cases, the Company has a security interest and first lien on all the fixed assets. Security interests typically include property as well as other tangible assets of the borrower, both present and future. The Corporation also takes additional credit comforts such as corporate or personal guarantees from one or more sponsors of the project.

The Company requires the borrower to submit periodic reports and continue to monitor the credit exposure until loans are fully repaid.

The Company's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses
Stage 1	0-30 days past due loans classified as stage 1	12-month ECL
Stage 2	31-90 days past due loans classified as stage 2	Lifetime ECL
Stage 3	> 90 days past due loans classified as stage 3	Lifetime ECL – credit-impaired

The key elements in calculation of ECL are as follows:

PD - The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The PD has been determined based on seasoned historical portfolio data using the survival analysis methodology.

EAD - The Exposure at Default includes repayments scheduled by contract or otherwise, expected drawdowns on committed facilities, accrued interest from missed payments and loan commitments.

LGD - The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD. The LGD is determined based on seasoned historical portfolio data.

Significant increase in credit risk - The Company continuously monitors all assets subject to ECLs in order to determine whether an instrument or a portfolio of instruments is subject to 12 month ECL or lifetime ECL. The Company assesses

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whether there has been an event which could cause a significant increase in the credit risk of the underlying asset or the customers ability to pay and accordingly change the 12 month ECL to a lifetime ECL.

Regardless of the above, if contractual payments are more than 30 days past due, the credit risk is deemed to have increased significantly since initial recognition. However, in the current year, the Company has provided moratorium to the borrowers as a result of RBI guidelines relating to COVID-19 regulatory package dated March 27, 2020 and April 17, 2020. Consequently, Company has rebutted the presumption of 30 days past due as the increase in credit risk of borrowers is due to temporary liquidity relief provided for the pandemic.

When estimating ECLs on a collective basis for a Company of similar assets, the Company applies the same principles for assessing whether there has been a significant increase in credit risk since initial recognition.

Grouping financial assets measured on a collective basis - The Company calculates ECLs only on a collective basis. The Company segments the exposure into following pools:

1. Loans to developers
2. Housing and other property loans
3. Inter-corporate deposits
4. Loans to others

Forward looking macro-economic adjustment factors in COVID 19 impact

In order to looking forward, unbiased, probable waited macro-economic adjustments to the PD, following macro-economic variable have been selected

Portfolio	Independent variable
Housing loan	Gross domestic product, housing price index
Non Housing loan	Gross domestic product, housing price index
SME	Housing price index

While estimating Expected credit losses, the company reviewed macro-economic development occurring in economy and market it operate in. on a periodic basis, the company analysis relationship between key economic trends like Gross Domestic Product, Housing Price Index, etc., with the estimate of PD determined by the company base on its internal data.

An analysis of changes in the gross carrying amount (excluding adjustment to carrying value on account of application of effective interest rate) and the corresponding ECL allowances in relation to lending is, as follows:

a Housing and Other Property Loan

The table below shows the credit quality and the exposure to credit risk based on the year-end stage classification. The amounts presented are gross of impairment allowances.

Reconciliation of Loan balances is given below: (₹ in Lakh)

Particulars	March 31, 2020				March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**5,644,698**	**122,322**	**267,053**	**6,034,073**	**6,895,953**	**441,024**	**84,575**	**7,421,552**
New assets added during the year	30,063	12	17	30,092	2,259,050	81,022	-	2,340,072
Assets derecognised under direct assignment	(421,383)	49	49	(421,285)	(1,747,976)	(1,668)	-	(1,749,644)
Repayment of Loans (excluding write offs)	(1,395,541)	93,112	(28,173)	(1,330,602)	(2,368,674)	(53,807)	(24,737)	(2,447,218)
Transfers to / from Stage 1	109,833	(26,704)	(5,770)	77,359	1,442,948	(27,310)	41,591	1,457,229
Transfers to / from Stage 2	(128,716)	137,654	(8,938)	-	(67,484)	81,137	(1,322)	12,331
Transfers to / from Stage 3	(858,765)	(152,313)	2,321,163	1,310,085	(90,307)	(60,013)	163,036	12,716
Considered at Fair Value	(208,217)	(3,500)	(1,796,715)	(2,008,432)	(683,584)	(339,599)	(1,076)	(1,024,259)
Amounts written off	5,556	2,259	11,700	19,515	4,772	1,536	4,986	11,294
Gross carrying amount closing balance	**2,777,528**	**172,891**	**760,386**	**3,710,805**	**5,644,698**	**122,322**	**267,053**	**6,034,073**

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Reconciliation of ECL balance is given below: (₹ in Lakh)

Particulars	March 31, 2020				March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance	**20,015**	**925**	**95,572**	**116,512**	**24,146**	**13,448**	**28,454**	**66,048**
ECL remeasurements due to changes in EAD/ assumptions (net)	1,298	5,248	(20,352)	(13,806)	(6,153)	1,003	(9,099)	(14,249)
Transfers to / from Stage 1	(80)	(1,504)	(4,178)	(5,762)	4,812	(1,073)	15,298	19,037
Transfers to / from Stage 2	94	7,753	(6,472)	1,375	(225)	3,188	(486)	2,477
Transfers to / from Stage 3	624	(8,578)	1,680,808	1,672,854	(301)	(2,358)	59,967	57,308
on considered at Fair Value	151	(197)	(1,301,043)	(1,301,089)	(2,280)	(13,343)	(396)	(16,019)
on amounts written off	(4)	127	8,472	8,595	16	60	1,834	1,910
Closing balance	**22,098**	**3,774**	**452,807**	**478,679**	**20,015**	**925**	**95,572**	**116,512**

Notes:

1 The Expected Credit Loss shown above is computed on Exposure At Default (EAD) which comprises of the principal loan amount, EMI/PEMI and interest receivables.

2 Above includes Expected Credit Loss provision on Loan commitment amount to ₹ 898 Lakh (₹ 834 Lakh).

b Loans to Developers

The table below shows the credit quality and the exposure to credit risk based on the year-end stage classification. The amounts presented are gross of impairment allowances.

Reconciliation of Loan balances is given below: (₹ in Lakh)

Particulars	March 31, 2020				March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**147,612**	**1**	**5,249**	**152,862**	**1,611,628**	**252,799**	**32,936**	**1,897,363**
New assets added during the year	-	-	-	-	784,695	6,152	-	790,847
Assets derecognised under direct assignment	30,000	-	-	30,000	135,300	-	-	135,300
Repayment of Loans (excluding write offs)	(1,514)	-	(100)	(1,614)	(163,989)	(57,721)	(27,970)	(249,680)
Transfers to / from Stage 1	-	-	-	-	(262,897)	262,897	-	-
Transfers to / from Stage 2	-	-	-	-	-	-	-	-
Transfers to / from Stage 3	-	-	-	-	-	-	(4,436)	(4,436)
Considered at Fair Value	-	-	-	-	(1,994,632)	(464,126)	(5,214)	(2,463,972)
Amounts written off	-	-	-	-	37,507	-	9,933	47,440
Gross carrying amount closing balance	**176,098**	**1**	**5,149**	**181,248**	**147,612**	**1**	**5,249**	**152,862**

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Reconciliation of ECL balance is given below: (₹ in Lakh)

Particulars	March 31, 2020				March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance	**-**	**-**	**686**	**686**	**43,467**	**11,150**	**15,807**	**70,424**
ECL remeasurements due to changes in EAD/ assumptions (net)	-	-	129	129	22,445	(2,275)	(15,275)	4,895
Transfers to / from Stage 1	-	-	-	-	(7,805)	11,596	-	3,791
Transfers to / from Stage 2	-	-	-	-	-	-	-	-
Transfers to / from Stage 3	-	-	-	-	-	-	(2,423)	(2,423)
on considered at Fair Value	-	-	-	-	(59,221)	(20,471)	(2,847)	(82,539)
on amounts written off	-	-	-	-	1,114	-	5,424	6,538
Closing balance	**-**	**-**	**815**	**815**	**-**	**-**	**686**	**686**

Notes:

1 The Expected Credit Loss shown above is computed on Exposure At Default (EAD) which comprises of the principal loan amount, EMI/PEMI and interest receivables.

