Piramal
Capital & Housing Finance

November 29, 2021

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No. C/1, G. Block,
Bandra-Kurla Complex,
Mumbai – 400 051

BSE Limited
25th Floor,
P.J. Towers,
Dalal Street,
Mumbai – 400 001

Sub: Annual Report for FY 2021 and Notice of the 37th Annual General Meeting of the Company.

Dear Sir/Madam,

Pursuant to Regulation 53 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of **Piramal Capital & Housing Finance Limited** (formerly known as Dewan Housing Finance Corpration Limited") ('the Company') for the financial year ended 31st March 2021 along with Notice of the 37th Annual General Meeting of the Company scheduled to be held on Tuesday, 30th November, 2021 for your records.

Kindly take the above on record and oblige

Sincerely,

for **Piramal Capital & Housing Finance Limited**
(formerly Dewan Housing Finance Corporation Limited)

Bipin Singh
Company Secretary

PIRAMAL CAPITAL & HOUSING FINANCE LIMITED
(FORMERLY KNOWN AS DEWAN HOUSING FINANCE CORPORATION LIMITED)
Corporate Identity Number (CIN) – L65910MH1984PLC032639
Registered Office: Warden House, 2nd Floor, Sir P. M. Road, Fort, Mumbai - 400 001
Toll Free No. 18002666444
Visit us at : www.piramalfinance.com
email: cs.team@piramal.com

NOTICE OF THIRTY SEVENTH (37th) ANNUAL GENERAL MEETING

NOTICE is hereby given that the Thirty Seventh (37th) Annual General Meeting (AGM) of the Members of Piramal Capital & Housing Finance Limited (‘the Company’) (formerly known as Dewan Housing Finance Corporation Limited) will be held on Tuesday, November 30, 2021, at 03.00 p.m. at Piramal Tower, Peninsula Corporate Park Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013, 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, 2021 and the Board’s Report (the Report of Advisory Committee chaired by the Administrator) and Report of the Statutory Auditors thereon.

SPECIAL BUSINESS

2. To approve appointment of Mr. Ajay G Piramal (DIN: 00028116) as a Non-Executive Director of the Company.

   To consider and if thought fit, to pass, the following Resolution as an Ordinary Resolution**:**

   “RESOLVED THAT pursuant to the provisions of section 152 read with the applicable rules made there under and other applicable provisions of the Companies Act, 2013 (‘the Act’), the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Ajay G Piramal (DIN: 00028116), who was appointed and holds office as an Additional Director (Non-Executive, Non-Independent) of the Company with effect from 30th September, 2021, be and is hereby appointed as Director of the Company, liable to retire by rotation;

   RESOLVED FURTHER THAT the Board of Directors of the Company (‘the Board’, which term shall include its duly empowered Committee(s) constituted/ to be constituted by it), be and is hereby authorised to do all such acts, things and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

3. To approve appointment of Dr. (Mrs.) Swati Piramal (DIN: 00067125) as a Non-Executive Director of the Company

   To consider and if thought fit, to pass, the following Resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of section 152 read the applicable rules made there under and other applicable provisions of the Companies Act, 2013 ('the Act'), the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Dr. (Mrs.) Swati Piramal (DIN: 00067125), who was appointed and holds office as an Additional Director (Non-Executive, Non-Independent) of the Company with effect from 30th September, 2021 be and is hereby appointed as Director of the Company, liable to retire by rotation;

   RESOLVED FURTHER THAT the Board of Directors of the Company ('the Board', which term shall include its duly empowered Committee(s) constituted/ to be constituted by it) , be and is hereby authorised to do all such acts, things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

4. To approve appointment of Mr. Khushru Jijina (DIN: 00209953) as a Non-Executive Director of the Company

   To consider and if thought fit, to pass, the following Resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of section 152 read the applicable rules made there under and other applicable provisions of the Companies Act, 2013 ('the Act'), the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Khushru Jijina (DIN: 00209953), who was appointed and holds office as an Additional Director (Non-Executive, Non-Independent) of the Company with effect from 30th September, 2021 be and is hereby appointed as Director of the Company, liable to retire by rotation; ;

   RESOLVED FURTHER THAT the Board of Directors of the Company ('the Board', which term shall include its duly empowered Committee(s) constituted/ to be constituted by it) , be and is hereby authorised to do all such acts, things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

5. To approve appointment of Mr. Anand Piramal (DIN: 00286085) as a Non-Executive Director of the Company

   To consider and if thought fit, to pass, the following Resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of section 152 read the applicable rules made there under and other applicable provisions of the Companies Act, 2013 ('the Act'), the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Anand Piramal (DIN: 00286085), who was appointed and holds office as an Additional Director (Non-Executive, Non-Independent) of the Company with effect from 30th September, 2021 be and is hereby appointed as Director of the Company, liable to retire by rotation;

RESOLVED FURTHER THAT the Board of Directors of the Company ('the Board', which term shall include its duly empowered Committee(s) constituted/ to be constituted by it), be and is hereby authorised to do all such acts, things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

6. To approve appointment of Mr. Suhail Nathani (DIN: 01089938) as an Independent Director of the Company;

   To consider and if thought fit, to pass, the following Resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of sections 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 ('the Act'), the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Suhail Nathani (DIN: 01089938), who was appointed and holds office as an Additional Director (Independent) of the Company with effect from 30th September, 2021, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold the office for the term of 5 consecutive years effective from 30th September 2021 up to 29th September 2026;

   RESOLVED FURTHER THAT the Board of Directors of the Company ('the Board', which term shall include its duly empowered Committee(s) constituted/ to be constituted by it), be and is hereby authorised to do all such acts, things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

7. To approve appointment of Mr. Gautam Doshi (DIN: 00004612) as an Independent Director of the Company

   To consider and if thought fit, to pass, the following Resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of sections 149, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 ('the Act'), the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Gautam Doshi (DIN: 00004612), who was appointed and holds office as an Additional Director (Independent) of the Company with effect from 30th September 2021, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation, to hold the office for the term of 5 consecutive years effective from 30th September, 2021 up to 29th September, 2026;

   RESOLVED FURTHER THAT the Board of Directors of the Company ('the Board', which term shall include its duly empowered Committee(s) constituted/ to be constituted by it) , be and is hereby authorised to do all such acts, things and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

8. To approve appointment of Mr. Jairam Sridharan (DIN: 05165390) as Managing Director of the Company

   To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), and the Rules made thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Jairam Sridharan (DIN: 05165390), who was appointed by the Board of Directors as an Additional Director with effect from 7th October 2021, be and is hereby appointed as a Director of the Company;

   RESOLVED FURTHER THAT basis the recommendation of the Nomination & Remuneration Committee and subject to and in accordance with the provisions of sections 196, 197, 203, read with Schedule V, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') (including any statutory modification or re-enactment thereof for the time being in force and to the extent notified) the Articles of Association of the Company and as per the approval of the Board of Directors of the Company, consent of the Members of the Company, be and is hereby accorded for the appointment of Mr. Jairam Sridharan (DIN: 05165390), as the Managing Director of the Company, liable to retire by rotation, for a period of three (3) years, w.e.f. 7th October 2021, on the main terms as set out hereunder:

   a. **Basic Salary:** Rs. 94,50,000/- per annum (i.e. about Rs. 7,87,500/- per month);
   b. **Perquisites and Allowances**: Mr. Sridharan will be entitled to perquisites, benefits and allowances like furnished residential accommodation (or house rent allowance in lieu thereof), special allowance, reimbursement of expenses in respect of gas, electricity and water, reimbursement of telephone expenses, furnishing and repairs, medical reimbursement for self and family, Leave Travel Allowance, personal accident insurance, leave and encashment of leave, contributions to provident fund and superannuation or annuity fund, gratuity and/or contribution to gratuity fund, chauffeur driven Company maintained / leased cars (or allowances in lieu thereof) and such other payments in the nature of perquisites, benefits and allowances as per Company policy in force from time to time or as may otherwise be decided by the Board;

      In arriving at the value of perquisites, in so far as there exists a provision for valuation of such perquisites under the Income Tax Rules, the value shall be determined on the basis of the Income Tax Rules in force from time to time;

   PROVIDED HOWEVER THAT the Total Fixed Pay (as defined hereinbelow) for FY 2021-22 shall not exceed Rs. 2,36,25,000/- per annum, with authority to the Board to grant such increments and/or revisions in the Total Fixed Pay and/or in the components thereof from time to time during the tenure of his appointment, subject to the applicable provisions of Schedule V of the Act as may be amended from time to time

   PROVIDED THAT such increments and/ or revisions shall not exceed 75% per annum of Mr. Sridharan's last drawn Total Fixed Pay or such other amount as may be approved by the Board from time to time;

PROVIDED FURTHER THAT the limits referred to herein shall not apply to those components of his perquisites which, as per Company Policy in force from time to time, are reimbursable at actuals;

Total Fixed Pay: For the purpose of this resolution, the term 'Total Fixed Pay' shall mean the aggregate of and shall include all fixed components (including basic salary) of Mr. Sridharan's remuneration, all allowances and the value of all perquisites as per Company Policy in force from time to time, excluding Performance Linked Incentive;

c. **Performance Linked Incentive**: In addition to Total Fixed Pay, Mr. Sridharan shall also be entitled to Performance Linked Incentive of such amount as may be determined by the Board for each financial year of the Company or part thereof, subject to the applicable provisions of Schedule V of the Act, taking into consideration various criteria, including the performance of Mr. Sridharan and the performance of the Company PROVIDED THAT the total Performance Linked Incentive shall not exceed 175% p.a. of the last drawn Total Fixed Pay or such other amount as may be approved by the Board from time to time;

RESOLVED FURTHER THAT if in any financial year, the Company has no profits or its profits are inadequate, Mr. Sridharan shall be entitled to receive the aforesaid remuneration, perquisites, performance linked incentive and benefits on the same terms as set out above, subject to compliance with the applicable provisions of Schedule V of the Act;

RESOLVED FURTHER THAT Mr. Jairam Sridharan, as Managing Director, be and is hereby entrusted with and shall be responsible for the day to day management of the Company's business and shall perform such duties and exercise such powers as are additionally entrusted to him by the Board and shall be subject to the control of the Board of Directors;

RESOLVED FURTHER THAT Mr. Ajay G. Piramal, Chairman of the Company, be and is hereby authorised and empowered to finalise the other terms and conditions relating to the appointment of Mr. Sridharan as Managing Director of the Company and the Agreement to be executed in this regard between the Company and Mr. Sridharan and to execute the same on behalf of the Company upon such finalization;

RESOLVED FURTHER THAT in accordance with the proviso to Section 203(3) of the Act, approval be and is hereby accorded to Mr. Jairam Sridharan to accept non-executive directorships in other companies from time to time subject to the restrictions as to the number of his directorships as contained in the relevant provisions of the Act and such other conditions as may be imposed by the Board or the Act and / or any other applicable law;

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all decisions including settling all questions and difficulties in finalizing the terms and conditions of appointment of Mr. Jairam Sridharan AND THAT to do all such acts, deeds, matters and things as may be necessary or expedient for the purpose of giving effect to the resolution."

9. Issue of Non-Convertible Debentures on Private Placement Basis

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 42, 71 and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act'), read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and subject to the provisions of the Articles of Association of the Company and subject to compliance with such other provisions of law as may be applicable (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), approval of the members be and is hereby accorded to the Board of Directors of the Company ('the Board', which term shall include its duly empowered Committee(s) constituted/ to be constituted by it), to offer or invite subscriptions for secured/ unsecured non-convertible debentures ('Debentures'), in one or more series/ tranches, on private placement basis, on such terms and conditions as the Board may, from time to time, determine and consider proper and most beneficial to the Company, including as to when the Debentures be issued, the consideration for the issue, utilization of the issue proceeds and all matters connected therewith or incidental thereto PROVIDED THAT the total amount that may be so raised in the aggregate, by such offer or invitation for subscriptions of the Debentures, and outstanding at any point of time, shall be within the overall borrowing limit as approved by the shareholders under Section 180(1)(c) of the Companies Act, 2013;

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary or expedient for or in connection with this resolution and to settle any question or difficulty that may arise in this regard in the best interest of the Company."

By Order of the Board

Sd/-
Bipin Singh
Company Secretary

Place: Mumbai
Date: 11th November 2021

NOTES:

1. A member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote on a poll instead of himself/herself and the proxy need not be a member of the Company. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. The instrument appointing the proxy enclosed herewith as **Annexure 'A'** should be deposited at the registered office of the Company.

3. Corporate Members intending to send their Authorized Representative to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote at the Meeting.

4. Members/ Proxies should bring the attendance slips enclosed as **Annexure 'B'** duly filled in and signed for attending the Meeting.

5. A copy of Audited Financial Statements of the Company for the financial year ended on 31st March 2021 together with the Board's Report (Report of the Advisory Committee chaired by the Administrator) and Report of the Statutory Auditors thereon is enclosed herewith.

6. All documents referred to in the accompanying notice are open for inspection by the members of the Company on all working days between 11.00 A.M. to 1.00 P.M. up to the date of this AGM.

7. The Registers of Directors and Key Managerial Personnel (KMP) and their shareholding and Register for Contracts or Arrangements in which Director are interested, maintained under Section 170 and 189 of the Companies Act, 2013 respectively will be available for inspection by the members at the AGM.

8. Route map giving directions to reach the venue of the 37th AGM is given at the end of the Notice.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 2 to 7

To approve appointment of Mr. Ajay G Piramal (Non – Executive, Non - Independent) , Dr. (Mrs.) Swati Piramal (Non – Executive, Non - Independent), Mr. Khushru Jijina (Non – Executive, Non - Independent), and Mr. Anand Piramal (Non – Executive, Non - Independent) ; and Mr. Suhail Nathani (DIN: 01089938) and Mr. Gautam Doshi (DIN: 00004612) as an Independent Directors of the Company:

The Reserve Bank of India ('RBI') vide its order No. DOR NBFC (PD) 986/03.10.136/2019-20 dated November 20, 2019 under Section 45IE of the Reserve Bank of India Act, 1934, superseded the Board of Directors of Dewan Housing Finance Corporation Limited (hereinafter referred to as 'DHFL'). Further, RBI appointed Mr. R. Subramaniakumar as the Administrator of DHFL.

Thereafter, on November 29, 2019, RBI filed an application for initiating Corporate Insolvency Resolution Process ('CIRP') in respect of DHFL under applicable provisions of the Insolvency and Bankruptcy Code, 2016 ('Code') read with Rules of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudication Authority) Rules, 2019 ('FSP Insolvency Rules').

On December 3, 2019 (i.e. insolvency commencement date), the National Company Law Tribunal bench at Mumbai ('NCLT') commenced the CIRP of DHFL and appointed the Administrator of DHFL to perform all the functions of Resolution Professional to complete the CIRP of DHFL.

The Hon'ble NCLT, Mumbai passed the Order on June 7, 2021 and approved the Resolution Plan submitted by Piramal Capital & Housing Finance Limited (hereinafter referred as 'PCHFL') for the corporate insolvency resolution of DHFL, under Section 31 of the Insolvency & Bankruptcy Code 2016.

As per the Scheme of Arrangement approved by the Hon'ble NCLT as a part of the approved Resolution Plan, the merger of PCHFL with DHFL came into effect on September 30, 2021. Thereafter, the name of the Company has been changed from Dewan Housing Finance Corporation Limited to Piramal Capital & Housing Finance Limited w.e.f. November 3, 2021

Accordingly, pursuant to the merger coming into effect, the Monitoring Committee of DHFL at its 7th Meeting held on September 30 2021 approved the appointment of the following new directors of PCHFL (formerly known as DHFL) – Mr. Ajay G Piramal (DIN: 00028116) (Non – Executive, Non-Independent); Dr. (Mrs.) Swati Piramal (DIN: 00067125) (Non – Executive, Non – Independent); Mr. Khushru Jijina (DIN: 00209953) (Non – Executive, Non – Independent) and Mr. Anand Piramal (DIN: 00286085) (Non – Executive, Non – Independent) Directors of the Company. Further, Mr. Suhail Nathani, (DIN: 01089938) (Independent) and Mr. Gautam Doshi (DIN: 00004612) (Independent) were appointed as Additional Directors, effective from September 30, 2021 by the Monitoring Committee of PCHFL (formerly known as DHFL).

The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013 ('the Act'), from a Member proposing candidature of the above named Directors, to be appointed as Directors as stated in the Notice of this Annual General Meeting under the provisions of the Act. The Company has also received from all the Directors the relevant disclosures and confirmations as may be required under applicable regulations and Act.

Brief details of all the Directors, the nature of their expertise, and the names of companies they hold directorship along with the details of membership / chairmanship on various committees of the Board of other companies, shareholding in the Company, relationship between the directors inter-se and other details are annexed to this Notice.

This explanatory statement along with the additional information as per Secretarial Standard 2 on General Meetings, are annexed to this Notice.

Except for above named Directors to whom the resolutions relates and their relatives (to the extent of their shareholding interest in the Company), none of the other Directors, Promoters and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolutions.

Pursuant to the recommendations of Nomination and Remuneration Committee your Directors recommend the Resolutions set out in Item Nos. 2 to 7 as Ordinary Resolutions for your approval.

ITEM NO. 8

To approve appointment of Mr. Jairam Sridharan (DIN: 05165390) as Managing Director of the Company:

The Board of Directors of the Company at its meeting held on October 7, 2021, based on the recommendation of the Nomination & Remuneration Committee, had approved the appointment of Mr. Jairam Sridharan (DIN: 05165390) as an Additional Director on Board of Directors of the Company in terms of Section 161 of the Companies Act, 2013 ('the Act') to hold the office up to the date of the ensuing Annual General Meeting and is eligible to be appointed as Director.