2 Above includes Expected Credit Loss provision on Loan commitment amount to Nil Lakh (₹ Nil Lakh).

c Inter Corporate Deposits

Reconciliation of Inter Corporate loan balances is given below: (₹ in Lakh)

Particulars	March 31, 2020				March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	**11,054**	**28,286**	**525,929**	**565,269**	**22,023**	**1,776**	**38,944**	**62,743**
New assets added during the year	64	-	17,997	18,061	606,125	-	-	606,125
Repayment of Loans	(3,080)	-	(221,416)	(224,496)	(103,599)	-	-	(103,599)
Transfers to / from Stage 1	-	-	-	-	(28,286)	28,286	-	-
Transfers to / from Stage 2	-	(28,286)	28,286	-	-	(1,776)	1,776	-
Transfers to / from Stage 3	(8,038)		8,038	-	(485,209)	-	485,209	-
Gross carrying amount closing balance	**-**	**-**	**358,834**	**358,834**	**11,054**	**28,286**	**525,929**	**565,269**

Reconciliation of ECL balance is given below: (₹ in Lakh)

Particulars	March 31, 2020				March 31, 2019			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance	**372**	**863**	**1,447**	**2,682**	**675**	**54**	**1,447**	**2,176**
ECL remeasurements due to changes in EAD/ assumptions (net)	-	-	222,350	222,350	13,892	-	-	13,892
Transfers to / from Stage 1	-	-	-	-	(782)	863	-	81
Transfers to / from Stage 2	-	(863)	863	-	-	(54)	-	(54)
Transfers to / from Stage 3	(372)	-	372	-	(13,413)	-	-	(13,413)
Closing balance	**-**	**-**	**225,032**	**225,032**	**372**	**863**	**1,447**	**2,682**

Note:

The Expected Credit Loss shown above is computed on Exposure At Default (EAD) which comprises of the principal loan amount and outstanding interest receivables.

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d Reconciliation of ECL balance on loan to others are as given below:

	(₹ in Lakh)
As at March 31, 2018	**19**
Add: on addition	-
Less: on deletion	-
As at March 31, 2019	**19**
Add: on addition	75
Less: on deletion	-
As at March 31, 2020	**94**

e Concentration of Loans & Advances

Particulars	As at 31-03-2020	As at 31-03-2019
Total Exposure to twenty largest borrowers/customers* (₹ in Lakh)	1,680,615	1,397,757
Percentage of Exposures to twenty largest borrowers /Customers to total Exposure on Borrowers /Customers	22.00%	14.95%

* Includes loans which are fair valued

45 Impairment allowance for loan against fixed deposit is Nil and therefore related disclosures as required by Ind AS 109 are not given in the financial statement.

46 CAPITAL MANAGEMENT

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio: Net debt (total borrowings net of cash and cash equivalents and Liquid investments) divided by Total 'equity' (as shown in the balance sheet). However, in view of certain adverse factors and liquidity problems faced by the Company, the net worth of the Company has been fully eroded and the Company is presently under CIRP process and thereby continue to operate as a going concern.

Particulars	Amount
Total borrowings net of cash and cash equivalents (₹ in Lakh)	8,356,364
Total Equity (₹ in Lakh)	(553,794)
Debt Equity Ratio	-

47 SEGMENT REPORTING

As per requirements of Ind AS 108 on 'Operating Segments', based on evaluation of financial information for allocation resources and assessing performance, the Company has identified a single segment i.e. providing loans for purchase or constructions of residential houses including all related activities. Accordingly, there are no separate reportable segments as per Ind AS 108.

The Company has its operations majorly within India and all revenue is generated within India.

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48 EMPLOYEE BENEFITS

a Defined Contribution Plan

The company makes contributions to provident fund for qualifying employees to Regional Provident Fund Commissioner under defined contribution plan under the Provident Fund Act.

Amount recognised as an expense and included under the head "Contribution to Provident and Other Funds" of Statement of Profit and Loss are as follows:

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Contribution to provident fund	811	1,049
Contribution to pension fund	418	484

b Defined Obligation Benefit

The company provides gratuity to its employees which are defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

These gratuity plan typically expose the Company to following Risk:

Investment Risk:

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Interest risk:

A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Mortality risk:

Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Salary risk:

The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Asset Liability Matching Risk:

The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Concentration Risk:

Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

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The following table sets out the funded status of the Gratuity and the amount recognised in the Financial Statements:

i Changes in Defined Benefit Obligation

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Liability at the beginning of the year	1,823	1,699
Current Service Cost	255	378
Interest cost	138	134
Benefits paid	(463)	(237)
Actuarial (gain) /losses	140	(151)
Liability at the end of the year	**1,893**	**1,823**

ii Changes in Fair Value of Plan Assets

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Fair Value of Plan Assets at the beginning of the year	2,506	1,856
Expected Return on Plan Assets	190	146
Contributions	67	723
Benefits Paid	(389)	(197)
Actuarial (loss)	(14)	(22)
Fair Value of Plan Assets at the end of the year	**2,360**	**2,506**

iii Reconciliation of Fair Value of Assets and Obligations

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Fair value of Plan Assets	2,360	2,506
Present Value of Obligation	1,894	1,823
Net Asset / (Liability) recognized in the Balance Sheet	**466**	**683**

iv Expenses recognized in Statement of Profit/(Loss)

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current Service Cost	255	378
Net interest on net defined benefit assets	138	134
Past Service Cost	-	-
Expected Return on Plan Assets	(190)	(146)
Expenses recognized in the statement of profit/(loss) under employee benefits expenses	**203**	**366**

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v Expenses recognized in Other Comprehensive Income

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Actuarial (Gain)/Loss on Obligation for the year	140	(151)
Return on Plan Assets, Excluding Interest Income	14	22
(Income) / Expenses recognized in the other comprehensive income	**154**	**(129)**

vi Expected benefit payments

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
1st Following Year	120	102
2nd Following Year	70	89
3rd Following Year	103	82
4thFollowing Year	124	108
5thFollowing Year	88	127
Sum of Year 6 to 10	772	739

vii Actuarial Assumptions

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Mortality Table (LIC)	2006-08	2006-08
Discount Rate (P. A.)	6.82%	7.59%
Expected rate of return on plan asset (per annum)	6.82%	7.59%
Rate of Escalation in Salary (P.A.)	6.00%	6.00%

Salary escalation & attrition rate are considered as advised by the company; they appear to be in line with the industry practice considering promotion and demand & supply of the employees.

The expected rate of return on plan asset is determined considering several applicable factors, mainly the composition of plan asset held, assessed risks, historical result of return on plan assets and the Company's policy for plan assets management.

The weighted average duration of the defined benefit obligation as at 31 March, 2020 is 12 years (2018-19: 12 years)

Effect of change in assumptions

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Projected Benefit Obligation on Current Assumptions	1,894	1,823
Delta Effect of +1% Change in Rate of Discounting	(175)	(172)
Delta Effect of -1% Change in Rate of Discounting	204	202
Delta Effect of +1% Change in Rate of Salary Increase	183	183
Delta Effect of -1% Change in Rate of Salary Increase	(165)	(165)
Delta Effect of +1% Change in Rate of Employee Turnover	12	22
Delta Effect of -1% Change in Rate of Employee Turnover	(14)	(26)

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viii Amount recognised in current year and previous year

Gratuity :

(₹ in Lakh)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Defined benefit obligation	(1,894)	(1,823)
Fair value of plan asset	2,360	2,506
Surplus in the plan	466	683
Actuarial (gain)/loss on plan obligation	140	(151)
Actuarial (loss) on plan asset	14	(22)

49 RELATED PARTY TRANSACTIONS

As per the Indian Accounting Standard on 'Related Party Disclosures' (Ind AS 24), the related parties of the Company with whom there have been transactions during the current / previous year, are as follows

Sr. No.	Relationship	Name of the Parties
1	Joint Ventures	PGIM India Asset Managers Pvt. Ltd. (formerly DHFL Pramerica Asset Managers Pvt. Ltd.) (upto 31.07.2019)
		PGIM India Trustees Pvt. Ltd. (formerly DHFL Pramerica Trustees Pvt. Ltd.) (upto 31.07.2019)
2	Associate Companies	Avanse Financial Services Limited (upto 31.07.2019)
		Aadhar Housing Finance Limited (Formerly known as DHFL Vysya Housing Finance Limited)(1) (upto 10.06.2019)
		Aadhar Housing Finance Limited (Erstwhile)(1) (upto 10.06.2019)
3	Enterprises over which KMP are able to exercise significant influence	Arthveda Fund Management Private Limited (upto 20.11.2019)
		Wadhawan Holdings Private Limited (upto 20.11.2019)
		Dish Hospitality Private Limited (upto 20.11.2019)
		WGC Management Services Private Limited (upto 20.11.2019)
		Essential Hospitality Private Limited (upto 20.11.2019)
		Navi General Insurance Ltd (formerly DHFL General Insurance Ltd - upto 06.02.2020)
		Pramerica Life Insurance Limited (Formerly DHFL Pramerica Life Insurance Company Limited) (upto 31st March, 2017 through DIL)
		Wadhawan Global Capital Limited
		DHFL Changing Lives Foundation
4	Key Management Personnel	Kapil Wadhawan (Chairman & Managing Director - upto 20.11.2019)
		Harshil Mehta (Joint Managing Director - upto 13.02.2019)
		Dheeraj Wadhawan (Non-Executive Director - upto 20.11.2019)
		Srinath Sridharan (Non -executive Director - upto 20.11.2019)
		Vijay Kumar Chopra (Independent Director - upto 11.03.2019)
		G P Kohli (Independent Director - upto 29.03.2019)
		Mannil Venugopalan (Independent Director - upto 30.03.2019)
		Vijaya Sampathn (Independent Director upto 12.02.2019)
		Sunjoy Joshi (Independent Director - upto 20.11.2019)

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Sr. No.	Relationship	Name of the Parties
		Alok Kumar Misra (Independent Director - upto 20.11.2019)
		Depali Pant Rajeev Joshi (Independent Director - upto 20.11.2019)
		Vaijinath M. Gavarshetty (Chief Executive Officer - w.e.f. 28.09.2019)
		Sunil Kumar Bansal (Chief Financial Officer - w.e.f. 04.12.2019)
		Satya Narayan Beheti (Company Secretary - w.e.f. 09.12.2019)
5	Resolution Professional	R Subramaniakumar (RBI Administrator - w.e.f. 20.11.2019)
6	Investing party and its Group Companies	PGLH of Delaware Inc (upto 31.07.2019)
		PGIM India Mutual Fund (Formerly known as DHFL Pramerica Mutual Fund) (upto 31.07.2019)
7	Relatives of Key Managerial Personnel	Aruna Wadhawan (upto 20.11.2019)

A) Details of transactions :

(₹ in Lakh)

Nature of Transactions		Joint Ventures		Associate Companies/ Others*		Investing Party and its Group Companies		Key Management Personnel	
		2019-20	2018-2019	2019-20	2018-2019	2019-20	2018-2019	2019-20	2018-2019
1)	**Investments**								
	Investments Made	-	-	-	-	-	-	-	-
	Investments Sold	3,613	-	48,390	-	-	-	-	-
2)	**Loans, Advances, Deposits and other assets**								
	Given	-	-	-	3,075	-	462	-	1,343
	Returned/Written Off	-	-	3,114	1,215	-	-	-	767
3)	**Borrowings, Security Deposits and other liabilities**								
	Received	-	-	-	0	-	-	-	-
	Repayment/Adjusted	-	-	-	208	-	-	-	-
4)	**Income(Net)**								
	Commission	4	41	435	4,955	-	-	-	-
	Trademark License Fees	-	-	143	(3,999)	-	-	-	-
	Dividend	-	-	-	161	-	-	-	-
	Interest	-	-	301	353	-	-	-	2
	Rent & Maintenance	-	3	127	1,417	-	-	-	-
	Other Income	-	-	-	389	-	-	-	0
	Technical Fees	-	-	-	5	-	-	-	-
	Trusteeship fee	-	-	-	-	-	80	-	
	Servicing fees	-	-	9	17	-	-	-	-
	Management Fee	-	-	-	-	-	2,713	-	-
	Miscellaneous income	-	-	460	-	-	-	-	-
5)	**Expenditure**								
	Remuneration	-	-	-	-	-	-	299	1,068
	Rent Expenses	-	-	321	1,995	-	2,713	-	-
	Brokerage and Marketing Fees	-	-	-	17	-	-	-	-
	Insurance Charges	-	-	591	612	-	-	-	-

Notes

forming part of the Consolidated financial statements for the year ended March 31, 2020

(₹ in Lakh)