In view of significant growth of business and possible opportunities going forward, the Board of Directors of the Company, basis recommendation of Nomination and Remuneration Committee of the Company, and subject to and in accordance with the provisions of sections 196, 197, 203, read with Schedule V read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and other applicable provisions, if any, of the Companies Act, 2013, the Articles of Association of the Company and subject to the approval of the members of the Company appointed Mr. Jairam Sridharan (DIN: 05165390), as the Managing Director of the Company, liable to retire by rotation, for a period of three (3) years, w.e.f. October 7, 2021, taking into consideration his experience and expertise in the field of financial services business.

Mr. Jairam Sridharan has served in a range of domestic and international retail finance roles over the last 20 years of his career. Mr. Sridharan holds a Bachelor of Technology degree in Chemical Engineering from IIT Delhi and Post Graduate Diploma in Management from IIM Kolkata where he was awarded a Roll of Honour for academic excellence.

Brief details of his profile, the nature of his expertise, and the name of companies he holds directorship along with the details of membership / chairmanship on various committees of the Board of other companies, shareholding in the Company, relationship between the directors inter-se and other details are annexed to this notice.

The Company also received from Mr. Sridharan relevant disclosures and confirmations as may be required under applicable regulations and Act.

This explanatory statement along with the additional information as per Secretarial Standard 2 on General Meetings is annexed to this Notice.

Except for Mr. Sridharan to whom the resolutions relates and his relatives (to the extent of their shareholding interest in the Company), none of the other Directors, Promoters and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the this resolution.

Pursuant to the recommendations of Nomination and Remuneration Committee your Directors recommend the Resolutions set out in Item No. 8 as Ordinary Resolutions for your approval.

ITEM NO. 9

In terms of Sections 42 and 71 of the Companies Act, 2013 ('the Act') read with Rule 14(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, in case an offer of or invitation to subscribe to Non-Convertible Debentures ('NCDs') is made by the Company on a private placement basis, the Company is required to seek the prior approval of its shareholders by means of a Special Resolution, on an annual basis for all the offers or invitations for such debentures during the year.

For the purpose of availing financial assistance (including borrowings) for its business or operations, the Company may offer or invite subscription to secured / unsecured redeemable NCDs on private placement basis (within the meaning of the Section 42 of the Act) in one or more series / tranches. Hence, the Board of Directors ('Board') seeks your approval to offer or invite subscription to NCDs, within the overall borrowing limits under Section 180(1)(c) of the Act, as may be required by the Company, from time to time, for a year.

The Board of Directors accordingly recommends the Special Resolution as set out in the Notice at item no. 9 for the approval of the shareholders.

None of the Directors / Key Managerial Personnel of the Company, or their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution as set out at item no. 9 in the accompanying Notice.

By Order of the Board

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Place: Mumbai
Date: 11th November 2021

Bipin Singh
Company Secretary

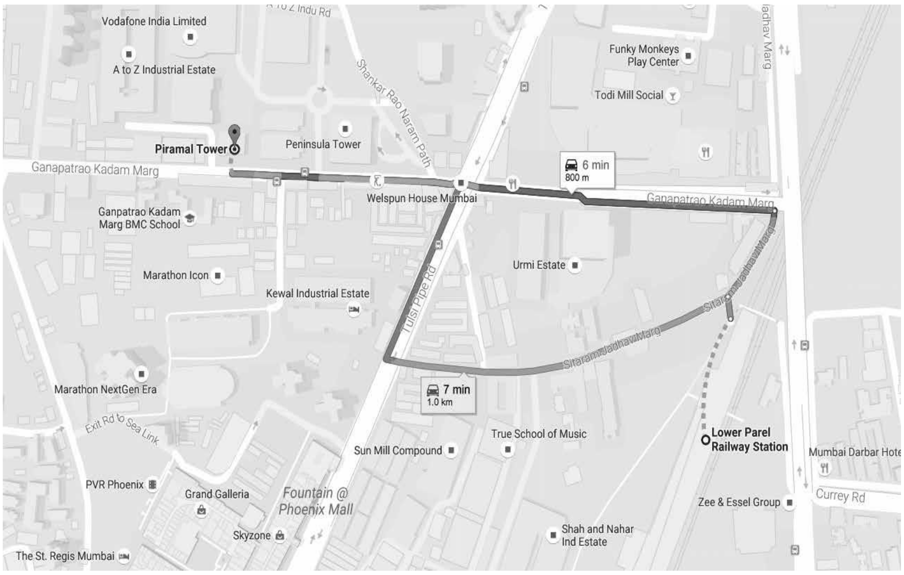
ANNEXURE TO ITEM NOS. 2, 3, 4, 5, 6, 7 AND 8 OF THE NOTICE

Details of Director seeking reappointment at the Thirty Seventh [37th] Annual General Meeting in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings [SS-2]

Name of Director	**Mr. Ajay Piramal**	**Dr. (Mrs.) Swati Piramal**	**Mr. Anand Piramal**	**Mr. Khushru Jijina**
Date of Birth / Age	August 03, 1955 /66	March 28, 1956 / 65	October 27, 1984 / 37	April 23, 1965 / 56
Date of appointment at the Board meeting	30th September 2021	30th September 2021	30th September 2021	30th September 2021
Expertise in specific functional areas	Ajay Piramal holds a bachelor's degree of science (honours) in science from the Jai Hind College and Basantsingh Institute of Science, University of Bombay, Master's degree in Management Studies from Jamnalal Bajaj Institute of Management Studies, University of Bombay and has completed the Advanced Management Programme from Harvard Business School Executive Education. He serves on the Harvard Business School's Board of Dean's Advisors and is co-Chair of the UK-India CEO Forum. He has been conferred with an Honorary Doctorate in Philosophy (D. Phil) by Amity University, India, and an Honorary Doctor of Science (Honoris Causa) Degree by the Indian Institute of Technology, Indore. He was also awarded the "Entrepreneur of the Year" award by the UK Trade and Investment India Business Awards, 2006.	Dr. Swati Piramal holds a bachelor's degree of medicine and a bachelor's degree of surgery (MBBS) degree from the University of Bombay and a master's Degree in public health from the Harvard University. She also holds certificate of registration from the Maharashtra Medical Council. She is a member of the Dean's Advisor to Harvard Business School & Public Health and was also a member of Harvard Board of Overseers and. Dr. Swati Piramal has been honoured with the Padma Shri by the President of India for work in the field of medical research.	Anand Piramal holds a Bachelor's degree in economics from the University of Pennsylvania and a master's degree in business administration from the Harvard University. He was conferred with the Hurun Real Estate Unicorn of the Year in 2017 and Young Business Leader of the year award by Hello! Magazine in 2018. He was also the president of the Youth Wing of the Indian Merchant Chambers.	Khushru B. Jijina is a fellow member of the Institute of Chartered Accountants of India, with an illustrious career spanning well over three decades in the field of real estate, corporate finance and treasury management. Mr. Jijina has been associated with the Piramal Group for over two decades and under his leadership, our Company has grown rapidly in providing both wholesale and retail funding opportunities across sectors.
Qualifications	Honours degree in Science from Mumbai University; Master's degree in Management Studies from Jamnalal Bajaj Institute of Management Studies; Advanced Management Programme from Harvard Business School.	M.B.B.S.; Masters Degree from Harvard School of Public Health; D.I.M, College of Physicians & Surgeons, Industrial Medicine Bombay	Majored in Economics from University of Pennsylvania; Business Administration from Harvard Business School.	Chartered Accountant
Other Directorships as on 30th September 2021 (and as on 7th Octobe, 2021 for Mr. Jairam Sridharan)	1. Piramal Enterprises Limited 2. Piramal Glass Private Limited 3. Allergan India Private Limited 4. Piramal Management Services Private Limited 5. Piramal Fund Management Private Limited 6. PEL Management Services Private Limited 7. Pratham Education Foundation 8. Kaivalya Education Foundation 9. Tata Sons Private Limited 10. Piramal Foundation	1. Piramal Enterprises Limited 2. Piramal Glass Private Limited 3. Allergan India Private Limited 4. Piramal Management Services Private Limited 5. Nestle India Limited 6. PEL Management Services Private Limited 7. PHL Fininvest Private Limited 8. Essilor Luxottica	1. Piramal Enterprises Limited 2. PEL Management Services Private Limited 3. Piramal Management Services Private Limited 4. Piramal Water Private Limited 5. Piramal Foundation for Education Leadership 6. PRL Developers Private Limited 7. Piramal Corporate Services Private Limited 8. Piramal Asset Management Private Limited 9. India Resurgence Asset Management Business Private Limited	1. Piramal Enterprises Limited 2. Silver Pearl Realty Private Limited 3. Greendale Reserve Private Limited 4. Piramal Securities Limited 5. IndiaVenture Advisors Private Limited 6. Piramal Fund Management Private Limited 7. PHL Fininvest Private Limited 8. Viridis Power Investment Managers Private Limited 9. Viridis Infrastructure Investment Managers Private Limited 10. Greendale Isles Private Limited 11. Greendale Pearl Private Limited 12. Agfields Nutriments Private Limited
Committee Membership / Chairmanship of other Boards as on September 30, 2021	1. Piramal Enterprises Limited - Member of Nomination & Remuneration Committee 2. Piramal Fund Management Private Limited - Member of Audit Committee, Nomination & Remuneration Committee and Chairman of Corporate Social Responsibility Committee 3. Tata Sons Private Limited - Member of Nomination & Remuneration Committee, Corporate Social Responsibility Committee and Chairman of Audit Committee	1. Nestle India Limited - Chairperson of Corporate Social Responsibility	Not Applicable	1. Piramal Fund Management Private Limited - Member of Corporate Social Responsibility Committee 2.PHL Fininvest Private Limited - Member of Audit and Risk Management Committee and Corporate Social Responsibility Committee
Shareholding (no. of equity shares) as on date of the Notice	01 (as a nominee of Piramal Enterprises Ltd.)	01 (as a nominee of Piramal Enterprises Ltd.)	Nil	Nil
Number of meetings of the Board attended during the year	Attended both the Board Meetings held after his appointment on September 30, 2021 until the date of this Notice	Attended both the Board Meetings held after his appointment on September 30, 2021 until the date of this Notice	Attended both the Board Meetings held after his appointment on September 30, 2021 until the date of this Notice	Attended both the Board Meetings held after his appointment on September 30, 2021 until the date of this Notice
Relationship with other Directors, Manager and other KeyManagerial Personnel of the company	Dr. (Mrs.) Swati Piramal - Spouse Mr. Anand Piramal - Son	Dr. Ajay Piramal - Spouse Mr. Anand Piramal - Son	Dr. Ajay Piramal - Father Dr. (Mrs.) Swati Piramal - Mother	Not Applicable
Terms and conditions of appointment	Non-Executive Director, liable to retire by rotation	Non-Executive Director, liable to retire by rotation	Non-Executive Director, liable to retire by rotation	Non-Executive Director, liable to retire by rotation
Remuneration sought to be paid	As per the terms that may be decided by the Board of Directors	As per the terms that may be decided by the Board of Directors	As per the terms that may be decided by the Board of Directors	As per the terms that may be decided by the Board of Directors

Name of Director	Mr. Jairam Sridharan	Mr. Gautam Doshi (Independent)	Mr. Suhail Nathani (Independent)
Date of Birth / Age	August 27, 1974 / 47	December 23, 1952 / 69	May 3, 1965 / 56
Date of appointment at the Board meeting	7th October 2021	30th September 2021	30th September 2021
Expertise in specific functional areas	Over the last 20 years of his career, Mr. Jairam has served in a range of domestic and international retail finance	Mr. Gautam Doshi is a Chartered Accountant and Masters in Commerce, who has been in	Suhail Nathani is a co-founding partner at Economic Laws Practice (ELP). He is actively
Qualifications	Bachelor of Technology degree in Chemical Engineering from IIT Delhi and Post Graduate Diploma in Management from IIM Kolkata	Chartered Accountant, Masters in Commerce	Master's Degree from Cambridge University; LL.M. from Duke University
Other Directorships as on 30th September 2021 (and as on 7th Octobe, 2021 for Mr. Jairam Sridharan)	Nil	1. Sun Pharmaceutical Industries Limited 2. PHL Fininvest Private Limited 3. Capricon Realty Limited 4. Banda Real Estate Private Limited 5. Kudal Real Estate Private Limited 6. Connect Capital Private Limited 7. Aashni Ecommerce Private Limited 8. Sun Pharma Holdings 9. Sun Pharma Global FZE 10. Suzlon Energy Limited 11. Sun Pharmaceutical Industries, INC	1. Piramal Enterprises Limited 2. Aga Khan Agency for Habitat India (Section 8 Co.) 3. Mahindra CIE Automotive Limited 4. UTI Trustee Company Private Limited 5. Progressive Electoral Trust (Section 8 Co.) 6. Salaam Bombay Foundation (Section 8 Co.) 7. Welspun Middle East Pipes LLC
Committee Membership / Chairmanship of other Boards as on September 30, 2021	Not Applicable	1. Capricon Realty Limited - Member of Audit Committee 2. PHL Fininvest Private Limited - Chairman of Corporate Social Responsibility Committee and Audit and Risk Management Committee 3. Sun Pharmaceutical Industries Limited - Chairman of Audit Committee and Stakeholders Relationship Committee and Member of Nomination & Remuneration Committee	1. Piramal Enterprises Limited - Member of Audit Committee and Risk Management Committee
Shareholding (no. of equity shares) as on date of the Notice	Nil	Nil	Nil
Number of meetings of the Board attended during the year	Attended both the Board Meetings held after his appointment on September 30, 2021 until the date of this Notice	Attended both the Board Meetings held after his appointment on September 30, 2021 until the date of this Notice	Attended both the Board Meetings held after his appointment on September 30, 2021 until the date of this Notice
Relationship with other Directors, Manager and other KeyManagerial Personnel of the company	Not Applicable	Not Applicable	Not Applicable
Terms and conditions of appointment	As per the terms set out in Notice Item no. 8	Independent Director, not liable to retire by rotation	Independent Director, not liable to retire by rotation
Remuneration sought to be paid	As per the terms set out in Notice Item no. 8	As per the terms that may be decided by the Board of Directors in addition to the Sitting fees to be paid	As per the terms that may be decided by the Board of Directors in addition to the Sitting fees to be paid

<u>Route Map to the venue of AGM</u>



Venue:
Piramal Tower,
Peninsula Corporate Park,
Ganpatrao Kadam Marg,
Lower Parel, Mumbai – 400013

Annexure 'A'

Piramal Capital & Housing Finance Limited
(formerly known as Dewan Housing Finance Corporation Ltd)
CIN: L65910MH1984PLC032639
Registered Office:
Warden House, 2nd Floor, Sir P M Road, Fort, Mumbai – 400 001
Tel No.: (91 22) 6230 9300 **Fax No.:** (91 22) 6151 3444
Website: www.piramalfinance.com **E-mail Id:** cs.team@piramal.com
Share Transfer Agent: NSDL Database Management Limited, 4th Floor, Trade World A Wing, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s): ....

Registered Address:..

....

E-mail Id:..

Folio No./ Client ID:...DP ID:...

I/We, being the member(s) holding.. shares of the above named Company, hereby appoint

1. Name:...Address:...

   E-mail Id: ....Signature:...,or failing him/her

2. Name:...Address:...

   E-mail Id: ....Signature: ………...,or failing him/her

3. Name:...Address:...

   E-mail Id: …...Signature: ....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 37th Annual General Meeting of the Company to be held at Piramal Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400 013 at 3.00 p.m. on Tuesday, 30th November 2021 and at any adjournment thereof in respect of such resolutions as are indicated below:

** I/We wish my above proxy (ies) to vote in the manner as indicated in the box below:

Sr. No.	Resolutions	For	Against	Abstain
1.	To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated) of the Company for the financial year ended March 31, 2021 and the Board's Report (the Report of Advisory Committee chaired by the Administrator) and Report of the Statutory Auditors thereon.			
2.	To approve appointment of Mr. Ajay G Piramal (DIN: 00028116) as a Non-Executive Director of the Company.			
3.	To approve appointment of Dr. (Mrs.) Swati Piramal (DIN: 00067125) as a Non-Executive Director of the Company			
4.	To approve appointment of Mr. Khushru Jijina (DIN: 00209953) as a Non-Executive Director of the Company			
5.	To approve appointment of Mr. Anand Piramal (DIN: 00286085) as a Non-Executive Director of the Company			
6.	To approve appointment of Mr. Suhail Nathani (DIN: 01089938) as an Independent Director of the Company;			
7.	To approve appointment of Mr. Gautam Doshi (DIN: 00004612) as an Independent Director of the Company			
8.	To approve appointment of Mr. Jairam Sridharan (DIN: 05165390) as Managing Director of the Company			
9.	Issue of Non-Convertible Debentures on Private Placement Basis			

Signed this...................................day of................................. 2021.

Affix revenue stamp

____
Signature of shareholder

Signature of first proxy holder   Signature of second proxy holder   Signature of third proxy holder

** This is only optional. Please put a '√' in the appropriate column against the resolutions indicated in the Box. Alternatively, you may mention the number of shares in the appropriate column in respect of which you would like your proxy to vote. If you leave all the columns blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

PTO

Notes:

1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company.**
2. A proxy need not be a member of the Company.
3. In case the appointer is a body corporate, the proxy form should be signed under its seal or be signed by an officer or an attorney duly authorized by it and an authenticated copy of such authorisation should be attached to the proxy form.
4. A person can act as proxy on behalf of such number of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company. Further, a Member holding more than ten percent, of the total share capital of the Company, may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
6. In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.
7. Please affix Revenue Stamp before putting Signature.
8. All alterations made in the proxy form should be fully signed.
9. In case of multiple proxies, the proxy later in time shall be accepted.