Nature of Transactions		Joint Ventures		Associate Companies/ Others*		Investing Party and its Group Companies		Key Management Personnel	
		2019-20	2018-2019	2019-20	2018-2019	2019-20	2018-2019	2019-20	2018-2019
	Canteen Expenses	-	-	92	140	-	-	-	-
	Electricity Expenses	-	-	-	2	-	-	-	-
	CSR Expenses	-	-		1,654	-	-	-	-
	Professional Charges	-	-		1	-	-	-	-
	Directors Sitting Fees	-	-		-	-	-	24	39
6)	Sale of Loans (Securitisation)	-	-		37,894	-	-	-	-
7)	Purchase/Sale of Securities (Net)	-	-		22,787	-	-	-	-
8)	Sale & Purchase PPE	-	-		7	-	-	-	-
INCOME RECEIVED FROM :									
1)	**Commission**								
	Pramerica Life Insurance Limited (formerly DHFL Pramerica Life Insurance Company Limited)	-	-	343	2,783	-	-	-	-
	PGIM India Asset Managers Pvt. Ltd. (formerly DHFL Pramerica Asset Managers Pvt. Ltd.)	4	41	-	-	-	-	-	-
	Navi General Insurance Ltd. (formerly DHFL General Insurance Ltd.)	-	-	(98)	2,172	-	-	-	-
	Wadhawan Global Capital Limited	-	-	190	-	-	-	-	-
2)	**Trademark License Fees**								
	Navi General Insurance Ltd. (formerly DHFL General Insurance Ltd.)	-	-	143	(3,999)	-	-	-	-
3)	**Dividend**								
	Aadhar Housing Finance Ltd. (formerly known as DHFL Vysya Housing Finance Ltd.)	-	-	-	161	-	-	-	-
4)	**Interest**								
	Wadhawan Holding Pvt. Ltd.	-	-	237	338	-	-	-	-
	Wadhawan Global Capital Ltd.	-	-	64	15	-	-	-	-
	Mr. Harshil Mehta	-	-	-		-	-	-	2
5)	**Rent & Maintenance Charges**								
	PGIM India Asset Managers Pvt. Ltd. (formerly DHFL Pramerica Asset Managers Pvt. Ltd.)	-	3	-	-	-	-	-	-
	Arthveda Fund Management Pvt. Ltd.	-	-		2	-	-	-	-
	Aadhar Housing Finance Ltd. (formerly DHFL Vysya)	-	-	41	163	-	-	-	-
	Avanse Financial Services Ltd.	-	-	74	506	-	-	-	-
	WGC Management Services Pvt. Ltd.	-	-	-	229	-	-	-	-
	Navi General Insurance Ltd. (formerly DHFL General Insurance Ltd.)	-	-	-	502	-	-	-	-
	Pramerica Life Insurance Limited (formerly DHFL Pramerica Life Insurance Company Limited)	-	-	12	15	-	-	-	-

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(₹ in Lakh)

Nature of Transactions		Joint Ventures		Associate Companies/ Others*		Investing Party and its Group Companies		Key Management Personnel	
		2019-20	2018-2019	2019-20	2018-2019	2019-20	2018-2019	2019-20	2018-2019
6)	**Other Income**								
	Mr. Harshil Mehta	-	-	-	-	-	-	-	0
	Aadhar Housing Finance Limited (formerly known as DHFL Vysya Housing Finance Limited)	-	-	-	200	-	-	-	-
	Avanse Financial Services Pvt. Ltd.	-	-	-	189	-	-	-	-
7)	**Technical Fees**								
	Avanse Financial Services Pvt. Ltd.	-	-	-	5	-	-	-	-
8)	**Service Charges**								
	Aadhar Housing Finance Ltd.	-	-	9	17	-	-	-	-
9)	**Trusteeship Fees**								
	PGIM India Mutual Fund (formerly known as DHFL Pramerica Mutual Fund)	-	-	-	-	-	80	-	-
10)	**Management Fee Income**								
	PGIM India Mutual Fund (formerly known as DHFL Pramerica Mutual Fund)	-	-	-	-	-	6,860	-	-
11)	**Miscellaneous Income**								
	Avanse Financial Services Pvt. Ltd.	-	-	91	-	-	-	-	-
	Aadhar Housing Finance Ltd.	-	-	369	-	-	-	-	-
EXPENDITURE :									
1)	**Rent, Rates & Taxes**								
	Wadhawan Holdings Private Limited	-	-	172	258	-	-	-	-
	Essential Hospitality Private Limited	-	-	149	1,736	-	-	-	-
2)	**Remuneration**								
	Mr. Kapil Wadhawan	-	-	-	-	-	-	188	321
	Mr. Harshil Mehta	-	-	-	-	-	-	-	747
	Mr. Vaijinath M Gavarshetty	-	-	-	-	-	-	46	-
	Mr. Sunil Kumar Bansal	-	-	-	-	-	-	11	-
	Mr. Satya Narayan Baheti	-	-	-	-	-	-	19	-
	Directors Sitting Fees								
	Dheeraj Wadhawan	-	-	-	-	-	-	0	5
	G P Kohli	-	-	-	-	-	-	-	14
	Mannil Venugopalan	-	-	-	-	-	-	-	8
	Srinath Sridharan	-	-	-	-	-	-	-	1
	V K Chopra	-	-	-	-	-	-	-	8
	Vijaya Sampath	-	-	-	-	-	-	-	3
	Alok Kumar Misra	-	-	-	-	-	-	12	-
	Depali Pant Rajeev Joshi	-	-	-	-	-	-	5	-
	Sunjoy Joshi	-	-	-	-	-	-	8	-
	Professional Fees								
	R Subramaniakumar	-	-	-	-	-	-	35	-
3)	**Brokerage and Marketing Fees**								
	Avanse Financial Services Ltd.	-	-	-	17	-	-	-	-

Notes

forming part of the Consolidated financial statements for the year ended March 31, 2020

(₹ in Lakh)

Nature of Transactions	Joint Ventures		Associate Companies/ Others*		Investing Party and its Group Companies		Key Management Personnel	
	2019-20	2018-2019	2019-20	2018-2019	2019-20	2018-2019	2019-20	2018-2019
4) Insurance Charges								
Pramerica Life Insurance Limited (formerly DHFL Pramerica Life Insurance Company Limited)	-	-	70	92	-	-	-	-
Navi General Insurance Ltd. (formerly DHFL General Insurance Ltd.)	-	-	522	520	-	-	-	-
5) Canteen Expenses								
Dish Hospitality Private Limited	-	- -	92	140	-	-	-	-
6) Professional Charges								
Aadhar Housing Finance Limited (formerly known as DHFL Vysya Housing Finance Limited)	-	-	-	1	-	-	-	-
7) Electricity Expenses								
Arthveda Fund Management Private Limited	-	-	-	2	-	-	-	-
8) CSR Expenses								
DHFL Changing Lives Foundation	-	-	-	1,654	-	-	-	
9) Brokerage and scheme related expenses								
PGIM India Mutual Fund (formerly known as DHFL Pramerica Mutual Fund)	-	-	-	-	-	2,713	-	-
ASSETS \ LIABILITIES :								
1) Investments Made	-	-	-	-	-	-	-	-
2) Investments Sold								
PGIM India Asset Managers Pvt. Ltd. (formerly DHFL Pramerica Asset Managers Pvt. Ltd.)	3,581	-	-	-	-	-	-	-
PGIM India Trustees Pvt. Ltd. (formerly DHFL Pramerica Trustees Pvt. Ltd.)	32	-	-	-	-	-	-	-
Avanse Financial Services Ltd.	-	-	28,716	-	-	-	-	-
Aadhar Housing Finance Ltd.	-	-	19,674	-	-	-	-	-
3) Loans, Advances, Deposits paid and other assets								
Pramerica Life Insurance Limited (formerly DHFL Pramerica Life Insurance Company Limited)	-	-	-	11	-	-	-	-
Navi General Insurance Ltd. (formerly DHFL General Insurance Ltd.)	-	-	-	64	-	-	-	-
Mr. Harshil Mehta	-	-	-	-	-	-	-	1,343
Wadhawan Global Capital Limited	-	-	-	3,000	-	-	-	-
PGIM India Mutual Fund (formerly known as DHFL Pramerica Mutual Fund)	-	-	-	-	-	462	-	-
4) Loans & Advances Received Back / Written Off								
Essential Hospitality Private Ltd. (Security Deposit)	-	-	-	1,215	-	-	-	-
Mr. Harshil Mehta	-	-		-	-	-	-	767
Wadhawan Global Capital Limited	-	-	3,000	-	-	-	-	

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forming part of the Consolidated financial statements for the year ended March 31, 2020

(₹ in Lakh)

Nature of Transactions		Joint Ventures		Associate Companies/ Others*		Investing Party and its Group Companies		Key Management Personnel	
		2019-20	2018-2019	2019-20	2018-2019	2019-20	2018-2019	2019-20	2018-2019
5)	**Security Deposit Received**								
	Avanse Financial Services Ltd.	-	-	-	0	-		-	-
	Navi General Insurance Ltd. (formerly DHFL General Insurance Ltd.)	-	-	114	-	-		-	-
6)	**Repayment of Borrowings/ Deposits**								
	Avanse Financial Services Ltd.	-	-	-	0	-		-	-
	Navi General Insurance Ltd. (formerly DHFL General Insurance Ltd.)	-	-	-	208	-		-	-
7)	**Sale of Loans (Securitisation)**								
	Aadhar Housing Finance Ltd.	-	-	-	37,894	-	-	-	-
8)	**Sale / (Purchase) of Securities (Net)**								
	Aadhar Housing Finance Ltd.	-	-	-	22,787	-	-	-	-
9)	**Sale/ (Purchase) PPE (Net)**								
	Avanse Financial Services Ltd.	-	-	-	(0)	-	-	-	-
	Aadhar Housing Finance Ltd.	-	-	-	7	-	-	-	-
10)	**Purchase of Mutual fund Units**								
	PGIM India Mutual Fund (formerly known as DHFL Pramerica Mutual Fund)	-	-	-	-	-	65,049	-	-
11)	**Sale of Mutual fund units**								
	PGIM India Mutual Fund (formerly known as DHFL Pramerica Mutual Fund)	-	-	-	-	-	63,272	-	-
CLOSING BALANCES :									
a)	Loans, Advances, Deposits, trade receivables (net) and other assets	-	2	-	2,463	-	(103)	-	643
b)	Borrowings / Security Deposits (Net)	-	-	-	224	-	29,138	-	-
c)	Investments	-	3,775	-	14,529	-	-	-	
CLOSING BALANCES :									
1)	**Loans, Advances, Deposits and other assets**								
	Wadhawan Holdings Private Ltd.	-	-	-	2,958	-	-	-	-
	Wadhawan Global Capital Ltd.	-	-	-	3,015	-	-	-	-
	Navi General Insurance Ltd. (formerly DHFL General Insurance Ltd.)	-	-	-	164	-	-	-	-
	Pramerica Life Insurance Limited (formerly DHFL Pramerica Life Insurance Company Limited)	-	-	39	21	-	-	-	-
	Mr. Harshil Mehta	-	-	-	-	-	-	-	643
2)	**Trade Receivable and other assets**								
	Aadhar Housing Finance Limited (Refer Note 9)	-	-	-	237	-	-	-	-
	Pramerica Life Insurance Limited (formerly DHFL Pramerica Life Insurance Company Limited)	-	-	165	33	-	-	-	-
	PGIM India Asset Managers Pvt. Ltd. (formerly DHFL Pramerica Asset Managers Pvt. Ltd.)	-	2	-	-	-	-	-	-

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(₹ in Lakh)

Nature of Transactions	Joint Ventures		Associate Companies/ Others*		Investing Party and its Group Companies		Key Management Personnel	
	2019-20	2018-2019	2019-20	2018-2019	2019-20	2018-2019	2019-20	2018-2019
Avanse Financial Services Ltd.	-	-	-	163	-	-	-	-
WGC Management Services Pvt. Ltd.	-	-	-	41	-	-	-	-
PGIM India Mutual Fund (formerly known as DHFL Pramerica Mutual Fund)	-	-	-	-	-	110	-	-
3) Security Deposit Received								
Avanse Financial Services Ltd.	-	-	-	208	-	-	-	-
Aadhar Housing Finance Ltd. (formerly known as DHFL Vysya Housing Finance Ltd.)	-	-	-	16	-	-	-	-
4) Trade Payable and Other liabilities								
Dish Hospitality Private Ltd.	-	-	-	3	-	-	-	-
Wadhawan Holding Private Ltd.	-	-	-	25	-	-	-	-
Navi General Insurance Ltd. (formerly DHFL General Insurance Ltd.)	-	-	-	4,126	-	-	-	-
Aadhar Housing Finance Ltd. (Securitisation)	-	-	-	15	-	-	-	-
PGLH of Delaware Inc.	-	-	-	-	-	212	-	-
5) Investments								
PGIM India Asset Managers Pvt. Ltd. (formerly DHFL Pramerica Asset Managers Pvt. Ltd.)	-	3,770	-	-	-	-	-	-
PGIM India Trustees Pvt. Ltd. (formerly DHFL Pramerica Trustees Pvt. Ltd.)	-	5	-	-	-	-	-	-
Aadhar Housing Finance Ltd. (formerly known as DHFL Vysya Housing Finance Ltd.)	-	-	-	1,805	-	-	-	-
Avanse Financial Services Ltd.	-	-	-	12,724	-	-	-	-

*Other includes Enterprises over which KMP are able to exercise significant influence.

Notes :

1) Related party relationship is as identified by the Company and relied upon by the Auditors.
2) The figures of income and expenses are net off Goods and Services tax.
3) Transactions with the related parties are disclosed only till the relationship exists.
4) Previous years figures have been regrouped, rearranged and reclassified wherever necessary.
5) Term loans from banks and loans from NHB are further guaranteed by personal guarantees of Mr Kapil Wadhawan and Mr Dheeraj Wadhawan.
6) Loans from NHB are further guaranteed by personal guarantee of Mrs Aruna Wadhawan and Corporate Guarantee of Wadhawan Global Capital Private Limited.
7) Managerial remuneration excludes the contribution for gratuity as the incremental liability has been accounted by the Company as a whole.
8) There are no provisions for doubtful debts or amount written off or written back for debts due from or due to related parties.
9) The above transactions excludes receivable/ payable in respect of assignment transactions entered into by the Company where either the Company or the associate company is acting as collection agent.
10) Also refer note 6.2
11) Zero denotes amount less than ₹ 50,000