Annexure 'B'

Piramal Capital & Housing Finance Limited
(formerly known as Dewan Housing Finance Corporation Ltd)
CIN: L65910MH1984PLC032639
Registered Office:
Warden House, 2nd Floor, Sir P M Road, Fort, Mumbai – 400 001
Tel No.: (91 22) 6230 9300 **Fax No.:** (91 22) 6151 3444
Website: www.piramalfinance.com **E-mail Id:** cs.team@piramal.com
Share Transfer Agent: NSDL Database Management Limited, 4th Floor, Trade World A Wing, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013

ATTENDANCE SLIP

I/We hereby record my/our presence at the 37th Annual General Meeting of the Company held at Piramal Tower, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai – 400013 at 3.00 p.m. on Tuesday, 30th November 2021.

DP ID*	**Folio No.**
Client ID*	**No. of Shares**

Name and Address of the Shareholder(s)		
If Shareholder(s), please sign here	**If Proxy, please mention name and sign here**	
	Name of Proxy	**Signature**

* Applicable for shareholders holding shares in electronic form.

Note:

Shareholder/Proxy holder, as the case may be, is requested to produce the attendance slip duly signed at the entrance of the Meeting venue.

Dewan Housing Finance Corporation Limited

Corporate Identity Number (CIN) – L65910MH1984PLC032639

Annual Report

2020 – 21

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

CORPORATE INFORMATION

ADMINISTRATOR

Mr. R. Subramaniakumar	- Administrator under IBC

ADVISORY COMMITTEE (till June 23, 2021)

Mr. R. Subramaniakumar	- Administrator under IBC & Chairman of the Committee
Dr. Rajiv Lall	- Member
Mr. N. S. Kannan	- Member
Mr. N. S. Venkatesh	- Member

MONITORING COMMITTEE (Constituted pursuant to Hon'ble NCLT Order dated June 7, 2021)

Mr. R. Subramaniakumar	- Chairman (Expert Member)
Ms. Sugandhi Iyer, GM SBI	- Member
Mr. Vipin Shukla, DGM, UBI	- Member
Mr. R K Kulkarni, Director CTL	- Member
Mr. Khushru Jijina, MD PCHFL	- Member
Mr. Jairam Sridharan, CEO PCHFL	- Member
Mr. Ashok Kacker (Retd.) Chief Commissioner of Income Tax, Former Executive Director of SEBI	- Observer cum Permanent Invitee

KEY MANAGERIAL PERSONNEL

Mr. Vaijinath M Gavarshetty	- Chief Executive Officer
Mr. Sunil Kumar Bansal	- Chief Finance Officer
Mr. Satya Narayan Baheti	- Company Secretary

BANKERS

Axis Bank Ltd.
Bank of Baroda (incl. Dena & Vijaya Bank)
Bank of India
Bank of Maharashtra
Canara Bank (incl. Syndicate Bank)
Central Bank of India
Federal Bank
HDFC Bank Ltd.
ICICI Bank Ltd.
Industrial Development Bank of India Ltd. (IDBI)
Indian Bank (incl. Allahabad Bank)
Indian Overseas Bank
Karnataka Bank Limited
Kotak Mahindra Bank Limited
Punjab & Sind Bank
Punjab National Bank (incl. Oriental Bank of Commerce & United Bank)
South Indian Bank Ltd.
State Bank Of India
UCO Bank
Union Bank of India (incl. Andhra Bank & Corporation Bank)

FINANCIAL INSTITUTIONS / MULTILATERAL AGENCIES / OTHER LENDERS

National Housing Bank
SC Lowy Primary Investments Ltd.
Burlington Loan Management DAC
SC Lowy P.I. (Lux) S.a.r.l.
SBI (Mauritius) Ltd.
Taiwan Business Bank, Offshore Banking Branch
The Korea Development Bank
The Korea Development Bank, Singapore Branch
Deutsche Bank AG, London Branch
Arkkan Opportunities Fund Ltd.
State Bank of India, Singapore Branch

STATUTORY AUDITOR

K. K. Mankeshwar & Co.
Chartered Accountants- FRN:106009W
121, Pocket-I Jasola, New Delhi-110025 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 Limited
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
Email id - einward.ris@kfintech.com
Website: https://www.kfintech.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

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) (Press Release) 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. 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 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). The primary responsibility of the Advisory Committee was 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 had also taken over the responsibility of the Board of Directors of your Company, the Advisory Committee supported the Administrator in fulfillment of his role and responsibilities. The members of the Advisory Committee were 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. N. S. Venkatesh, Chief Executive, Association of Mutual Funds in India.

On November 29, 2019, the RBI had filed a petition before the Hon’ble National Company Law Tribunal, Mumbai Bench (Hon’ble NCLT) 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 in respect of 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, by an Order dated December 3, 2019 of the Hon’ble NCLT the application filed by the RBI for initiating the CIRP in respect of your Company was admitted by 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 undergoing CIRP under the provisions of the Code along with the Regulations and Rules thereunder and the Administrator performed the duties of the Resolution Professional under the Code with support of the Advisory Committee.

In accordance with the provisions of the Code and with the approval of the Committee of Creditors of your Company (COC), the Administrator on January 28, 2020, invited expressions of interest from prospective resolution applicants. Subsequently, resolution plans were invited from eligible prospective resolution applicants on the basis of the Request For Resolution Plan (RFRP), as approved by the COC.

The legally compliant resolution plans were duly presented by the Administrator to the COC at the 18th meeting of the COC held on December 24 & 25, 2020 for the COC's consideration in accordance with the provisions of the Code, the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 (CIRP Regulations) and the terms of the RFRP.

As per the votes cast by the COC members, the resolution plan submitted by Piramal Capital & Housing Finance Limited (PCHFL) dated December 22, 2020 in respect of your Company (along with an undertaking dated January 21, 2021 which forms an integral part of the resolution plan) was approved by a voting majority of 93.65% votes and was chosen as the successful resolution plan under Section 30(4) of the Code (Resolution Plan).

Thereafter, pursuant to the receipt of no objection for change in control/ ownership/ management of your Company from RBI dated February 16, 2021 in terms of Rule 5(d)(iii) of the FSP Rules, the Administrator filed an application under Section 30(6) of the Code for submission of Resolution Plan of PCHFL as approved by the COC with the Hon'ble NCLT, Mumbai Bench on February 24, 2021.

The Competition Commission of India also approved the acquisition of control of your Company and amalgamation of the PCHFL with your Company by its order dated April 12, 2021.

The Hon'ble NCLT vide the Order passed on June 7, 2021 (uploaded on its website on June 13, 2021) (Plan Approval Order), approved the Resolution Plan submitted by PCHFL and as approved by the COC for the CIRP of your Company under Section 31 of the Code, with a direction to the COC to reconsider their distribution method for distribution amongst various members of COC, within two weeks from the date of the Plan Approval Order and report the same to Hon'ble NCLT.

Pursuant to the Plan Approval Order directing the COC to reconsider the manner of distribution, a special COC meeting was convened on June 17, 2021 for the limited purpose of giving effect to the directions of Hon'ble NCLT. The directions of Hon'ble NCLT to reconsider the manner of distribution were extensively deliberated by the COC members and was put to vote. Pursuant to the voting results declared on June 22, 2021, the COC did not approve the modification to the distribution mechanism of the proceeds of the Resolution Plan.

In light of the above, the Administrator continued to discharge the role and responsibility of the resolution professional under the Code until the directions as per the Plan Approval Order were complied with i.e. till June 23, 2021.

Further, upon the approval of the Resolution Plan by the Plan Approval Order and in compliance with the directions of Hon'ble NCLT in the said Plan Approval Order, the mandate of the RBI constituting the Advisory Committee as per RBI press release dated November 22, 2019, to advise the Administrator in the operations of your Company during the CIRP and to assist him for discharging his duties was fulfilled. Therefore, the Advisory Committee was dissolved and the same was also intimated to the respective Members of the Advisory Committee.

In light of the Plan Approval Order and in accordance with Section 31 of the Code, the Resolution Plan is binding on your Company, its employees, members, creditors, including the Central Government, any State Government or any local authority to whom a debt in respect of the payment of dues arising under any law for the time being in force was due, such as authorities to whom statutory dues are owed, guarantors and other stakeholders involved in the Resolution Plan.

In accordance with the terms of the Resolution Plan and the Plan Approval Order, a Monitoring Committee had been constituted for conducting the affairs of your Company and supervising the implementation of the Resolution Plan until all the steps and actions contemplated therein have been completed (Monitoring Committee).

The Administrator had agreed to be a member of the Monitoring Committee and he was elected by the Monitoring Committee members to act as the Chairman of the Monitoring Committee, in the first Monitoring Committee Meeting held on June 24, 2021. The members of the Monitoring Committee were Mr. R. Subramaniakumar, Administrator (Expert Member) & Chairman of the Committee (Elected by the Committee Members); Ms. Sugandhi Iyer - General Manager, State Bank of India, Member; Mr. Vipin Shukla - Deputy General Manger – Union Bank of India, Member; Mr. R. K. Kulkarni – Director - Catalyst Trustee Limited, Member; Mr. Khusroo Jijina - Managing Director – Piramal Capital & Housing Finance Limited, Member; Mr. Jairam Sridharan - Chief Executive Officer – Piramal Capital & Housing Finance Limited, Member; Mr. Ashok Kacker – Retired Chief Commissioner of Income Tax, Former Executive Director of SEBI, Observer cum Permanent Appointee as per Plan Approval Order.

As per the Plan Approval Order, the management and control of the Company is vested with the Monitoring Committee during the period between the NCLT Approval Date i.e. June 7, 2021 and until the implementation of the Resolution Plan. During this intervening period, your Company will not have Board of Directors and accordingly, during this intervening period certain compliances under the Companies Act, 2013 (e.g. constitution of Board level committees etc.) might not be possible due to pending constitution of the regular Board of Directors.

For the purpose of fulfilment of the condition relating to delisting of equity shares of your Company as per the approved Resolution Plan, and in exercise of the powers vested with the Monitoring Committee, the Monitoring Committee at its meeting held on July 16, 2021 resolved that all the equity shares (including any right to subscribe to, or be allocated such equity shares, including any employee stock options, pre-emptive subscription rights or convertible instruments held by any person) held by the existing shareholders of your Company or any other person) of your Company are to be delisted from BSE Limited (BSE) and National Stock Exchange of India Ltd. (NSE) after completion of Step III of Schedule II of the approved Resolution Plan (i.e. infusion of equity contribution in your Company by PCHFL. Accordingly, the intimation / application for the purpose of delisting of Equity shares has been submitted to BSE and NSE by your Company wherein BSE and NSE have been intimated that as per the Resolution Plan, the equity shares of your Company are proposed to be delisted upon completion of Step III of Schedule II (Implementation Schedule) of the Resolution Plan. In furtherance of the same, your Company shall intimate the stock exchanges in writing of the date of completion of Step III of Schedule II (Implementation Schedule) of the Resolution Plan. After completion of Step III of Schedule II (Implementation Schedule) of the Resolution Plan, the equity shares of your Company shall stand delisted from the stock exchanges without any further proceeding as per the Resolution Plan.

Regulation 3(3) of the Securities and Exchange Board of India (Delisting Of Equity Shares) Regulations, 2009, provides that in case of delisting of equity shares of a listed company pursuant to a resolution plan under Section 31 of the Insolvency & Bankruptcy Code, 2016, the exit to the shareholders should be at a price which shall not be less than the liquidation value as determined under Regulation 35 of the CIRP Regulations after paying off dues in the order of priority as defined under Section 53 of the Code. No value was attributable to the equity shares as per the liquidation value of your Company estimated by registered valuers appointed under the CIRP Regulations. Accordingly, the Resolution Plan proposes to extinguish all the equity shares (including any right to subscribe to, or be allocated to such equity shares, including any employee stock options, pre-emptive subscription rights or convertible instruments held by any person) held by the existing shareholders of your Company or any other person, by way of a capital reduction without payment of any price to the shareholders/ such person.

For the purpose of fulfilment of the condition specified in Section 9.1 of the Resolution Plan read with row No 5 of Schedule IIIA of the Resolution Plan relating to delisting of listed NCDs of your Company and in exercise of the powers vested with the Monitoring Committee, 30th July, 2021 was approved as the Record Date for the purpose of suspension of trading of the listed NCDs of your Company and for delisting of the listed NCDs of your Company from BSE and NSE. Accordingly, the intimation / applications for the purpose of delisting of NCDs has been submitted to BSE and NSE by your Company.

The delisting of Equity Shares and NCDs is yet to take effect. However, BSE and NSE have suspended the trading of equity shares of your Company with effect from June 14, 2021. As the approved Resolution Plan envisages delisting of equity shares and that no value was attributable to the equity shares as stated above, the trading in equity shares was suspended by BSE & NSE to avoid market complications.

The approved Resolution Plan envisages delisting of equity shares and no value was attributable to the equity shares as stated above, in the said circumstances, the trading in equity shares was suspended by BSE & NSE with effect from June 14, 2021 to avoid market complications.

As your Company had fixed the Record Date of July 30, 2021 for the purpose of delisting and implementation of the approved Resolution Plan pertaining to settlement of dues of the NCD holders as provided in the approved Resolution Plan, the trading in the NCDs of your Company was suspended by BSE and NSE with effect from July 29, 2021.

Your Company is currently in the process of implementation of the Resolution Plan. Upon successful implementation thereof, PCHFL would merge with your Company by way of reverse merger.

KEY FINANCIALS

During the financial year 2018-19, your Company had 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, 2021 have been prepared as per the Ind AS.

The financial performance of your Company for the financial year ended March 31, 2021 is summarized below:
(Rs. in crore)

Particulars	Standalone		Consolidated	
	2020-21	**2019-20**	**2020-21**	**2019-20**
Gross Income	8,802.79	9,343.12	8,802.79	9,578.85
Less: Finance Costs	218.49	5,725.18	218.49	5,736.21
Net loss on fair value changes	25,990.33	14,996.48	25,990.33	15,034.71
Impairment on financial instruments	2,244.77	6,241.13	2,244.77	6,242.13
Overheads & Provisions	385.42	548.91	385.47	548.91
Depreciation and amortization expense	80.83	79.41	80.83	79.41
Profit/ (Loss) before Tax	(20,117.05)	(18,247.99)	(20,117.10)	(18,062.52)
Less: Current Tax	91.37	(11.33)	91.37	(11.33)
Deferred Tax	(5,157.30)	(4,624.34)	(5,157.30)	(4,624.34)
Net Profit/ (Loss) after tax	(15,051.12)	(13,612.32)	(15,051.17)	(13,426.85)
Add: Share of net profits of associates anc	-	-	-	(28.96)
Add: Balance brought forward from the	(12,363.93)	1,248.07	(12,372.13)	1,083.36
Add/(Less): Other Comprehensive	(0.51)	(1.15)	(0.51)	(1.15)
Add/(Less): Change in accounting Policy	-	1.47	-	1.47
Surplus available for appropriations	(27,415.56)	(12,363.93)	(27,423.82)	(12,372.12)
Appropriations				
Equity Dividend (Final)	-	-	-	-
Tax on Dividends	-	-	-	-
Balance carried over to Balance Sheet	(27,415.56)	(12,363.93)	(27,423.82)	(12,372.12)
Total	(27,415.56)	(12,363.93)	(27,423.82)	(12,372.12)
Earnings Per Share				
Basic (in Rs.)	(479.61)	(433.76)	(479.61)	(428.77)
Diluted (in Rs.)	(479.61)	(433.76)	(479.61)	(428.77)

TRANSFER TO RESERVES

During the year under review, your Company incurred a net loss of Rs. 15,051.12 crore mainly on account of increased provisioning and higher impact of impairment on financial instruments and consequently, no transfers were made to the reserves.

CORPORATE INSOLVENCY RESOLUTION PROCESS (CIRP)

In the earlier part of this Report, sequence of events have been presented pertaining to commencement of CIRP of your Company until the approval of the Resolution Plan by NCLT, Mumbai on June 7, 2021 and undergoing implementation of the approved Resolution Plan.

As part of the CIRP of your Company, the Administrator, Advisory Committee and the management team of your Company 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 COC 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, had exercised oversight on the operations of your Company apart from running the CIRP in accordance with the provisions of the Code and Regulations under the Code. The Administrator had 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 management of your Company under the guidance of the Administrator has undertaken various initiatives 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 also initiated steps for compliance of various applicable rules and regulations within your Company. The improvement process is a continuous effort and the same was extended due to the operational issues arising out of the COVID-19 pandemic and the resultant lockdown.

These initiatives contributed to strengthen your Company's overall governance structure and control environment. On conclusion and complete 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 had 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, 47, 49, 50 and 66 of the Code.

As per the terms of the reference issued to the TAA, the three (3) reports were 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 conducted within the relevant time period as prescribed under the Insolvency and Bankruptcy Code, 2016.

   Transactions Audit was 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.

a) Report 3: Report as stipulated under scope of work to 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 advice of the Advisory Committee and in consultation with the Process Advisors and Legal Advisors filed necessary applications before the Hon'ble NCLT, as and when reports under the above sections were submitted by the TAA. The disclosure in relation to said filings as approved by the Advisory Committee on the advice of the Legal Advisors and the Process Advisors were 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) and also placed at web-site of your Company at the link https://www.dhfl.com/investors/material-events-and-information

PERFORMANCE

Your Company restarted business operations last year, on a very small scale, to keep your Company as a Going-Concern. However, the global COVID-19 pandemic impacted your Company too and the business operations had to be halted in March 2020 last year. Your Company re-commenced business operations in June 2020, primarily focusing on the low and middle income customer segment. Before re-starting fresh business, your Company reviewed and revised various lending policies to take into account the changing economic situation of the country, and your Company's internal situation. Certain products with higher risk were discontinued and your Company shifted focus on improving efficiencies and ensuring that your Company's future is ready.