Notes

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50 The Reserve Bank of India (RBI) vide Press Release dated November 20, 2019 in exercise of the powers conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934 (RBI Act) superseded the Board of Directors of the Company and appointed an Administrator under Section 45-IE (2) of the RBI Act. Thereafter, RBI vide its Press Release dated November 22, 2019, in exercise of the powers conferred under Section 45 IE 5(a) of the RBI Act 1934, constituted a three (3) member Advisory Committee to assist the Administrator in the discharge of his duties. On November 29, 2019, the RBI filed the Petition before the NCLT under sub-Clause (i) of clause (a) of Rule 5 of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudication Authority) Rules, 2019 (FSP Rules) to initiate CIRP against DHFL read with Section 227 of the Code. Accordingly, in terms of Rule 5(b)(i) of the FSP Rules, an interim moratorium came into effect on the filing of the application to initiate CIRP. Further, CIRP was initiated against the Corporate Debtor under Section 227 read with clause (zk) of sub - section (2) of section 239 of the Code and read with rules 5 and 6 of the FSP Rules by an order dated December 3, 2019 of the Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT/Adjudicating Authority). The Adjudicating Authority, vide the above order, appointed the Administrator to perform all the functions of a resolution professional to complete the CIRP of the Company as required under the provisions of the Code. The moratorium was declared by the NCLT. As per the said NCLT order dated 3rd December, 2019, a moratorium in terms of the Sec. 14 of the Code is applicable on the Company.

51 The Administrator after his appointment and with the approval of Committee of Creditors of DHFL, as constituted by him in accordance with Section 18(c) and 21(1) of the Code and the Regulation 17(1) of the CIRP regulations, appointed the Company Secretary ("CS") and the Chief Financial Officer ("CFO"). The Key Managerial Personnel ("KMPs" or "Present Management") the Chief Executive Officer ("CEO"), appointed just before CIRP(October 2019) and joined the company on 21st November 2019 after the board was superseded on 20th November 2019, the Company Secretary ("CS") and the Chief Financial Officer ("CFO") along with the Senior management of the Company has ensured that the Company continues to operate as a "Going Concern". The Administrator and the Advisory Committee as set up by the RBI to assist the Administrator in discharge of his duties exercise oversight on the operations of the Company apart from running the CIR process in accordance with the provisions of the Code and Regulations under IBC, 2016. The Present Management has undertaken various good governance initiatives recently including various efforts to strengthen of the financial policies and processes, functioning of the IT system; loan / security documentation, legal audit, internal financial controls and updating risk control matrices, risk and fraud risk management, through in-house resources and engagement of external professional experts/consultants. The management team has also initiated steps for comprehensive compliance of various applicable rules and regulations within the Company. The betterment process is a continuous effort and the same is impacted due to the COVID 19 situation and the resultant lockdown

The Present Management team believes that these initiatives will strengthen Company's overall governance structure and control environment. On conclusion and implementation of all such initiatives, it is believed that the operational efficiency will improve and operational issues will get addressed.

52 The Administrator, Advisors and KMPs have not been able to analyse in depth the accuracy, validity, completeness or authenticity of the information and figures mentioned in the audited financial statements as they have joined after 20th November 2019. Moreover, the entire Present Management has been involved in the affairs of the Company for less than four months in the entire FY 2019-20. Further, since March 23, 2020 lockdown was imposed in the Country on account of Covid 19 causing a complete shutdown of offices which extended beyond the FY 2020till May 31st 2020. As a part of CIRP of the Company, a Transaction Audit to determine avoidable transactions in terms of Section 43, 45, 49, 50 and 66 of the IBC code and an exercise to determine the liquidation value and fair valuation of the Company is underway. These activities could not be conclusively completed till the signing of the financial statements in view of the disruption caused due to the lockdown restrictions. The outcome of such Transaction Audit may provide additional facts/information about the past data with respect to the Company. The Administrator has signed the audited financial results solely for the purpose of compliance and discharging his duties during CIRP period of the Company and in accordance with the provisions of the IBC, read with the regulations and rules thereunder, and based on the explanations, clarifications, certifications, representations and statements made by the existing staff of the Company in relation to the data pertaining to the period prior to the joining of the Present Management and does not have personal knowledge of the past affairs, finances and operations of the Company.

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53 In certain instances, the amount of the claim admitted or to be admitted by the Administrator under CIRP process may differ from the amount reflecting in the books of accounts of the Company. The above audited financial results are drawn on the basis of figures appearing in the books of accounts of the Company as on March 31, 2020. The Administrator, Advisors, and KMPs believe that these figures may be interpreted solely for the purpose of satisfying the regulatory requirement for filing of yearly/ quarterly audited financial results and that these figures could change during the CIRP process or thereafter depending upon the findings made during the CIRP process or thereafter.

54 The Ministry of Corporate Affairs (MCA), has initiated investigation in the month of December 2019, into the affairs of the Company under Section 212(1) of the Companies Act, 2013 through Serious Fraud Investigation Office (SFIO). Further, Enforcement Directorate has also initiated investigation in connection with the loans given by the Company to certain borrowers. Central Bureau of Investigation (CBI) has also started investigation in connection with certain loan granted by the Company Apart from this CBI is also investigating into the matter of amounts invested by a state government entity – Provident Fund in the Fixed Deposits of the Company. The Company is fully co-operating with all the investigating agencies.

55 The World Health Organisation has declared the novel coronavirus (COVID- 19) as a pandemic on March 11, 2020. Besides the impact of this outbreak on human life, it has also disrupted the financial, economic and social structures of the entire world. The Central Government in India also declared a national lockdown from March 25, 2020 to May 31, 2020, through various notifications, and subsequently the Central Government has announced Unlock 1.0 till June 30, 2020. During the unlock 1.0 period private offices are allowed to operate with 10% of the staff with certain conditions initially and restricted the movement as a preventive/ precautionary measures to avoid the spread of COVID- 19. The Company remains fully compliance with the guidelines and direction of both Central and State Government. The situation has caused uncertainty and impacted the collection and other operations of the Company. However, with various remote working measures, the Company has been able to restore its normal operations except certain functions which require physical movement eg. field level visits. With unlock 1.0, the branches of the Company were made operational including national office and the field visits have commenced.

In order to give effect to the RBI guidelines on regulatory measures on COVID-19 – Regulatory Package, the Company has offered moratorium to its eligible customers for a period for instalments falling due between 1st March, 2020 and 31st August 2020 based on approved policy in this regard. The Company has taken various steps to ensure the effective implementation of the moratorium policy and continues to monitor the impact of such moratorium on its portfolio. ~35% of account holders by number availed Moratorium. The recovery from the moratorium accounts is forthcoming with the Unlock 1.0 and commencement of field visits. It is believed that the recovery will further improve in Moratorium accounts during the current quarter (Q1 of Financial Year 2020-21)

56 The Company 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 Company has re-measured its deferred tax assets (including re-measuring the opening balance as at April 1, 2019 and has taken a charge of ₹ 40,907 lakh relating to the same in the current financial year) basis the rate provided in the said section. The full impact of above mentioned change has been recognised in the result for the year ended March 31, 2020.

57 The company has credited a net sum of ₹ 4,60,985 lakh to the Statement of Profit and Loss for the year ended 31st March 2020 on account of deferred tax asset created as per Ind AS – 'Income Taxes'. The Company is running as a going concern as per the provisions of the Code which requires the Administrator to preserve the value of the Company and maintain it as a going concern. Further, various bidders have expressed interest in submitting a resolution Plan for the Company which is in an indicator of Company's running as a 'going concern' in future.