During the year under review, your Company disbursed a total of Rs. 165.76 Crore with 77% loans given for purchase of House/ Apartments across India.

Standalone

During the financial year under review, your Company made total loan disbursements of Rs. 165.76 crore as against Rs. 1,553 crore in the previous financial year. At the end of the financial year under review, the Gross NPAs as a percentage of the outstanding loans were 71.93% as against 62.97% in the previous year. The net NPAs as a percentage of the outstanding loans were 10.22% at the end of the Financial Year under review as against 44.77% in the previous year.

The standalone and consolidated financial statements for the year ended March 31, 2021 have been prepared as per the Ind AS.

For the financial year under review, your Company suffered a Loss Before Taxes of Rs. 20,117.05

crore as against Rs. 18,247.99 crore in the previous financial year and Loss After Tax for the year under review is Rs. 15,051.12 crore as against Rs. 13,612.32 crore in the previous financial year, mainly on account of Net Loss on Fair Value Changes of Rs. 25,990.33 crore and Rs. 2,244.77 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 Rs. 8,802.79 crore, as compared to Rs. 9,578.85 crore in the previous financial year. The overall operational expenses for the financial year under review were Rs. 28,919.89 crore, as against Rs. 27,641.37 crore in the previous financial year. Operating Loss Before Tax for the year under review stood at Rs. 20,117.10 crore as compared to Rs. 18,062.52 crore in the previous financial year. The Loss After Tax for year under review stood at Rs. 15,051.17 crore as against Rs. 13,426.85 crore in the previous financial year.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF YOUR COMPANY

No specific material changes and commitments, except 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, 2021 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, 2021.

The Dividend Distribution Policy is available on the website of your Company at the URL https://www.dhfl.com/investors/policies-codes/dividend-distribution-policy

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

As per the legal advice received by your Company from the legal advisor, 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 advice received by your Company from the legal advisor, if any 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 had 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 had 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 and 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 year under review, due to various factors. The focus of your Company, during the year under review, was to strengthen its base and be future ready for commencing retail lending activities in more efficient and more controlled manner.

The COVID-19 pandemic outbreak, and the resultant lockdown in the country, impacted various functions of your Company including Head Office and branch operations, collection field visits and also new disbursements. During the initial phases of lockdown till about June 30, 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. However, your Company was quick to adapt to alternate technology and was able to put in place the required support systems to enable Work from Home (WFH) for a large number of employees, which helped in quickly streamlining the day to day operations even during the lockdown.

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 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 Covid 19 – Regulatory Package Asset Classification and Provisioning Norms.

In the month of April 2020 and May 2020, about 31% and 35% 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 35% in May 2020 to 28% 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.

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

Securitization / Assignment of Loans

During the financial year under review, your Company has not sold/ assigned any pool. 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 reduction has been another focus area for your Company during the CIRP period. Continuing the efforts from last year, your Company continued its review of all cost elements, and all costs have been further rationalized while all necessary costs have been optimised. Your Company has strengthened various internal committees to monitor the activities that have high cost outlays and how can those costs be optimized further. As a result, most of the outsourcing agreements and lease agreements have been reviewed and further re-negotiated. Few office locations which were high on cost and low on profitability were also downsized in the year. As a result of these concerted efforts, your Company has been able to reduce costs significantly.

Further, during the year under review, 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 not been any change in the authorized share capital of your Company. The Authorized share capital of your Company as at March 31, 2021 was Rs. 10,90,39,00,240 divided into (i) 84,03,90,024 equity shares of Rs. 10/- each aggregating to Rs. 840,39,00,240 and (ii) 25,00,000 non-convertible redeemable cumulative preference shares of Rs. 1,000/- each aggregating to Rs. 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, 2021 was Rs. 313,82,30,240 divided into 31,38,23,024 equity shares of Rs. 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.

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

RESOURCE MOBILISATION

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.

Pursuant to defaults in obligations in terms of servicing its debts, the credit rating of the Company was downgraded to Default grade rating on June 15, 2019. Consequent to losses incurred during the year, the net worth of the Company has become substantially negative.

Deposits

Your Company was a deposit accepting Housing Finance Company, registered with National Housing Bank (NHB). The Company stopped accepting or renewing deposits from May 20, 2019 because of rating downgrade. Also, NHB vide letter dated May 28, 2019 advised the Company that it should not resume acceptance and renewal of public deposit without prior approval of NHB. Further, the Hon’ble Bombay High Court, vide order dated October, 10, 2019 injuncted and restrained the Company from making further payments/disbursements to any unsecured creditors and secured creditors subject to certain exceptions. The total outstanding deposits as on March 31, 2021 stood at Rs. 5,374.90 Crore.

Your Company is undergoing CIRP and pursuant to the orders passed by the Hon'ble NCLT, Mumbai Bench on December 03, 2019, all dues to the fixed deposit holders were crystalized as on CIRP commencement date (December 03, 2019). All the dues payable to fixed deposit holders will be settled as per the Resolution Plan approved by the Committee of Creditors (COC) and subsequently approved by Hon'ble NCLT, Mumbai. The Resolution plan as approved by COC has already received a no-objection from RBI and has been submitted to NCLT for approval.

Commercial Papers

Your Company has not borrowed any funds through Commercial Papers during the financial year under review. As at March 31, 2021, Commercial Papers outstanding amount stood at Rs. 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. 16 and 17 in the Notes to accounts forming part of the audited (standalone) financial statements for the financial year ended March 31, 2021.

Your Company is undergoing Corporate Insolvency Resolution Process ('CIRP') under the provisions of the Insolvency and Bankruptcy Code, 2016 ('Code'). Accordingly, all its liabilities are crystallized 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.

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. 8 in the Notes to accounts forming part of the audited (standalone) financial statements for the financial year ended March 31, 2021.

RBI MASTER DIRECTIONS & CAPITAL ADEQUACY

The provisions of National Housing Bank Act, 1987 were amended w.e.f. August 9, 2019 pursuant to the Finance Act, 2019 thereby shifting the power to govern Housing Finance Companies (HFCs) from NHB to RBI.

RBI vide circular No. the RBI/2020-21/73 DOR.FIN.HFC.CC. No.120/03.10.136/ 2020-21 dated

February 17, 2021 has issued a Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021, which has come into force with effect from February 17, 2021.

Following the amendment in the Finance Act, 2019 and the subsequent notification/directions by the Reserve Bank of India (RBI), HFCs would be treated as one of the categories of Non- Banking Financial Companies (NBFCs) for regulatory purposes and accordingly would come under RBI's direct oversight. NHB, however, would continue to carry out supervision of HFCs.

In terms of the aforesaid RBI Master Directions, HFCs should have minimum capital to risk weighted ratio (CRAR) of 15% along with other criteria related to net worth, net owned funds and minimum asset size etc. In light of the above circular, your Company on December 24, 2020 had represented to RBI to permit forbearance for the Company in relation to such requirement, as the Company was under Corporate Insolvency Resolution Process (CIRP). As advised by RBI on February 5, 2021 the Company had been allowed to submit the compliance roadmap through the successful Prospective Resolution Applicants (PRA), after implementation of the resolution plan.

Your Company has largely complied with the RBI Housing Finance Companies Directions and other directions as issued by RBI from time to time, except where such compliance was not possible during CIRP and/or due to weak financial parameters of the Company. The circular(s) / notification(s) / guidelines as issued by RBI were placed before the Advisory Committee at regular intervals. Various NHB Inspection observations were satisfactorily responded and reported to the Advisory Committee.

As required under RBI Master Direction – Non – Banking Financial Company (Reserve Bank) Directions, 2021, your Company is presently required to maintain a minimum capital adequacy of 14% on a stand-alone basis. The following table sets out your Company's Capital Adequacy Ratios as at March 31, 2019, 2020 and 2021:

Particulars	**As on March, 31**		
	2021	**2020**	**2019**
Capital Adequacy Ratio	-44.13%	-1.83%	14.07%

During the year under review, the RBI Master Direction – Non – Banking Financial Company (Reserve Bank) Directions, 2021, dated February 17, 2021 amended the capital adequacy requirements for Housing Finance Companies (HFCs). Accordingly, the minimum stipulated capital adequacy ratio for the year ended March 31, 2021 was increased from 13% to 14%. Going forward, as stipulated the minimum capital adequacy ratio for HFCs would increase to 15% on or before March 31, 2022.

The Capital Adequacy Ratio (CAR) of your Company was at - 44.13% as on March 31, 2021, as compared to the regulatory requirement of 14% as disclosed at point No.71 in the Notes to Accounts, "Disclosure Required by the Reserve Bank of India".

In terms of Section 29C of the National Housing Bank Act, 1987, 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 authorizes 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:

(Rs. in crore)

	Financial Year ended March 2021				**Financial Year ended March 2020**			
	Retail	**ICD**	**Wholesale**	**Total**	**Retail**	**ICD**	**Wholesale**	**Total**
Gross Non-Performing Assets	8780.71	3389.93	42334.26	54504.90	7,146.98	3,390.43	39,689.97	50,227.38
% of Gross NPA to Total Loan Portfolio	29.66%	100.00%	98.97%	71.93%	21.32%	100.00%	92.61%	62.97%
Net Non-Performing Assets	3918.43	-	3827.08	7745.51	3,092.95	2,001.63	30,617.97	35,712.56
% of Net NPA to Tota	13.23%	0%	8.95%	10.22%	9.23%	59.04%	71.44%	44.77%
Total cumulative	5127.27	3389.93	38509.55	47026.75	4,320.06	1,388.80	9,101.08	14,809.94
Write-off	-	-	-	-	163.13	-	41.24	204.37

Recovery & Collections

Before commencement of CIRP, the follow up of wholesale accounts was only from Head Office. In the CIRP period, the wholesale accounts was allotted to the zonal heads where the Project is to be located. Your Company had formed distinct teams for retail and wholesale with task-force consisting of legal, credit, operations and collections with focused approach to Projects. Under retail, NPA monitoring and recovery action was handled / taken by specialized teams working towards maximizing the recovery. In addition, your Company focused on action under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act), including repossession of properties and auctioning thereof, various other actions being taken, such as attachment of salary/cash flow of defaulters, action against guarantors, willful defaulter actions, attaching alternate properties of the borrower's through Arbitration, etc. 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.

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

INVESTMENTS

During the financial year under review, 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 Treasury Bills, overnight fund schemes of mutual funds and/or deposits with banks was taken.

During the financial year under review, your Company made a Profit of Rs. 0.52 crore from mutual fund and other treasury operations and earned Rs.385.13 crore by way of interest on bonds (including SLR bonds), Treasury Bills 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 outstanding at the close of business on the last working day of second preceding quarter. As at March 31, 2021, your Company has invested Rs. 716.39 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 Rs. 588.86 crore. SLR is being maintained in accordance with the limits prescribed by National Housing Bank.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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 which form 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-1". 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 being the holding Company and to protect its shareholding interest, had nominated Senior Officials of your Company as Directors on the Board of these subsidiary Companies.

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 applications such as Loan, Accounting, and Treasury etc. were not implemented. Entire Tech 2.0 program was reviewed by a third party during 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 applications 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 (vii) Financial Reporting tool (viii) Physical Docket / document tracking (ix) Legal management System and (x) Integration with fintech solutions for improving operational efficiency.

MARKETING

During the year under review, your Company has not undertaken any major marketing initiatives. However, in small but meaningful steps, your Company has started making efforts to improve its visibility by increasing customer engagements in various social media platforms. On the basis of in-depth research on consumer's online behavior, your Company created a platform for lead generation, making it mobile-friendly and user-friendly for helping visitors get a better understanding of your Company's products and services with the least number of clicks.

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 for the products offered by DHFL. Details of the same are regularly updated on your Company's website. 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.

Your Company has a Grievances Committee constituted internally that meets every month to review the Customer Grievance Redressal Mechanism. In FY 2020-21, the Committee met 11 times to review the volume of customer complaints and interactions. Of the 3,775 complaints received in FY 2020-21, we have addressed and resolved 3,773 complaints successfully. Some of the initiatives taken under Customer Service are as follows:

- Secondary call-center set up as a Business Continuity Measure (BCP) to handle FORCE MAJEURE situations

- Email CRM implemented to manage customer emails within TAT by efficient tracking and meriting of each email interaction

Performance Improvement Plan implemented at Call Centre for managing Service Quality of calls and emails.

EFFICIENCY ENHANCING INITIATIVES TAKEN BY YOUR COMPANY

During the year under review, your Company launched a series of initiatives, by the name of Mission 3R (Reassess, Reorient, Restructure), aimed at improving operational efficiency at various levels, enhancing employee productivity and eventually increasing the revenue for your Company. Your Company formed cross-functional teams and each team worked on specific ideas and themes to explore opportunities which could yield one or more of the following desired outcomes:

- 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

The various teams came up with many suggestions, and some of which have already been implemented by your Company, while the others are in the process of being implemented. Your Company has also started seeing the impact of these initiatives: the turnaround time for a loan file has come down significantly, your company is a much leaner organization now, a lot of repetitive tasks are being automated to bring in efficiency and a greater focus on digitization. Your Company will continue to explore opportunities to become more efficient in its processes and operations.

HUMAN RESOURCES

Employees are one of the most important asset for your Company and during the year, your Company has taken several initiatives to strengthen the human resource base. Amidst the ongoing COVID-19 pandemic, and the resultant lockdowns thereof, your company ensured that the transition from face-to-face interface to remote working was smooth and with minimal disruption to employees. Your Company activated a Business Continuity and Employee Safety Plan to ensure compliance with all national and local guidelines, and at the same time maintaining continuity of business and other operations. The investments made in technology in the past helped and your Company was able to transition to a digitally connected ecosystem seamlessly. During the year, your Company created internal support systems to reach out to every employee suffering from COVID-19, extending it to the members of their family as well.

During the year, your Company also actively encouraged cross utilization of resources to avoid the need for 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 deploy manpower productively. During this period, your Company also re-assessed all its internal processes to strengthen them to maintain business readiness for the next stage of growth.

The ongoing COVID-19 pandemic further added to the need of having an ongoing engagement with the employees and your Company has taken several measures to ensure that there is continuous dialogue at various levels to keep the employees motivated and ensure two-way communication. This has ensured that 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.

Your Company also took proactive measures to ring-fence critical talent through a Deferred Incentive Plan which helped your Company to reduce attrition significantly, and has also created a positive impact on business operations and continuity. As on March 31, 2021, your Company's total workforce was 1,836 as against 2,179 on March 31, 2020. 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 of your Company is responsible for identifying skill gaps among employees & teams and then develop training modules that aim to align employee goals and performance with that of your Company's.

In view of the limited scale of business operations last year, your Company has focused on the mandatory training programs that every employee is supposed to go through, and the induction program for new employees who joined the organization during the year under review. In the financial year under review, training was imparted to 1,886 on roll employees and 2,308 off roll employees, covering all Mandatory Modules which ensures that the employees are aware and updated on important policy guidelines namely Information Security, Know Your Customer & Anti Money Laundering, Prevention of Sexual Harassment and Staff Accountability Module.

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 that 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 RBI / NHB norms, trainings on Know Your Customer/Anti Money Laundering with a total coverage of 3,886 employees were also imparted at all levels within your Company.

EMPLOYEE REMUNERATION

The Board of Directors of your Company has been superseded by the Reserve Bank of India on November 20, 2019 and the Company did not have Board of Directors during the year under review as detailed earlier in this Report. The 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, form part of this Report as "Annexure - 2".

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, 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

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 lapsing of the options granted thereunder from time to time. The applicable disclosures as stipulated under SEBI (Share Based Employee Benefits) Regulations, 2014 (SEBI SBEB Regulations), for the financial year under review, forms part of this Report as "Annexure - 3" 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: URL: https://www.dhfl.com/investors/esosesar-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 utilization 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 energy efficient LED lights at most of the branches in metro areas which also conserve energy. Your Company is also in regular touch with the organizations like Indian Green Building Council (IGBC) to keep updated about the latest energy efficient practices and implements the same with best efforts.

B Technology Absorption

Your Company has taken positive steps towards digital transformation to enhance customer experience, provide superior customer service and 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. 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.

The pandemic had posed its own challenges including the physical restriction of movements of the various resources. Being a housing finance company, it was imperative to have detailed technical evaluation of the IT security which even in these adverse situations, was well managed by the in house technical team of your Company with the help of various digital tools and databases, along with well-planned strategies for physically appraising the properties following all safety precautions for the resources and customers.
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.

Your Company's IT governance was strengthened during the year. Your Company has appointed Chief Technical Officer (CTO) to drive effective digital transformation in the organization. Your Company has established an "IT Steering Committee" which constitutes of CEO, CTO and other senior management members. Committee meeting is conducted on the quarterly basis to present and discuss status of various ongoing IT projects and new IT initiatives.

Your Company has complied with RBI Master Direction - Information Technology Framework for the NBFC Sector. Your Company is an ISO 27001 certified organization, hence IT policy, controls and processes are governed by ISO 27001 standards.
Your Company has enabled Work from Home for all employees under Business Continuity Plan (BCP).

C Foreign Exchange Earnings and Outgo

During the year ended March 31, 2021, the Company did not have any foreign currency earning. During the financial year under review, your Company has received a refund of Bank E-guarantee of Rs.1 lakh for closing the Company's bank accounts maintained in Dubai.

During the financial year under review, your Company's expenditure in foreign currency decreased by 98.19% from Rs. 85.30 crore in the financial year ended March 31, 2020 to Rs. 1.54 crore for the financial year ended March 31, 2021. 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.

Further, your Company has obtained insurance 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 and in possession of employees are 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. All the above engagements are being reviewed.

Your Company also has in place a policy on Open Architecture for 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/whistl~~eblower-policy/whistle-blower-policy-revis~~ed.pdf

During the CIRP, your Company had 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 WORK PLACE

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 workshop 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 – Online learning launched to all employees.
e. Nature of action taken by the employer or district officer: N.A.

RISK MANAGEMENT

Your Company's Risk management setup was strengthened during the CIRP.

Your Company had a Risk Management Committee (RMC), which constituted of the Administrator and Advisory Committee members. Further, Operational Risk Management Committee (ORMC), Credit Risk Management Committee (CRMC) and Information Security Committee (ISC) comprising of members of senior management team was established. These committees met on a periodic basis to assess and monitor the risk management systems and the emergent risks your Company is exposed to. Your Company had appointed a Chief Risk Officer (CRO) in compliance to the RBI guidelines, reporting to the Chief Executive Officer.

Your Company is striving to manage its risks 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 and Operational Risk Management and reference to independent Information Security Management System (ISMS), Fraud Risk, Market Risk and Liquidity Risk management policies. Your Company is an ISO 27001 certified organization and surveillance audit was conducted by BSI-India, ISO 27001, certification retained successfully.

The Risk Management Committee of your Company, on periodic basis, makes an assessment of the risk management systems, processes and minimization procedures of your Company. During the financial year under review, the ERM policy of your Company was revised to align the same with the changing business environment. Further, the details of various aspects of Operational and Credit Risk Management along with assessment process and procedures are included in the subject policy.

BUSINESS CONTINUITY PLAN

Your Company's Business Continuity Policy (BCP) in accordance of the RBI/NHB guidelines Circular-90-2017-18, is in force to enable continuity, resumption and recovery of critical business processes during an event of natural disaster, technological disaster and human error. Your Company's BCP is based on the 4 pillars viz. People, Processes, Information Technology & Infrastructure and Vendor Management. The Policy is reviewed and updated annually.

A BCP Committee comprising of top management team of your Company was formed to oversee the BCP implementation and monitoring. A BCP Coordinator team has been set up for end-to-end BCP management. Emergency Response Team (ERT) across all branches and Functional Point Representatives (FPRs) have been identified and trained for the successful implementation.

Key Highlights of BCP are 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)

2020-21 Achievement Highlights:-

- **Functional SOPs reviewed based on Business Impact Analysis**
    - Reviewed periodically and followed by each Function to ensure continuity of critical business functions without any disruption.
- **People Readiness measures taken**
    - BCP Readiness Trainings for pan-India Emergency Response Team (ERT) members
    - BCP Policy Overview sessions for Functional Heads and Zonal Heads
    - BCP Policy mandatory training for All DHFL Employees
- **Location Readiness measures performed**
    - Critical business information up-to-date in BCP Kits for All locations
    - BCP formats, guidelines and other details available to All Employees
- **Mock Drills conducted**
    - IT DR Drill carried out successfully as per DR Drill scope for business applications. All the functional users could perform normal operations from DR site.
    - Fire Drills are on hold due to COVID-19, pandemic issues.
- **Vendor BCP Readiness**
    - Vendor BCP review as per BIA completed with Central Vendor Management Team

- **COVID-19 response measures**
  - Incident management- timely reporting to BCP Committee and CEO DHFL
  - DHFL Office Opening and Operating Guidelines for COVID-19 positive
  - DHFL BCP successfully implemented during the COVID-19 pandemic and effective lockdown ensuring continuity of core activities as per BIA

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-andevaluation-policy-of-the-company/nomination-remunerationevaluation-policy-revised.pdf

The Board of Directors of your Company was superseded by RBI on November 20, 2019 as noted above. Therefore, neither the requirement of separate meeting of the Independent Directors was relevant during the financial year under review nor the evaluation of performance of Directors, Board or the Committees thereof.

Since, your Company is undergoing Corporate Insolvency Resolution Process under the IBC Code during the year under review, the role of the Board and Committees was being performed 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, 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 since last few years and 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 had 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, it was not possible for your Company to spend the prescribed CSR amount as required under Section 135 of the Companies Act, 2013 during the year under review.

Considering the special circumstances that the Company is in CIRP and as it has failed to repay the dues to its deposit holders, lenders and other creditors since 2019, an exemption was sought by the Company from MCA vide letter dated April 12, 2021 with respect to the obligations under the provisions of Section 135 of the Companies Act, 2013 while CIRP is ongoing. Further follow-up request in this connection was sent to MCA on April 30, 2021. The 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-4".

LISTING OF SHARES AND DEBT SECURITIES

The equity shares of your Company are listed on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE). As per the approved Resolution Plan, the equity shares of your Company are to be delisted from the stock exchanges as envisaged in the approved Resolution Plan.

The trading in the Equity Shares and NCDs of your Company was suspended by BSE and NSE with effect from June 14, 2021 and July 29, 2021 respectively.

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 293 locations throughout India, including 181 Branches, 88 Micro Branches, 17 Zonal/ Regional/CPU Offices, 4 Disbursement Hubs, 1 Registered Office, 1 Corporate Office and 1 National Office as on March 31, 2021. Additionally, as on March 31, 2021 your Company had international representative office located in London. However, as part of expenditure control and efficiency improvement, this overseas representative office in London is in the process of closure announcement. The representative office of the Company in Dubai has already been closed during year under review.

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 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 your Company in discharge of his duties.

The members of the Advisory Committee were 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. N. S. Venkatesh, Chief Executive, Association of Mutual Funds of 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 the Company and confirmed the appointment of the Administrator to perform all the functions of resolution professional to complete the CIRP.

Mr. Vaijinath M Gavarshetty, Chief Executive Officer (CEO), Mr. Sunil Kumar Bansal, Chief Financial Officer and Mr. Satya Narayan Baheti, Company Secretary, are the Key Managerial Personnel of the Company as per the provisions of the Companies Act., 2013. There were no changes in the Key Managerial Personnel during the financial year.

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

BOARD MEETINGS & BOARD COMMITTEES

As sated earlier in this Report, your Company did not have Board of Directors during the year under review. Hence, no Board Meetings were held during the year. In view of the same, the Company also did not have any Board Committee during year under review.

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 your Company during the Corporate Insolvency Resolution Process (CIRP).

Further, RBI vide Press Release dated December 4, 2019, notified 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 advised the Administrator in the operations of your Company during the CIRP.

The Administrator is the Chairman of the meetings and the minimum quorum is Chairman and at least two advisors. During the financial year 2020-21, thirty-four (34) 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 also oversee the operations of your Company during the CIRP.

Further, upon the approval of the Resolution Plan by the Order dated June 7, 2021 passed by the Hon'ble NCLT and in compliance with the directions of Hon'ble NCLT in the said Order, the purpose of the RBI constituting the Advisory Committee as per RBI press release dated November 22, 2019, to advise the Administrator in the operations of your Company during the CIRP and to assist him for discharging his duties was fulfilled. Therefore, the Advisory Committee was dissolved and the same was also intimated to the Members of the Advisory Committee. The last meeting of the Advisory Committee was held on June 13, 2021.

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, during the year under review 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 the year.

For the financial year ended March 31, 2021, 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 was required to undertake Related Party Transactions after approval of the Committee of Creditors (COC) as per the provisions of Section 28 of the Code. Accordingly, your Company had sought approval from COC in respect of certain transactions with the requisite majority required under the provisions of the Code.

Pursuant to Master Direction - NBFC - HFC (Reserve Bank) Directions, 2021 on Corporate Governance, the Related Party Transaction Policy of your Company forms part of this Report as "Annexure-5". 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

SEBI, vide Adjudication Order No. Order/SR/SM/2020-21/7791/25 dated May 29, 2020 ('SEBI Order') had imposed penalty of Rs. 20,00,000/- (Rupees Twenty Lakh only) on your 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, broadly relating to maintenance of DRR and DRF. However, your Company filed an appeal before SAT (Appeal No. 196/2020) for the penalty imposed by SEBI. SAT, vide Order dated October 09, 2020 (‘SAT Order’) quashed the SEBI Order. SEBI has filed an appeal to the Supreme Court against the SAT Order (CA No. 3963 of 2020). The said matter is presently pending before Hon’ble Supreme Court and your Company has not paid the penalty amount.

As per Rule 5(b)(1) of FSP Rules, the moratorium under Section 14 of the IBC commences from the date of the filing of the Petition by the financial sector regulator i.e. Reserve Bank of India before the Hon’ble NCLT. The Hon’ble NCLT by its Order dated December 3, 2019 inter alia, pronounced commencement of moratorium u/s 14 of the IBC, from the date of the filing of the Petition by Reserve Bank of India i.e. November 29, 2019.

Further, the moratorium / moratorium u/s 14 of IBC as declared in respect of your Company, prohibited 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 Securitization 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 possession of the corporate debtor.

Upon commencement of moratorium, institution of suits or continuation of pending suits or proceedings against your Company including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority was prohibited, under and in accordance with the provisions of Section 14 of the Insolvency and Bankruptcy Code.

INTERNAL AUDIT & INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

During the year under review Internal Audit Department of your Company, which provided 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 used to be placed before the Audit Committee / Advisory Committee and adherence to the plan was reported quarterly to the Audit Committee / Advisory Committee. Compliance status of audit observations and follow up actions thereon was reported to the Audit Committee / Advisory Committee. The Audit Committee/ Advisory Committee review and evaluate adequacy and effectiveness of your Company’s internal control environment and monitored 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 continued to report to the Head Internal Audit and Chief Risk Officer (CRO) of your Company as an interim arrangement during the CIRP period. Internal Audit function was 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. To enhance the capabilities of the Internal Audit function and assisting in the completion of audits as per the annual audit plan, a Chartered Accountants firm specializing in Governance, Risk & Compliances and having 4 decades of experience in the field of Auditing was on- boarded to co-source the audits.

In accordance with Clause (e) of Sub-section 5 of Section 134 of the Companies Act, 2013 regarding Internal Financial Controls (IFC), your Company has, during the financial year under review, developed the IFC Framework and designed the Risk and Control Matrices (RCMs) as part of the IFC framework for all the material items impacting the financial statements of your company. A total of 927 controls and 64 Entity level controls have been documented in the RCMs. Your Company has also established a process of testing the effectiveness of the controls as part of the process of ensuring compliance with the IFC framework and appointed a professional firm to undertake the testing of internal financial controls.

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 2020-21. The Secretarial Audit Report for the financial year 2020-21 forms part of this Report as "Annexure-6".

Pursuant to SEBI Circular CIR/CFD/CMD1/27/2019 dated February 8, 2019, Ms. Amruta Giradkar and Associates, Practicing Company Secretaries, Mumbai undertook the Annual Secretarial Compliance Audit of your Company for the financial year 2020- 21 (ASCR). The ASCR has been submitted by your Company to BSE Limited and the National Stock Exchange of India Limited on June 30, 2021 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-7".

The Secretarial Audit Report contains certain observations and qualifications at Annexure II of the Report; similarly, the Annual Secretarial Compliance Audit Report (ASCR) and Corporate

Governance Certificate (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 1.1 of Annexure II of the Secretarial Audit Report: The Company has been incurring losses during the last three financial years. The loss suffered by your Company during the year under review was Rs. 15,051.12 crore vis-à-vis loss of Rs. 13,612.32 crore for the financial year 2019-20.

Considering the special circumstances that your Company was undergoing CIRP as stated earlier in this Report and as it has failed to repay the dues to its deposit holders, lenders and other creditors since 2019, an exemption was sought by the Company from MCA vide its letter dated April 12, 2021 with respect to the obligations under the provisions of Section 135 of the Companies Act, 2013 while CIRP is ongoing. Further follow-up request in this connection was sent to MCA on April 30, 2021. Your Company is however committed to remain a socially responsible organization supporting the national aspirations and missions.

Response to para 1.2 of Annexure II of the Secretarial Audit Report: INC-28 for filing CIRP commencement order of NCLT was filed on June 27, 2020 and was approved by MCA on September 25, 2020. In furtherance to that DIR-12 for appointment of CEO, CFO and CS (KMPs) of the Company was filed as an attachment to GNL-2 on November 27, 2020 for the purpose of updation of KMP's on MCA portal and further registering their digital signatures once the name of KMPs is updated on the records of MCA and displayed on the portal. Post approval by ROC/MCA of the said Form GNL-2 (approval received on February 02, 2020) filed for the purpose of appointment of KMPs, your Company requested ROC to update the KMPs in the MCA system as per DIR-12 attached in the said GNL-2, because only post updation of KMPs on MCA system, digital signatures of the KMPs could be registered for the purpose of completion of the pending e-filings with MCA and any further filings to be done as per regulatory requirements. However, it was conveyed to your Company that as per MCA General Circular No. 08/2020 dated March 6, 2020, in case of companies under CIRP all the required filings have to be under signature of the Insolvency Professional (Interim Resolution Professional (IRP) or Resolution Professional (RP) or Liquidator appointed under Insolvency Bankruptcy Code, 2016 i.e. in case of your Company, by the Administrator and such forms shall be filed through e-form GNL-2 by way of attachments till such time the company remains under CIRP. In view of the same, your Company filed the relevant forms with ROC / MCA albeit beyond the time limit prescribed under the Companies Act, 2013.

Response to para 1.3 of Annexure II of 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) was initiated for your Company and the interim moratorium / moratorium was commenced under Section 14 of the Code, effective from November 29, 2019. As on March 31, 2021 an amount equal to Rs. 7,57,422 was transferable by your Company to IEPF pertaining to the Interim Dividend 2012-13 and an amount of Rs. 17,58,243 on account of Interim Dividend 2013-14. Further, as on March 31, 2021, amount due for transfer to IEPF was Rs. 88,13,754 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 advice 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 advice 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 was also 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 2.1 of Annexure II of the Secretarial Audit Report: As per SEBI Circular SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018 your Company vide letter dated April 30, 2019 had submitted initial disclosure to BSE & NSE stating that your Company is not a Large Corporate as per the said Circular. Delay in filing the disclosure for the financial year ended March 31, 2020 was caused due to the COVID-19 pandemic and restrictions imposed by the government as your Company was working with limited capacity.

Response to para 2.2 of Annexure II of the Secretarial Audit Report and para A(1) and C(1) of the ASCR: In view of the COVID-19 pandemic situation, as our offices were still working with thin strength, your Company was not in a position to submit the Un- audited Standalone and Consolidated Financial Statements for the second quarter / half year ended on September 30, 2020 within the time stipulated under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The same was intimated to BSE & NSE by your Company vide its letter dated November 13, 2020 in terms of SEBI Circular CIR/ CFD/CMD-1/142/2018 dated November 19, 2018. Your Company has paid fine imposed by BSE and NSE for delay in submission of the said financial results.

Response to para 2.3 of Annexure II of the Secretarial Audit Report and para A(2) of the ASCR: Your Company being under CIRP it was not possible to maintain the asset cover at the required level. The dues of the secured creditors may be settled as per the Resolution Plan as may be approved by the Hon’ble NCLT.

Response to para 2.4 of Annexure II of the Secretarial Audit Report: Your Company being under CIRP, regular intimation of defaults not being relevant, periodic intimations were sent to Stock Exchanges inter-alia stating that all the rated debt papers of your Company were carrying default grade ratings and disclosures of the default grade ratings have been made to the Exchanges. The creditors of your Company were duly informed about commencement of the CIRP and were requested to submit their claims to your Company in the prescribed manner as per the provisions of the IBC Code. The amounts to be received towards the dues by the creditors would be based on a Resolution Plan to be approved in due course by Hon’ble NCLT, Mumbai.

Response to para 2.5 of Annexure II of the Secretarial Audit Report and Para C(2) of the ASCR:

SEBI, vide Adjudication Order No. Order/SR/SM/SM/2020-21/7791 dated May 29, 2020 ('SEBI Order') had imposed penalty of Rs. 20,00,000/- (Rupees Twenty Lakh only) on your Company in relation to shortfall / non creation of Debenture Redemption Reserve during 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.

Your Company had preferred an appeal before Hon'ble Securities Appellate Tribunal (SAT), Mumbai against the aforesaid Order dated May 29, 2020, inter-alia, challenging the jurisdiction and authority to initiate the proceedings against your Company in view of the moratorium declared in respect of your Company by the order dated December 3, 2019 passed by Hon'ble NCLT Mumbai.

The Hon'ble SAT, Mumbai vide its Order dated October 9, 2020 directed that "the impugned order imposing a penalty and proceeding to recover under Section 28A of the SEBI Act upon failure to pay cannot be sustained and is quashed; and that since the proceedings could not be instituted, SAT also quashed the show cause notice and the entire proceedings.

SEBI has filed an appeal to the Hon'ble Supreme Court against the SAT Order and the matter is presently pending before the Hon'ble Supreme Court.

Response to para 3.1 of Annexure II of the Secretarial Audit Report: Your Company, vide letter dated December 24, 2020, has made a representation to RBI stating that since your Company is under CIRP, your Company be allowed to submit the roadmap after successful implementation of the CIRP.