58 Pursuant to the admission of the Company under the IBC, with a view to reflecting fairly the position for the purpose of presentation in respect of the Company's obligation for interest and principal amount in respect of all the borrowings, the Company has not provided for interest amount of ₹ 2,36,133 lakh on borrowings since insolvency commencement date i.e. 3rd December 2019, based on the opinion obtained from legal advisors. Under the IBC, the treatment of creditors under the resolution plan is as per debts due as on the insolvency commencement date and therefore, no interest is accrued and payable after this date. If the interest was accrued on borrowings, the loss for the year would have been higher by ₹ 1,75,612 lakh (net of tax) respectively.

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59 The investments/ advance by way of unsecured Inter Corporate Deposit (ICD) aggregating ₹ 5,65,269 lakh were outstanding as at March 31, 2019. Of these, ICDs aggregating ₹ 93,835 lakhs have since been repaid by the borrowers and ICDs, aggregating to ₹ 1,30,661 lakh have been converted during the period of previous management into term loans during the period prior to 20th November 2019, resulting in an outstanding of ₹ 3,78,624 lakh- under ICDs, including interest receivable as of 31st March, 2020. The recoverability or otherwise of the remaining amount is yet to be ascertained, and hence the appropriate provision amounting to ₹ 2,25,032 lakh has been made as a prudent measure. Due to non-availability of the recovery data, the Company has considered the Loss Given Default percentage (LGD%) as specified in the guidelines issued by RBI in the circular "Implementation of the Internal Rating Based (IRB) Approaches for Calculation of Capital Charge for Credit Risk" as a proxy LGD%. This is also based on the industry practice followed in the cases where the companies do not have the trend of recovery experience.

60 The wholesale loan portfolio aggregating ₹ 49,58,544 lakh (pursuant to classification of this portfolio to "held for sale" in the previous year ended on 31st March 2019) has been "fair valued" as at 31st March 2020 at ₹ 30,73,231 lakh, with the resulting fair value loss aggregating ₹ 18,85,313 lakh. Out of this, fair value loss aggregating ₹ 3,25,629 lakh has been accounted up to 31st March 2019 and balance loss of ₹ 15,59,684 lakh has been charged to the Statement of Profit and Loss for the year ended 31st March 2020. The basis of valuation of the portfolio is changed during the current quarter ended March 31, 2020 by discounting the cash flow assessed by the external registered valuer as against the contractual cash flow used by the erstwhile management in the previous year and during the nine months ended on 31st December 2019. Further, as an outcome of valuation exercise to be completed during the CIRP, this may undergo change. However, the said valuation will be as on 3rd December, 2019, the date of commencement of CIRP.

The recoverability or otherwise of these loans is yet to be ascertained and hence the appropriate provision has been made as a prudent measure on fair valuation method as per Ind As provisions.

61 DISCLOSURES REQUIRED BY THE RESERVE BANK OF INDIA

The following disclosures have been given in terms of Notification no. RBI/2019-20/220 DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 issued by the Reserve Bank of India ('circular').

Particulars		₹ in lakh
(i)	Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended in terms of paragraph 2 and 3 of above circular	363,018
(ii)	Respective amount where asset classification benefits is extended	105,418
(iii)	Provisions made during the quarter ended 31 March 2020 in terms of paragraph 5 of above circular	5,271
(iv)	Provisions adjusted during the respective accounting periods against slippages and the residual provisions in terms of paragraph 6	-
(v)	Total Provision on such loans as at March 31, 2020, as per the circular	5,271
(vi)	Total Provision on such loans as at March 31, 2020, as per books of accounts (ECL/Fair Valuation)	5,882

62 The Present Management in the process of analysing and reconciling its total assets have observed that an amount of ₹ 3,01,868 lakh have not been reconciled and could not be mapped to any security against which this amounts was disbursed in the past. The process of identifying and mapping of this amount to any scheme under which they were disbursed and further steps to be taken basis the findings, are being addressed as a part of CIRP and the same is underway and the Transaction Audit report may reveal further details in this regard.

In the light of the above position and in the absence of internal confirmations, it has been decided as a prudent measure to treat the amount as loss assets as per asset classification norms and also due to non-availability of any security, the Company has fully provided for this amount while preparing the financials of the Company for the year ended 31st March 2020.

63 The Company in the past has incurred cost for development of customised software for its operations and recording of transactions which has been carried as intangible asset under development, the balance of which as at March 31, 2020 is ₹ 10,517 lakh. Considering the fact that financial statement is prepared on going Concern assumption, the Company is of the view that no

Notes

forming part of the Consolidated financial statements for the year ended March 31, 2020

adjustment is required to be made to the carrying value of the intangible asset under development pursuant to the requirements of Ind AS 36 on Impairment of Assets.

64 The National Housing Bank has imposed penalty of ₹ 0.10 lakh plus applicable taxes due to Non-compliance with the provisions of Housing Finance Companies - Approval of Acquisition or Transfer of Control (NHB) Directions,2016 and Violation of Policy Circular No. 30 during the financial year ended 31 March 2020.

65 List of Creditors (including Financial, Operational, Workmen & Employees and Other Creditors) and Security Interest, as approved by RP, disclosed on Company Website for all claims received till 28 January, 2020 persuent to public announcement made on 4 December, 2019 in accordance with section 13 and 15 of Insolvency and Bankruptcy code, 2016 read with Regulation 6 of CIRP Regulations.

66 Certain balances of banks, trade receivables, trade payable, other payables are subject to confirmation including any adjustment to the carrying value of the assets and liabilities and their presentation and classification. However, in the opinion of the management, these will not have any significant impact on the losses for the year and on the net worth of the Company as on the balance sheet date

67 Additional Information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial statements to the Schedule III to the Companies Act, 2013

(As on/for the year ended March 31, 2020)

Sr no	Name of Entity	Net assets i.e. Total Assets minus total Liabilities		Share of Profit/(Loss)		Share in other comprehensive income		Share in Total comprehensive income	
		As % of Consolidated Net assets	Amount (In Lakh)	As % of consolidated Profit or Loss	Amount (In Lakh)	As % of other comprehensive income	Amount (In Lakh)	As % of total comprehensive income	Amount (In Lakh)
	Parent								
1	Dewan Housing Finance Corporation Ltd.	100.01%	(554,680)	99.72%	(1,341,793)	100%	3,717	99.72%	(1,338,076)
	Subsidiaries - Indian								
1	DHFL Advisory & Investment Pvt. Ltd.	(0.01)%	66	0.07%	(892)	0.00%	-	0.07%	(892)
2	DHFL Holdings Limited	0.00%	0	0.00%	(0)	-	-	0.00%	(0)
	Associates (Investment as per theequity method)								
1	Avanse Financial Services Limited	0.00%	-	-0.03%	363	0.00%	-	(0.03)%	363
2	Aadhar Housing Finance Ltd. (formerly known as DHFL Vysya Housing Finance Ltd.)	0.00%	-	-0.02%	332	(0.02)%	(1)	(0.02)%	332
	Joint Ventures (Investment as per the equity method)								
1	PGIM India Assete Management Pvt. Ltd. (formerly known as DHFL Pramerica Asset Management Pvt. Ltd.)	0.00%	-	0.27%	(3,599)	0.00%	-	0.27%	(3,599)
2	PGIM India Trustees Pvt. Ltd. (formerly known as DHFL Pramerica Trustees Pvt. Ltd.)	0.00%	-	0.00%	7	0.00%	-	0.00%	7
		100%	**(554,614)**	**100%**	**(1,345,581)**	**100%**	**3,716**	**100%**	**(1,341,864)**

Notes

forming part of the Consolidated financial statements for the year ended March 31, 2020

68 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/ disclosure.