Response to para 3.2 of Annexure II of the Secretarial Audit Report: Your Company had made substantial amount of provisioning as of March 31, 2020 as per prudential norms stipulated by NHB, leading to negative net owned fund of Rs. 4,537 crore and adverse CRAR of -1.83%. Further, the loss aggregating Rs. 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 non-compliance with the provisions of NHB Act, 1987, Directions and Guidelines thereunder.

Response to para 3.3 of Annexure II of 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 3.4 of Annexure II of the Secretarial Audit Report:

- This case involved a lot of reconciliation work of receipts/ receipt books which took time for completion to ascertain the amounts involved.

- At Raipur Branch, no employee was having POA to sign the legal document/complaint.

- Due to lock down the same was delayed for getting POA authorisation from HO and filing complaint at Bilaspur (Place of Occurrence) as it was 120 Km away from Raipur.

Response to para 3.5 of Annexure II of the Secretarial Audit Report: All NHB returns mentioned to the auditors' observation at point No. 3.5 were filed after its scheduled date due to delay in finalisation of financial statement and further owing to prevailing nationwide lockdown in COVID – 19 pandemic/ and delay in giving the effects of moratorium in borrowers' account.

Further your Company had requested NHB for the extension of time whenever there was delay and the said communication(s) to NHB were shared with the Auditors.

STATUTORY AUDITORS

M/s. K. K. Mankeshwar & Co., Chartered Accountants (Firm Registration Number 106009W), is the present Statutory Auditors of your Company. As approved by the Advisory Committee, your Company had issued revised appointment letter to the Statutory Auditors in compliance with SEBI Circular No. CIR/CFD/ CMD1/114/2019, dated October 19, 2019, pertaining to the terms & conditions with respect to the resignation in the appointment letter to the Statutory Auditors.

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:

Response to Point No. 1 of the Basis for Disclaimer of Opinion: The Administrator, Advisors and KMPs have taken charge with effect from November 21, 2019 and have relied on information, data, clarifications and views provided by the existing staff of your Company for the purposes of the standalone financial statements. Your Company has initiated appropriate actions on the basis of reports submitted by Transaction Auditor such as filing of application with NCLT and submission of Fraud Monitoring Reporting (FMRs) to National Housing Bank (NHB)/RBI and filing of complaint with appropriate authorities. Your Company has also taken into consideration the fair value of wholesale loan portfolio as per cash flows which are part of the valuation reports submitted by valuer appointed under IBC while calculating the fair value of wholesale loan portfolio during the year ended on March 31, 2021. The Administrator and the KMPs have signed the standalone financial Statement solely for the purpose of compliance and discharging their duties during CIRP period of your Company and in accordance with the provisions of the Code, read with the regulations and rules thereunder, and based 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 members along with the KMPs, upon their taking charge have taken various efforts to improve the operational, financial and managerial efficiency of your Company with the support of the employees of your Company. In this regard, various initiatives to strengthen the financial/lending policies and processes, functioning of the IT system; legal audit of material loan documents, establishing risk management framework, updating internal financial controls and updating risk controls matrices, strengthening internal audit control through in-house resources and engagement of external professional experts/consultants have been undertaken. Various actions to ensure comprehensive compliance with various applicable rules and regulations during this period have also been undertaken. While substantial progress has been made by concluding some of the initiatives including legal audit as well, some of these could not be fully concluded and implemented by March 31, 2021 due to the ongoing pandemic and therefore, various activities continue to be ongoing.

The legal audit of project finance loans has no implications on the financials. This audit was not done under any IBC requirements but was done purely for internal consumption to see whether proper documentation was done or not and how to fill up the gaps, if any. Considering that most of the accounts have already been classified as NPA and appropriate provisions have already been made in the financial accounts, the audit does not have any additional impact on the financials. We further confirm that financial impacts carried out under audit under IBC has been given due effect. In most of the cases, legal action for recovery of loans under the provisions of SARFAESI Act has also been initiated against defaulting borrowers.

Response to Point No. 3 of the Basis for Disclaimer of Opinion: The Administrator, Advisors and KMPs have taken charge with effect from November 21, 2019 and have relied on information, data, clarifications and views provided by the existing staff of your Company for the purposes of the financial results.

The Administrator and the KMPs have signed the standalone financial results solely for the purpose of compliance and discharging their duties during CIRP period of your Company and in accordance with the provisions of the Code, 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. 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 initiated investigation in connection with certain loan granted by your Company. Apart from this. CBI is also investigating into the matter of amounts invested by an Uttar Pradesh State Government entity – Provident Fund in the Fixed Deposits of your Company and few other cases. Your Company is fully co-operating with all the investigating agencies and providing the necessary information/data as and when the same is sought.

Response to Point No. 5 of the Basis for Disclaimer of Opinion: Pursuant to findings of the Transaction Avoidance Auditor's, report under Section 66 of the Code covering certain transactions undertaken by your Company in the past has been filed before Hon'ble NCLT, Mumbai. During the year ended on March 31, 2021, transaction amounting Rs. 40,68,501 lakh have been identified and reported by your Company to Stock Exchanges and National Housing Bank (NHB)/ Reserve Bank of India (RBI) as fraudulent, undervalued and preferential in nature. Your Company has made provisions for the entire amount of loans as per NHB/ RBI guidelines on 'Provisioning Pertaining to Fraud Accounts'.

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.

Your Company has initiated appropriate actions on the basis of reports submitted by Transaction Auditor such as filing of application with NCLT and submission of Fraud Monitoring Reporting (FMRs) to National Housing Bank (NHB)/RBI and filing of complaint with appropriate authorities. Your Company has also taken into consideration the fair value of wholesale loan portfolio as per cash flows which are part of the valuation reports submitted by valuer appointed under IBC while calculating the fair value of wholesale loan portfolio during the year ended on March 31, 2021.

Response to Point No. 7 of the Basis for Disclaimer of Opinion: The total wholesale loan portfolio, including interest receivable aggregating Rs. 54,24,862 lakh (pursuant to classification of this portfolio to "held for sale" in the year ended March 31, 2019), has been "fair valued" as at March 31, 2021 at Rs. 9,42,093 lakh, with the resulting fair value loss aggregating Rs. 44,82,769 lakh. Out of this, fair value loss aggregating Rs. 18,85,313 lakh has been accounted up to March 31, 2020 and balance loss of Rs. 25,97,456 lakh has been charged to the Statement of Profit and Loss for the year ended March 31, 2021.

Response to Point No. 8 of the Basis for Disclaimer of Opinion: Your Company is presently under CIRP and thereby continues to operate as a going concern. Your Company has made substantial amount of provisioning in the last two years on the loans identified and reported by your Company to Stock Exchanges and National Housing Bank (NHB)/ Reserve Bank of India (RBI) as fraudulent, undervalued and preferential in nature as per prudential norms stipulated by NHB, leading to negativenet owned fundof Rs. -4,536.51 crore as March, 31 2020 Rs. -41,135.12 crore as on March 2021 and adverse CRAR of -1.83%. as on March, 31, 2020 and -44.13%.as on March 31, 2021.

Further, the loss aggregating Rs. -13,612.32 crore and Rs. 15,051.12 crore incurred by your Company during the year ended March 31, 2020 and March 31, 2021 respectively, has rendered by your Company not being able to comply with the regulatory requirements of NHB in respect of the Net Owned Fund (NOF) and RBI which also resulted in contraventions of the provisions of provisions of RBI Master Directions – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, and Guidelines thereon.

Your Company on December 24, 2020 had represented to RBI to permit forbearance for your Company in relation to such requirement, as your Company was under Corporate Insolvency Resolution Process (CIRP). As advised by RBI on February 5, 2021 your Company had been allowed to submit the compliance roadmap through the successful Prospective Resolution Applicants (PRA), after implementation of the resolution plan.

Response to Point No. 9 of the Basis for Disclaimer of Opinion: Your Company has not made any provision for interest on borrowings amounting to Rs. 7,65,155 lakh for the year ended March 31 2021 in view of your Company's current CIRP process. 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.

Response to Point No. 10 of the Basis for Disclaimer of Opinion: The Credit Risk is governed by the Credit Policy approved by the erstwhile Board of Directors of your Company. 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

Your 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. Your 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.

Significant increase in credit risk - your 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. Your 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 range 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, your 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, your 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, your 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 - your Company calculates ECLs only on a collective basis. Your Company segments the exposure into following pools viz., loans to developers, housing and other property loans, inter-corporate deposits and loans to others.

Response to Point No. 11 of the Basis for Disclaimer of Opinion: Your Company has a balance of Rs. 10,20,962 lakh as deferred tax asset created as per Ind AS – 'Income Taxes' as on March 31, 2021. Your Company is running as a going concern as per the provisions of the Code, which requires that the value of your Company is preserved and maintained it as a going concern.

Response to Point No. 12 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 assets under development. Your Company has capitalized Rs. 3,415 lakh to Software Asset and charged Rs. 870 lakh to the Statement of Profit and Loss during the year and remaining carrying value of Rs. 6,232 lakh has been shown as under "Intangible Assets under development".

Under this program, some of the applications/softwares implemented before CIRP period. Evaluation of under process applications/softwares has been done by third party on the basis of status of the implementation, cost and necessity of the same. Some of the reapplications/softwares were restarted in CIRP period on the basis of recommendations. Decision on the remaining under process application for which the organisation is carrying the value, shall be taken by new investor once CIRP process is over.

Response to Point No. 13 of the Basis for Disclaimer of Opinion: The Administrator, Advisors and KMPs have taken charge with effect from November 21, 2019 and have relied on information, data, clarifications and views provided by the existing staff of your Company for the purposes of the financial statements. The Administrator and the KMPs have signed the standalone financial statements solely for the purpose of compliance and discharging their duties during CIRP period of your Company and in accordance with the provisions of the Code, 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.

Your Company is presently under CIRP and thereby continues to operate as a going concern. Your Company has made substantial amount of provisioning in the last two years on the loans identified and reported by your Company to Stock Exchanges and National Housing Bank (NHB)/ Reserve Bank of India (RBI) as fraudulent, undervalued and preferential in nature as per prudential norms stipulated by NHB.

Your Company on December 24, 2020 had represented to RBI to permit forbearance for your Company in relation to such requirement, as your Company was under Corporate Insolvency Resolution Process (CIRP). As advised by RBI on February 5, 2021 your Company had been allowed to submit the compliance roadmap through the successful Prospective Resolution Applicants (PRA), after implementation of the resolution plan.

Response to Point No. 14 of the Basis for Disclaimer of Opinion: The Administrator has filed an application under Section 30(6) of the IBC Code for submission of resolution plan of Piramal Capital & Housing Finance Limited (PCHFL) as approved by the Committee of Creditors, with the

Adjudicating Authority i.e. Hon’ble National Company Law Tribunal (NCLT), Mumbai Bench on February 24, 2021 post receipt of No objection from Reserve Bank of India as per Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019. The financial adjustments, if any, arising out of settlements of liabilities will be made post approval of resolution plan by the Hon’able NCLT.

Response to Point No. 15 of the Basis for Disclaimer of Opinion: The Administration on the advice of the Advisory Committee and in consultation with the process advisors and legal advisor to CIRP process, your Company has initiated appropriate actions on the basis of reports submitted by Transaction Auditor such as filing of application with NCLT and submission of Fraud Monitoring Reporting (FMRs) to National Housing Bank (NHB)/RBI and filing of complaint with appropriate authorities. Your Company has made provisions for the entire amount of loans as per NHB/RBI guidelines on ‘Provisioning Pertaining to Fraud Accounts’.

Further, your Company has also taken into consideration the fair value of wholesale loan portfolio as per cash flows which are part of the valuation reports submitted by valuer appointed under IBC while calculating the fair value of wholesale loan portfolio during the year ended on March 31, 2021.

Response to Point No. 16 of the Basis for Disclaimer of Opinion: In certain instances, the amount of the claim admitted under CIRP may differ from the amount reflecting in the books of accounts of your Company. The above audited financial results are drawn on the basis of figures appearing in the books of accounts of your Company as on March 31, 2021. The Administrator, Advisors, and KMPs believe that these figures may be interpreted solely for the purpose of satisfying the regulatory requirement for filing of quarterly and yearly audited financial results and that these figures could change during the CIRP or thereafter depending upon the findings.

Response to Point No. 17 of the Basis for Disclaimer of Opinion: Consequent to the outbreak of the COVID-19 pandemic, the Central Government in India had declared a national lockdown in March, 2020. Subsequently, the national lockdown was lifted by the central government, but regional lockdowns continue to be implemented in areas with a significant number of COVID-19 cases. However, with various working measures, your Company has been making efforts to restore its normal operations. The extent to which the COVID- 19 pandemic, including the current “second wave” that has significantly increased the number of cases in India, will impact the operation of your Company, will depend on the ongoing as well as future developments, which is not precisely predictable.

Response to Point No. 18 of the Basis for Disclaimer of Opinion: In accordance with RBI circular dated April 07, 2021, your Company shall refund / adjust ‘interest on interest’ to all borrowers including those who had availed of working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed. Pursuant to these instructions, the methodology for calculation of the amount of such ‘interest on interest’ has been recently circulated by the Indian Banks Association (IBA). Your Company is in the process of suitably implementing this methodology and has created a liability of Rs. 1,397 lakh towards estimated amount of interest on interest collected/charged and reduced the same from the interest income for the year ended March 31, 2021.

Response to Point with regard to Material uncertainty related to Going Concern of the Basis for Disclaimer of Opinion

Your Company is under CIRP and thereby continues to operate as a going concern. Your Company has made substantial amount of provisioning in the last two years on the loans identified and reported by your Company to Stock Exchanges and National Housing Bank (NHB)/ Reserve Bank of India (RBI) as fraudulent, undervalued and preferential in nature as per prudential norms stipulated by NHB.

Your Company on December 24, 2020 had represented to RBI to permit forbearance for your Company in relation to such requirement, as your Company was under Corporate Insolvency Resolution Process (CIRP). As advised by RBI on February 5, 2021 your Company had been allowed to submit the compliance roadmap through the successful Prospective Resolution Applicants (PRA), after implementation of the resolution plan.

The Administrator had filed an application under Section 30(6) of the IBC Code for submission of resolution plan of Piramal Capital & Housing Finance Limited (PCHFL) as approved by the Committee of Creditors, with the Adjudicating Authority i.e. Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench on February 24, 2021 post receipt of No objection from Reserve Bank of India as per Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019.

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.

As on March 31, 2021, an amount equal to Rs. 7.57 Lakh pertaining to the Final Dividend 2012-13, was transferable by your Company to IEPF. Further, 3,052 equity shares of Rs.10 each in respect of which the dividend remained unpaid/unclaimed for a period of seven consecutive years i.e. from Final dividend 2012- 13 till the due date of September 28, 2020 were also required to be transferred to IEPF and an amount equal to Rs. 17.58 3,771 equity shares of rs. 10 each in respect of which the dividend remained unpaid/unclaimed Lakh pertaining to the Interim Dividend 2013-14, was transferable by your Company to IEPF. Further, for a period of seven consecutive years i.e. from Interim dividend 2013- 14 till the due date of March 25, 2021 were also required to be transferred to IEPF.

DIRECTORS' RESPONSIBILITY STATEMENT:

The financial statements of your Company for the financial year ended March 31, 2021 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. The financial statements for the year ended March 31, 2021 have been prepared on “going concern” assumptions.

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. Further, the specter of prolonged lockdown had its cascading impact on every sector since March 25, 2020, lockdown was imposed in the Country on account of COVID-19 and the second wave of Covid causing a complete/partial shutdown of offices which was extended beyond the financial year 2020 and 2021.

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, 2021.

The Administrator and present KMPs have signed the financial statements solely for the purpose of compliance and discharging their 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 do 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 Master Direction - NBFC - HFC (Reserve Bank) Directions, 2021, 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:

ANNUAL RETURN

Pursuant to Section 92 of the Companies Act, 2013 and the Rules framed thereunder, as amended, the Annual Return as at March 31, 2021, in the prescribed Form MGT-7 is available on website of your Company at the URL: www.dhfl.com

ACKNOWLEDGMENTS:
On behalf of the Members of the Advisory Committee acknowledges and thanks all the employees, customers, investors, Committee of Creditors, regulatory and government authorities and stock exchanges for their cooperation and support and look forward to their continued support in future.

For and on behalf of the Board (Advisory Committee)

Sd/-
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: August 31, 2021

Annexure - 1

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 (Rs. in Lakh)	7,501	10,125	1	-
6	Reserves & Surplus (Rs. in Lakh)	(7,440.50)	139,034.56	(1.54)	(15.79)
7	Total Assets (Rs. in Lakh)	65.45	149,174.92	0.13	97.26
8	Total Liabilities (Rs. in Lakh)	4.95	15.35	0.67	113.04
9	Investments (Rs. in Lakh)	-	149,167.88	-	-
10	Turnover (Rs. in Lakh)	-	-	-	-
11	Profit before taxation (Rs. in Lakh)	(4.44)	24,409.74	(0.76)	(4.81)
12	Provision for taxation (Rs. in	-	-	-	-
13	Profit after taxation (Rs. in Lakh)	(4.44)	24,409.74	(0.76)	(4.81)
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. *Further, the financials for FY 2020-21 of DIL is yet to be approved.*
5. *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.*
6. *Further, the financials for FY 2020-21 of DIL is yet to be approved.*

Part B: Associates and Joint Ventures

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

(Rs. 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	31-03-2021
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 (Rs. in lakh)	2.25 [2]	149,166 [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 (Rs in lakh)	(4.61)	1,00,247.55

7	Profit / (Loss) for the year (Rs. in lakh)	(1.88)	9,279.44
	i. Considered in Consolidation (Rs. in lakh)	-	-
	ii. Not Considered in Consolidation (Rs. in lakh)	(1.88)	9,279.44

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, 2021, 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, 2021.