69 There are no subsequent events other than disclosed in notes to the financial statements.

70 APPROVAL OF FINANCIAL STATEMENTS

The Consolidated Financial statements have been taken on record by the Administrator while discharging the powers of the erstwhile Board of Directors of the Company which were conferred upon him by the RBI Order dated November 20, 2019 and subsequently, powers conferred upon him in accordance with the NCLT Order dated December 3, 2019 to run the Company as a going concern during CIRP.

DINESH KUMAR BACHCHAS
Partner
Membership No. 097820
For and on Behalf of
K.K. MANKESHWAR & CO.
Chartered Accountants
FRN: 106009W
UDIN: 20097820AAAAHJ4433

New Delhi, dated the
20th June 2020

For Dewan Housing Finance Corporation Limited
(a Company under Corporate Insolvency Resolution Process by an order dated December 3, 2019 passed by Hon'ble NCLT, Mumbai)

Mr. Vaijinath M G
Chief Executive Officer

Mr. S N Baheti
Company Secretary

Mr. S K Bansal
Chief Finance Officer

MR. R SUBRAMANIAKUMAR
ADMINISTRATOR APPOINTED UNDER IBC

Mumbai
20th June 2020

The Administrator has been appointed under Rule 5(a)(iii) of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 under the Insolvency and Bankruptcy Code, 2016. The affairs, business and property of Dewan Housing Finance Corporation Limited are being managed by the Administrator, Mr. R. Subramaniakumar, who acts as agent of the Company only and without any personal liability. Address for Correspondence - Ground & 6th Floor, HDIL Towers, Anant Kanekar Marg, Station Road, Bandra (East), Mumbai 400051Email ID for Correspondence: dhfladministrator@dhfl.com

CORPORATE INFORMATION

ADMINISTRATOR

Mr. R. Subramaniakumar - Administrator under IBC

ADVISORY COMMITTEE

Mr. R. Subramaniakumar - Administrator under IBC
Chairman of the Committee
Dr. Rajiv Lall - Member
Mr. N. S. Kannan - Member
Mr. N. S. Venkatesh - Member

KEY MANAGERIAL PERSONNEL

Mr. Vaijinath M Gavarshetty - Chief Executive Officer
Mr. Sunil Kumar Bansal - Chief Finance Officer
Mr. Satya Narayan Baheti - Company Secretary

BANKERS

Allahabad Bank
Andhra Bank
Axis Bank
Bank of Baroda (Incl Dena & Vijaya Bank)
Bank of India
Bank of India
Bank of Maharashtra
Canara Bank
Central Bank of India
Corporation Bank
Federal Bank
H D F C Bank Ltd
ICICI Bank Limited
IDBI
Indian Bank
Indian Overseas Bank
Karnataka Bank
Kotak Bank
Oriental Bank of Commerce
Punjab & Sind Bank
Punjab National Bank
South Indian Bank Limited
State Bank Of India
Syndicate Bank
UCO Bank
Union Bank of India
United Bank Of India

FINANCIAL INSTITUTIONS / MULTILATERAL AGENCIES / OTHER LENDERS

National Housing Bank
International Finance Corporation (IFC)
Sc Lowy Primary Investments Ltd.
Abu Dhabi Commercial Bank Pjsc
Afrasia Bank Limited
Sbi (Mauritius) Ltd
Ctbc Bank Co., Ltd
Taiwan Business Bank, Offshore Banking Branch
Taiwan Cooperative Bank, Offshore Banking Branch
The Korea Development Bank
The Korea Development Bank, Singapore Branch
Eastspring Investments SICAV-FIS Asia Pacific Loan Fund
State Bank of India, Singapore Branch

STATUTORY AUDITOR

K K Mankeshwar & Co-
Chartered Accountants- FRN:106009W
A-425- Sarita Vihar, New Delhi-110076
Tel No. 41402828, Fax 41402392
del@kkmindia.com

REGISTRAR & TRANSFER AGENTS

For Equity Shares and Debentures issued on private placement basis

Link Intime India Private Ltd.
C 101, 247 Park, L. B. S Marg,
Vikhroli (West), Mumbai – 400083
Tel. No.: +91 22-49186000
Fax No.: +91 22-49186060
e-mail: rnt.helpdesk@linkintime.co.in
website :www.linkintime.co.in

For Debentures issued by way of public issue

KFin Technologies Private Limited
(earlier known as Karvy Fintech Private Limited)
Karvy Selenium Tower B,
Plot no. 31 & 32, Financial District,
Nanakramguda, Gachibowli, Hyderabad – 500 032
Tel. No.: +91 40-67162222
Fax No.: +91 40-23420814
E-mail: einward.ris@karvy.com

DEBENTURE TRUSTEES

Catalyst Trusteeship Limited
(formerly known as GDA Trusteeship Ltd)
GDA House, 94/95, Plot No. 85,
Bhusari Colony (Right),
Paud Road, Pune - 411 038
Tel. No.: +91 20-25280081
Fax No.: +91 20-25280275
e-mail: dt@ctltrustee.com
website: www.catalysttrustee.com

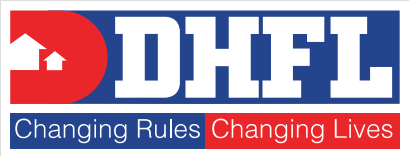
IDBI Trusteeship Services Limited
Asian Building, Ground Floor,
17, R. Kamani Marg, Ballard Estate, Mumbai - 400 001
Tel. No.: +91 22-40807000
Fax No.: +91 22-66311776
email: itsl@idbitrustee.com
website: www.idbitrustee.com.

NATIONAL OFFICE

6th and Ground Floor, HDIL Towers,
Anant Kanekar Marg, Station Road,
Bandra (East),
Mumbai, Maharashtra – 400051
Tel. No.: +91 22-7158 3333,
Fax No.: +91 22-7158 3344

REGISTERED OFFICE

2nd Floor, Warden House, Sir P.M. Road,
Fort, Mumbai - 400 001
Tel. No.: +91 22-61066800
Fax No.: +91 22-22871985



Dewan Housing Finance Corporation Limited

CIN - L65910MH1984PLC032639

Registered Office:

Warden House, 2nd Floor, Sir P. M. Road, Fort, Mumbai - 400 001
Tel.: +91 22-6106 6800, Fax: +91 22-2287 1985

National Office:

HDIL Towers, Ground & Sixth Floor,
Anant Kanekar Marg, Station Road, Bandra
(East), Mumbai - 400051, Maharashtra.

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