(6) The last audited balance sheet available with us for DHFL Ventures Trustee Company Private Limited is as on 31st March, 2020. Due to absence of its management, the financial figures for 2020-21 have not been provided to the Company.

Annexure - 2

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 2020-21	Refer Note 1	
II	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary in the financial year.	Refer Note 1	
		Key Managerial personnel other than Directors	
		Mr. Vaijinath M Gavarshetty	: (Refer Note 3)
		Mr. Sunil Kumar Bansal	: (Refer Note 3)
		Mr. Satya Narayan Baheti	: (Refer Note 3)
III	The percentage increase in the median remuneration of employees in the financial year.	: 2.06% (Refer Note 2)	
IV	The number of permanent employees on the rolls of the Company.	: 1,836	

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 3.37% while the median increase in the salaries of Key Managerial Personnel was 0.81 % Refer Note No. (2) and (3).
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, during the financial year 2020-21, the Company did not have any Directors. Hence, the details in this Annexure pertaining to the Directors are not applicable to the Company for the FY 2020-21.*

2. *The employee count in FY 20-21 decreased in comparison to FY 19-20 (from 2179 to 1836) resulting in increase in the median percentile of salaries. There has been no increment in the remuneration.*

3. *There has been no Salary Increment for Key Managerial Personnel (KMP) Employees in F.Y 20-21. Since most of KMP joined in FY 19-20, pro-rata remuneration was calculated. The pro-rata salary of FY 19-20 is compared with annual salary of FY 20-21 due to which increase in average percentile is observed in FY 20-21*

Annexure - 3

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 2020-21.

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 Rs.Rs.-479.61

A. The details of Employee Stock Appreciation Rights as on March 31, 2021 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 V)
1	Date of Shareholder(s) Approval	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 to 1,02,92,046 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 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.)

Sl. No.	Particulars	ESAR Plan 2015 (Grant I)	ESAR Plan 2015 (Grant II)	ESAR Plan 2015 (Grant III)	ESAR Plan 2015 (Grant V)
4	ESAR Price or Pricing Formula	ESAR price: Rs. 380.00 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 Rs. 190.00 per ESAR	ESAR price: Rs. 230.80 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: Rs. 434.90 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: Rs. 434.90 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.
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
6	Method of Settlement	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
8	Source of shares	Primary issuance	Primary issuance	Primary issuance	Primary issuance
9	Variation in terms of ESARs	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 V)
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 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 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 – V)
1	Number of ESARs outstanding at the beginning of the year	5,10,440	7,27,374	13,30,560	50,800
2	Number of ESARs granted during the year	0	0	0	0
3	Number of ESARs issued due to Bonus during the year	0	0	0	0
4	Number of ESARs forfeited/cancelled / lapsed during the year	1,49,480	1,06,150	86,580	0
5	Number of ESARs vested during the year	0	2,76,086	2,66,500	10,160
6	Number of ESARs exercised / settled during the year	0	0	0	0
7	Total number of shares arising as a result of exercise of options	0	0	0	0
8	Money realized by exercise of options (in Rs.)	0	0	0	0
9	Number of ESARs outstanding at the end of the year	3,60,960	6,21,224	12,43,980	50,800
10	Number of ESARs exercisable at the end of the year	3,60,960	6,21,224	8,65,020	35,560

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 (Rs.)
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 (Rs.)
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)** Rs. - 479.61

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:

	Rs.
Profit as reported (Rs. 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 2020-21, 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, 2021

Particulars ESAR	ESAR Plan 2015 (Grant - I)	ESAR Plan 2015 (Grant - II)	ESAR Plan 2015 (Grant - III)	ESAR Plan 2015 (Grant - V)	)
Remaining Contractual life for unvested ESARs outstanding at the end of the year	-	-	3.29	3.55	
Remaining Contractual life for ESARs exercisable at the end of the year	1.47	1.86	1.31	1.15	

ANNEXURE 4

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

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR FINANCIAL YEAR 2020-21

1. A brief outline of the Company's CSR Policy

During the year under review, the Company had an approved Corporate Social Responsibility (CSR) Policy in place. The Policy aligned 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 provided 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 was extended to its Corporate Social Responsibility philosophy. The Company being committed to delivering sustainable solutions to equip and encourage equal opportunity, had maximized human development and leveraged the aspirations of youth, women and vulnerable populations.

Education being the key to social empowerment, the Company had adopted Early Childhood Care and Education (ECCE) as a core thematic area for its CSR and implemented it through the Company's wholly owned subsidiary DHFL Changing Lives Foundation (Foundation) a Section 8 Company. Further, in keeping with its presence in the financial sector of the country and the sector's responsibility to help the lower income segment, the Company had 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, had 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 had 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

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 was also 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 (IBC Code / the Code).

3. **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.**

   www.dhfl.com

4. **Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable**

   Not Applicable

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any :**

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (Rs. Crore)	Amount required to be set – off for the financial year, if any (Rs. Crore)
1	2020-21	NIL	NIL
	TOTAL	NIL	NIL

6. **Average net profit of the company as per section 135(5).**
   Rs 116.10 Crore

7.

Sr. No.	**Particulars**	**(Rs. Crore)**
7(a)	**Two percent of average net profit of the company as per section 135(5)**	**2.32**
7(b)	**Surplus arising out of the CSR projects or programmes or activities of the previous financial years**	**NIL**
7(c)	**Amount required to be set off for the financial year, if any**	**NIL**
7(d)	**Total CSR obligation for the financial year (7a+7b- 7c).**	**2.32**

8. **(a) CSR amount spent or unspent for the financial year:**

Total Amount Spent for the	**Amount Unspent (Rs. In Crore)**	
	Total Amount transferred to Unspent CSR Account as per section 135(6)	**Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).**

Financial Year. (in Rs.)	**Amount**	**Date of transfer.**	**Name of the Fund**	**Amount**	**Date of transfer**
NIL	Nil	NA	NA	Nil	NA

(b) Details of CSR amount spent against ongoing projects for the financial year: -

(1)	**(2)**	**(3)**	**(4)**	**(5)**		**(6)**	**(7)**	**(8)**	**(9)**	**(10)**	**(11)**	
Sl. No.	**Name of the Project.**	**Item from the list of activities in Schedule VII to the Act.**	**Local area (Yes/ No).**	**Location of the project.**		**Project duration.**	**Amount allocated for the project (in Rs.).**	**Amount spent in the current financial Year (in Rs.).**	**Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).**	**Mode of Implementation Direct (Yes/No).**	**Mode of Implementation – Through Implementing Agency**	
				State.	**District.**						**Name**	**CSR Registration number.**
	Nil											

(c) Details of CSR amount spent against other than ongoing projects for the financial year: -

(1)	**(2)**	**(3)**	**(4)**	**(5)**		**(6)**	**(7)**	**(8)**	
Sl. No.	**Name of the Project**	**Item from the list of activities in schedule VII to the Act.**	**Local area (Yes/ No).**	**Location of the project.**		**Amount spent for the project (in Rs.).**	**Mode of implementation - Direct (Yes/No).**	**Mode of implementation – Through implementing agency.**	
				State.	**District.**			**Name.**	**CSR registration number.**
	Nil								

(d) Amount spent in Administrative Overheads - Nil

(e) Amount spent on Impact Assessment, if applicable – Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) - Nil

(g) Excess amount for set off, if any – Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years:

(Rs. In crore)

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1.	2017-18	Nil	23.81	NA	Nil	NA	Nil
2.	2018-19	Nil	27.20	NA	Nil	NA	Nil
3.	2019-20	Nil	0.06	NA	Nil	NA	28.50
	TOTAL		**50.07**				**28.50**

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	**Project ID.**	**Name of the Project.**	**Financial Year in which the project was commenced.**	**Project duration.**	**Total amount allocated for the project (in Rs.).**	**Amount spent on the project in the reporting Financial Year (in Rs).**	**Cumulative amount spent at the end of reporting Financial Year. (in Rs.)**	**Status of the project - Completed /Ongoing.**
1.	Nil							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year

Nil

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

The Company had been incurring losses during the last three financial years. The loss suffered by the Company during the year under review was Rs. 15,051.12 crore vis-à-vis loss of Rs. 13,612.32 crore for the financial year 2019-20.

Considering the special circumstances that the Company was in CIRP and as it had failed to repay the dues to its deposit holders, lenders and other creditors since 2019, an exemption was sought by the Company from MCA vide its letter dated April 12, 2021 with respect to the obligations under the provisions of Section 135 of the Companies Act, 2013 while CIRP was ongoing. Further follow-up request in this connection was sent to MCA on April 30, 2021. The Company is however committed to remain a socially responsible organization supporting the national aspirations and missions.

For and on behalf of the Board (Advisory Committee)

Sd/-

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: August 31, 2021

Annexure – 5

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

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021
[*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, 2021 [‘**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, minutes, forms and returns filed and other records maintained by the Company enlisted in **Annexure IV**, 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 and qualifications listed in Annexure II**. 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, minutes, forms and returns filed and other records maintained by the Company enlisted in Annexure IV for the financial year ended 31st March, 2021, according to the provisions of, and to the extent applicable:

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

2. Secretarial Standards [‘**SS**’] issued by the Institute of Company Secretaries of India **[‘ICSI’]**;

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

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

5. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment **['FDI']** and External Commercial Borrowings **['ECB']**;

6. RBI Commercial Paper Directions, 2017, effective from 10th August, 2017 (as amended from time to time)] read with SEBI Framework for Listing of Commercial Paper (2019) w.r.t. issue/listing of commercial papers and applicable Operating Guidelines issued by FIMMDA (Fixed Income Money Market and Derivatives Association of India) effective from 1st April, 2020 [collectively referred to as '**CP Directions**'];

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

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

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

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

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

9. Specific laws applicable, as mentioned hereunder:

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

   (ii) Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, **['RBI Directions']** issued on 17.02.2021, and came into force with immediate effect (the erstwhile Master Circular - The Housing Finance Companies (NHB) Directions, 2010 ['**NHB Directions**'] issued by NHB would be relevant for the period 1.04.2020 to 16.02.2021, along with certain other directions/circulars repealed *vide* Chapter XVII of RBI Master Directions);

   (iii) Guidelines on Liquidity Risk Management Framework['**LRM Guidelines**'];

(iv) Guidelines on Maintenance of Liquidity Coverage Ratio [**'LCR Guidelines']**;

(v) Master Direction – Monitoring of Frauds in NBFCs (Reserve Bank) Directions [applicable to HFCs in terms of para 3 of RBI Master Directions (earlier, Guidelines on reporting and monitoring of frauds in Housing Finance Companies **['Fraud Reporting Guidelines']**);

(vi) Master Direction - Information Technology Framework for the NBFC Sector (earlier Information Technology framework for Housing Finance Companies – Guidelines) ['**IT Framework**'];

(vii) Master Direction –Know Your Customer (KYC) Directions, 2016 ['**KYC Directions**'].

We have also examined compliance with the applicable clauses of the Secretarial Standards for General Meetings [SS-2] issued by the ICSI. The Secretarial Standards for Board Meetings [SS-1] is not applicable to the Company for the Audit Period.

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.***

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].

Recommendations as a matter of best practice:
In the course of our audit, we have made certain recommendations for good corporate practices to the compliance team, for its necessary consideration and implementation by the Company.

We further report that:
The compliances dealing with board composition, board meetings, etc. are not applicable during the Audit Period, as the Board was superseded.

We further report that, in the current scenario, given that the Company is under CIRP, 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, and are under review by the present management.

We further report that during the Audit Period, the Company had specific events/ actions as detailed in **Annexure III** 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.

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

SIKHA BANSAL

Digitally signed by SIKHA BANSAL
Date: 2021.08.25 11:42:30 +05'30'

Date: 25.08.2021
Place: Kolkata

Sikha Bansal, Partner
Membership No. A33461
CP No. 22903
UDIN No. A033461C000827606
Peer Review Certificate No.:781/2020

This report is to be read with our letter of even date which is annexed as **Annexure 'I'** and forms an integral part of this report.

Annexure I
ANNEXURE TO SECRETARIAL AUDIT REPORT

To,
The Members,
Dewan Housing Finance Corporation Limited

Our Secretarial Audit Report of even date is to be read along with this letter.

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 IV**.

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. We have conducted online verification & examination of records, as facilitated by the Company, due to prevailing circumstances, for the purpose of issuing this Report.

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 Digitally signed by SIKHA BANSAL Date: 2021.08.25 11:43:49 +05'30'

Date: 25.08.2021
Place: Kolkata

Sikha Bansal, Partner
Membership No. A33461
CP No. 22903
UDIN No. A033461C000827606
Peer Review Certificate No.:781/2020

ANNEXURE II – OBSERVATIONS & QUALIFICATIONS FOR THE AUDIT PERIOD

The observations/qualifications below pertain to non-compliances as observed to have occurred during the review period where there are continuing defaults from the previous audit period (FY 2019-20), the same have not been repeated here. This Report may thus be read with the secretarial audit period for the previous year. Further, the observations/qualifications pertain solely to the Company, and not to any other person. For the sake of lucidity, the observations/qualifications have been arranged and discussed *vis-à-vis* the following broad headings:

1. Companies Act

1.1. As per s. 135 of the Companies Act read with Companies (CSR Policy) Rules, 2014 **['CSR Rules']**, the Company is required to undertake CSR expenditure. The Company being under CIRP has not undertaken any CSR spending during the audit period. However, the Company has made representations on the same to MCA *vide* letter dated April 12, 2021 and April 29, 2021. As informed, no response has been received from MCA. In the absence of any further communication, ***we are unable to comment on the same***.

1.2. The Company has ***filed following forms with delay to ROC –***

(i) Its financial statements along with consolidated financial statements in AOC -4 NBFC (IND AS) and form AOC – 4 CFS for FY 2019-20, as required under s. 137 of the Companies Act, read with r. 12 of the Companies (Accounts) Rules, 2014;

(ii) Annual return in Form MGT. 7 for FY 2019-20 with ROC as required under s. 92 of the Companies Act read with r. 11 of the Companies (Management and Administration) Rules, 2014.

(iii) Return of the annual general meeting held for FY 2019-20 in Form MGT-15, as required under s. 121 of the Companies Act, read with r. 31(2) of the Companies (Management and Administration) Rules, 2014.

1.3. As informed to us 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) Rs. 88,13,754/- on account of unpaid/unclaimed matured deposits.

(ii) Rs. 7,57,422/- on account of final dividend for FY 2012-13 and Rs. 17,58,243/- on account of interim dividend for FY 2013-14.

The Company ***has not filed IEPF-1*** with respect to interim dividend for FY 2013-14, and unpaid/unclaimed matured deposits or debentures, as required under s. 125 of the Companies Act read with r. 5 of the IEPF Rules.

Further, 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.*** However, we have been informed that. The Company, vide letter no. DHFL/CSD/2020/1817 dated 15th April, 2020 had written to IEPF

Authority requesting to file a proof a claim under IBC, to which the Company has not received any response so far. Further, considering that the resolution plan has been approved and is under implementation, we are unable to comment on the possible treatment of such amounts.

2. SEBI Regulations and Circulars

2.1. As per SEBI Circular no. SEBI/HO/DDHS/CIR/P/2018/144 dated 26.11.2018 read with SEBI Circular no. SEBI/HO/DDHS/ON/P/2020/41 dated 23.03.2020 and BSE Circular No. LIST/COMP/59/2019-20 dated 03.03.2020, the company is required to submit initial disclosure stating whether it is a large corporate borrower or not, accordingly the Company vide its submission dated April 20, 2019 identified itself as 'not a large corporate borrower'. However, the ***disclosure required to be submitted for the ended FY 2019-20, was submitted on 12.08.2020, that is, with a delay of 33 days after considering CovID-19 virus pandemic related relaxations.***

2.2. ***Both BSE and NSE have levied a fine of Rs. 53,100/- (including taxes) each on the Company for delay (fine @ Rs. 5,000/- per day)*** in submission of standalone and consolidated financial results as per regulation 33(3) of LODR Regulations for the quarter ended 30.09.2020, in terms of SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2018/77 dated 3.05 2018 and the same has been paid by the Company.

2.3. 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. The Statutory Auditors, in their certificate issued under DT Regulations, have reported that, for the quarter ended March, 2021 (latest certificate as available to us), the asset cover is maintained at only 0.77 times for the said debentures which is not in compliance with the said regulations***. Given the fact that the company is in CIRP ***we are unable to comment on the compliance of the said regulations.***

2.4. Besides, there are certain provisions, for instance, reg. 57(1) & (2) of LODR Regulations, or those under SEBI Circular dated November 21, 2019, or under CP Directions requiring listed entities to intimate default in payments or timely payments of interest/principal on debt securities, CPs, loans from banks and financial institutions, etc. Given that the Company is under the provisions of IBC with a distinct set of applicable rules (relating to public announcement, moratorium, submission of claims on insolvency commencement date, etc.), applicability of such provisions on the Company seems unclear. Hence, we have not taken cognizance of the same in such specific circumstances.

2.5. SEBI, vide *Adjudication Order No. Order/SR/SM/2020-21/7791/25 dated 29.05.2020* **('SEBI Order')** had imposed penalty of Rs. 20,00,000/- (Rupees Twenty Lakhs only) 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, broadly relating to maintenance of DRR and DRF. However, the Company filed an appeal before SAT (Appeal No. 196/2020) for the penalty imposed by SEBI. SAT, vide Order dated October 09, 2020 **('SAT Order')** quashed the SEBI Order. We have been informed that SEBI has filed an appeal to the Supreme Court against the SAT Order (CA No. 3963 of 2020). Given the pendency of the matter, ***we are unable to comment on the same***.

3. NHB Norms

3.1. RBI, *vide* its notification no. DOR.NBFC (HFC).CC.No.118/03.10.136/2020-21 dated 22.10. 2020, issued Review of regulatory framework for Housing Finance Companies ('RBI Directions'), wherein various norms as applicable to NBFCs were made applicable to HFCs. Further, HFCs were being called upon to submit a board-approved roadmap to fulfill the criteria of minimum percentage of total assets towards housing finance and towards housing finance for individuals. The Administrator, *vide* letter dated 24.12.2020, has requested to RBI stating that since the company is under CIRP, the Company shall be allowed to submit the roadmap after successful implementation of the CIRP. RBI, vide its mail dated 05.02.2021, has allowed the Company to submit the roadmap in compliance after implementation of the resolution plan under CIRP. Also, the Advisory Committee, in its 56th meeting held on 06.03.2021, has taken note of the said RBI Directions. We have been informed that the Company is taking steps for implementation of the said Directions.

3.2. As per latest Schedule I, II and III submitted under NHB Directions, ***the reported net owned fund (NOF) of the Company is Rs. (4,53,650) Lakhs, CRAR is -1.83%, Tier-I and Tier-II capital are -5.95% and 4.12% respectively as on March 31, 2020 (as per latest audited balance sheet referred to in the said returns)***. Given the same, ***the Company may have become suo moto non-compliant with various regulatory provisions of the NHB Act/NHB Directions as well as RBI Directions, relating to capital adequacy, acceptance of public deposits, overall permissible borrowings, concentration norms, ability of the Company to meet deposit liabilities, etc.*** NHB Inspection Report dated December 24, 2020 has also taken note of the same. We have taken note of the NOF, etc. based on the returns filed with the Company, and have not assessed the same separately.

3.3. NHB has served a notice dated 20.11.2019, claiming violation of s. 16B of the NHB Act by the Company with regard to the 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 *sub-judice* (refer, case no. C.P. (IB) 4258/MB/2019). Given the pendency of the issue, ***we are unable to comment on the same***.

3.4. Chapter IV para (iv) of the Fraud Reporting Guidelines requires the Company to submit FMR-1 within 3 weeks from the date of detection of fraud. However, ***the Company has delayed in filing the same for a fraud detected on 15.11.2019 and has reported the same on 30.06.2020.***

3.5. The Company ***delayed in filing the following returns under the NHB Act read with RBI Master Directions, beyond the stipulated timelines (after considering relaxations given vide Circular No. NHB(ND)/ DoS/DMC.02.04.2020/2019-20 dated 02.04.2020***)

S. No.	Return	Period
(i)	Half yearly returns in Schedule II of the NHB Directions	March, 2020 September, 2020
(ii)	Quarterly Return on 10 major exposures to Corporates /Companies/Builders/Other entities etc.	June, 2020 September, 2020
(iii)	Schedule III return	March, 2020 (provisional and final)
(iv)	New Monthly Returns	All Months
(v)	Statement of Structural Liquidity and Interest Rate Sensitivity	March, 2020 June, 2020 September, 2020 December, 2020
(vi)	Statement of Short Term Dynamic Liquidity (STDL)	March, 2020 September, 2020
(vii)	Loan under SARFAESI return	September, 2020 December, 2020 March, 2021

ANNEXURE III -- 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**
(i)	The Company is under CIRP as indicated above. Also, RBI had superseded the Board of the Company. Hence, the management of the affairs of the Company vest with the Administrator. Further, under the provisions of IBC read with the FSP Rules, NCLT has approved the resolution plan of Piramal Capital & Housing Finance Limited vide Order dated 07.06.2021.
(ii)	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. The status remained the same during the Audit Period.
2.	**Investigations, inspections, and application against avoidance proceedings**
(i)	The Company is undergoing investigation/inspection by several regulatory authorities. Relevant details, as are brought to our notice, are enlisted below – The Administrator (assisted by the Advisory Committee), acting as resolution professional, had 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. In furtherance of the above, the Administrator has filed multiple applications before NCLT and thereafter intimated to BSE and NSE also and the same are subject to NCLT proceedings. The Transaction Audit Report, deemed confidential in nature, could not be shared with us. Hence, ***we are unable to comment on any or all the aspects as may or may have been a part of such report and the said NCLT application.***
(ii)	An enquiry under s. 206(4)/(5) of the Companies Act was initiated by ROC/RD against the Company in 2019. MCA 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.***
(iii)	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. As informed to us, the Company has submitted its response

S. No.	Particulars
	thereto, however, the final stance of the NHB is yet to be received. ***Hence, we are unable to form any opinion on the same***.
(iv)	NHB had undertaken inspection of the Company under the provisions of the NHB Act, with reference to the position of the Company on 31.03.2019 and 31.03.2020. The inspection was conducted during 14.10.2020 to 11.11.2020. NHB issued letter dated 24.12.2020 along with the inspection report. As informed to us, the Company has submitted its response thereto, however, the final stance of the NHB is yet to be received. ***Hence, we are unable to form any opinion on the same.***
(v)	The Company, at present, is also undergoing investigations and proceedings by the Enforcement Directorate, EOW and Central Bureau of Investigation including criminal complaints in respect of transactions among the Company, erstwhile promoters and third parties.

ANNEXURE IV - LIST OF DOCUMENTS PERUSED*

1. Minutes (signed and unsigned) of the following were provided:
    - Advisory Committee (signed and unsigned) (other than 51st and 53rd meeting considered as confidential by the Company in relation to CIRP matters);
    - BCP Meetings;
    - Audit Committee;
    - High Level Monitoring Committee;
    - Risk Management Committee;
    - Asset Liability Management Committee
    - Information Security Committee;
    - General Meeting;
2. Disclosures under Act, 2013 and rules made thereunder;
3. Statutory Registers under Act, 2013;
4. Directors' Report (Report of Advisory Committee chaired by the Administrator);
5. Selective policies/ codes framed under Act, 2013, SEBI and NHB regulations;
6. Selective intimations filed with stock exchanges, debenture trustees and Credit Rating Agencies;
7. Certain forms and returns filed with the ROC, NHB and IRDAI;
8. Certain correspondences with MCA, RBI and NHB;
9. Codes/ Periodic reports/ disclosures under SEBI (Prohibition of Insider Trading) Regulations, 2015;

***Note: As intimated to us, certain documents/information are deemed to be confidential in relation to the corporate insolvency resolution process of the Company, e.g. certain parts of the advisory committee minutes, minutes of the Committee of Creditors, Transaction Audit Report, etc. and thus, could not be shared with us. Hence, we refrain ourselves on any or all of the aspects which may or may have formed a part of such documents/information.**

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 Dewan Housing Finance Corporation Limited ("the Company") for the year ended on March 31, 2021, 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 Order No. DOR NBFC(PD) 986/03.10.136/2019-20 dated November 20, 2019 has issued an Order to supersede the Board of Directors ('Board') of the Company under Section 45 IE(2) of the Reserve Bank of India Act, 1934; 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 1934, constituted a three (3) member Advisory Committee to assist the Administrator in discharge of his duties. Further, RBI had 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 ('IBC Rules'). The National Company Law Tribunal, Mumbai Bench ('NCLT'), vide Order dated December 3, 2019, ordered commencement of Corporate Insolvency Resolution Process ('CIRP') of the Company, with effect from the same date. Hon'ble NCLT confirmed the appointment of Administrator as an Interim Resolution Professional/ 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.
   As stated above, the Hon'ble NCLT had appointed Mr. R. Subramaniakumar along with three (3) member Advisory Committee, who was performing the role of the Resolution Professional to complete the CIRP and to take over the responsibility of the Board of Directors of the Company. Since the responsibilities and duties of Audit and other Committees were performed by Advisory Committee, all the necessary matters have been placed before Advisory committee appointed by the Hon'ble NCLT.

2. Further, with the receipt of No objection from Reserve Bank of India as per Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019, the Administrator of Dewan Housing Finance Corporation Limited ('the Company") has filed an

8.50 x 11.00 in

application under Section 30(6) of the Code for submission of resolution plan of Piramal Capital & Housing Finance Limited (PCHFL) as approved by the Committee of Creditors (COC) with the Adjudicating Authority i.e. Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench on 24th February 2021 and same has been approved vide order dated June 7, 2021, passed by the Hon'ble NCLT. (Plan Approval Order).

3. Further, upon the approval of the Resolution Plan by NCLT, the purpose of the RBI constituting the Advisory Committee, to advise the Administrator in the operations of Company during the CIRP and to assist him for discharging his duties was fulfilled. Therefore, the Advisory Committee was dissolved on June 23, 2021 and the same was also intimated to the Members of the Advisory Committee.

4. In accordance with the terms of the Resolution Plan and the Plan Approval Order, a Monitoring Committee chaired by RBI Administrator Mr. R. Subramaniakumar had been constituted for conducting the affairs of the Company and supervising the implementation of the Resolution Plan (Monitoring Committee).

5. 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.

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 stipulated in Regulations and to the extent it is applicable/ relevant to the Company as the Company is under CIRP for the period under review.

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.

Place: Mumbai
Date: August 31, 2021

For Amruta Giradkar and Associates
Practicing Company Secretaries

AMRUTA NARENDRA GIRADKAR
Digitally signed by AMRUTA NARENDRA GIRADKAR
Date: 2021.08.31 19:27:19 +05'30'

UDIN: A048693C000866477

CS Amruta Giradkar
ACS: 48693 CP. No. 19381

Management Discussion and Analysis

Global Economy and Housing Scenario

The global economy in 2019 registered the world output growth of 2.8% thereby witnessing a decline from 3.5% in 2018 and 3.8% in 2017. In 2020, the COVID-19 pandemic had impacted global economies at unprecedented level. However, the economic activity began to improve after lockdowns were rolled back in May and June 2020, with indicators of a stronger recovery in the third quarter. As per International Monetary Fund's (IMF) World Economic Outlook (WEO), October 2020 the recovery began in the third quarter of 2020 and is expected to strengthen gradually over 2021. The WEO in October 2020 projected a global growth at -4.4% in 2020, a less severe contraction than the projection of -4.9% in June 2020 WEO Update. Growth in the advanced economy group was projected at -5.8% in 2020 as compared to growth rate of -3.3% for Emerging Market and Developing Economies (EMDEs).

Global financial markets remain supported by highly accommodative monetary and liquidity conditions. Timely policy response has helped maintain the flow of credit to the global economy and avoid adverse macro-financial feedback loops, creating a bridge to recovery. The global growth for 2021 is projected at 5.2%. The growth in advanced economies and EMDEs is projected to strengthen to 3.9% and 6.0% respectively in 2021.

In line with the present growth outlook, considerable uncertainty also exists in the inflation projections. In view of the subdued outlook for economic activity, inflation is expected to remain relatively low. As per WEO, inflation in the advanced economy group is estimated at 0.8% in 2020, rising to 1.6% in 2021 as the recovery gains hold, and broadly stabilizing thereafter at 19%. In the EMDE group, inflation is estimated at 5% in 2020, declining to 4.7% in 2021, and moderating thereafter to 4% over the medium term.

As per Global real house price inflation was continuing to slow even before the outbreak of the COVID-19 pandemic, with prices rising by just 0.7% year on year in the first quarter of 2020. Year-on-year growth in real residential property prices accelerated to 2.0% in the advanced economies (AEs), while prices stagnated (-0.2%) in the emerging market economies (EMEs).

Annual percentage change in Consumer Prices in Select Economies

Column1	2018	2019	2020	2021
Advanced Economies	2	1.4	0.8	1.6
EMDEs	4.9	5.1	5	4.7
United States	2.4	1.8	1.5	2.8
China	2.1	2.9	2.9	2.7
India	3.4	4.8	4.9	3.7

Source: World Economic Outlook, October 2020

The quarter-wise movement of global real residential prices from June 2019 to March 2020 shows that real house price growth was positive in most advanced economies. However, a declining trend has been observed in emerging market economies.

A poll conducted by Reuters in the month of September, 2020 on Global Housing Prices Outlook indicates that major housing markets are faced with multiple downside risks amidst the coronavirus pandemic. As per the results of the poll, average home prices would rise in a few countries in 2020 on account of strong demand and a shortage in supply and the surge is expected to be tamed in 2021.

As observed from the above graphical representation of data of Under Construction Properties of 50 cities covered under NHB RESIDEX, the total sales and new addition to the housing unit fell by 60% and 83% respectively year on year in June 2020. However, the contraction in total sales and new addition in housing units eased to 29% and 55% respectively in September 2020. Further, the age of unsold inventory (month's inventory) also stood higher at 73 months at the end of June 2020 compared to 29 months in the corresponding period of 2019 due to the sharp fall in sales. However, in September 2020 the age of unsold inventory improved to 42 months.

The sluggish consumer confidence has shifted consumer preference towards purchase of completed houses which coupled with reduction in new house launches may result in reduction in unsold inventory albeit adversely affecting the sale of under-construction houses.

Performance of Housing Finance Sector

The real estate and Housing Finance Sector in India began to witness a moderation in growth after the IL&FS crisis in September, 2018. However, with proactive measures and various other initiatives of the Government, RBI and NHB, the sector started to gain momentum.

The overall growth in Individual Housing Loans of Banks and HFCs combined stood at 10% in 2019 -20 as compared to 16% in 2018-19. The pace of growth of Banks remained higher than that of HFCs, partly supported by portfolio buyouts, leading to increase in their market share of Individual Housing Loan to 67% as compared to HFCs share of 33%. The total outstanding individual housing loans of HFCs and Banks combined was around 20 lakh crore at the end of 2019-20 as compared to around 18 lakh crore in 2018-19.

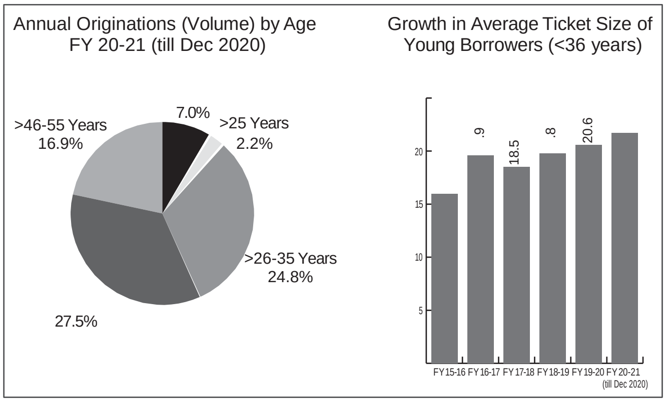
The advent of COVID-19 had again impacted the performance of the sector. Notwithstanding the slowdown induced by COVID-19 pandemic and lockdown related measures due to which the construction and real estate activities were impacted, the housing finance sector maintained a positive growth with outstanding individual housing loans of Banks and HFCs registering year-on-year growth of 8.5% and 3% respectively in September, 2020.

OPPORTUNITIES & RECENT DEVELOPMENTS IN HOUSING INDUSTRY

Although the stress caused by the coronavirus pandemic has affected key residential markets in India but the average rate of new projects remains at its previous level. Housing market is being boosted by the actions of state governments such as by reducing stamp duty on registration of properties as it will help reduce the overall real estate cost and boost housing sales.

The COVID-19 made people rethink about their home buying and investments plans. The concept is to invest in a home, either to live or to leverage it as an asset that could generate an extra source of income, mainly to be used in a crisis period.

Banks and other financial institutions are investing heavily in digital technology to enable faster loan disbursal.



Source: CRIF Credit scape

In 2020, RBI cut the repo rates that led home loan interest to a record-low 7%. In order to make home buying more lucrative, many banks and other financial have come forward to reduce interest on home-loans. After the lock-down, more potential home owners are preferring switch to the periphery areas for larger homes and a healthier lifestyle at more competitive rates with a work-from-home viable alternative. One of the most influential recent residential real estate developments of the COVID-19 era is the new-found preference for owning rather than renting houses.

RBI also has rationalized the risk weights and link them to loan-to-value (LTV) ratios for all new home loans sanctioned up to March 31, 2022. This would make home-buying attractive for both borrowers as well as lenders.

Pradhan Mantri Awas Yojana (PMAY)

The 'Housing for All by 2022' scheme (launched in June 2015) aims to construct more than 20 million houses across India by 2022. The scheme's target beneficiaries would be the poor, economically weaker sections (EWS), and low income groups (LIG). The said schemes been continued with subsidy benefits to the eligible home loan borrows.

Regulatory measures on account of the COVID-19 pandemic

The Government of India on October 23, 2020 has announced the 'Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts (1.3.2020 to 31.8.2020) (the 'Scheme'), which mandates ex-gratia payment to certain categories of borrowers by way of crediting the difference between simple interest and compound interest for the period between March 1, 2020 to August 31, 2020 by the respective lending institutions.

The RBI has issued circulars, the Statement of Developmental and Regulatory Policies dated May 22, 2020 and Monetary Policy Statement, 2020-2021: Resolution of Monetary Policy Committee dated May 22, 2020 announcing certain additional regulatory measures with an aim to revive growth and mitigate the impact of COVID-19 on business and financial institutions in India, including:

(a) Permitting banks to grant a moratorium of six months on all term loan instalments and working capital facilities sanctioned in the form of cash credit/overdraft (CC/OD), falling due between March 1, 2020 and August 31, 2020, subject to the fulfilment of certain conditions;

(b) permitting the recalculation of 'drawing power' of working capital facilities sanctioned in the form of cash/ credit overdraft facilities by reducing the margins till the extended period, being August 31, 2020, and permitting lending institutions to restore the margins to the original levels by March 31, 2021;

(c) permitting the increase in the bank's exposures to a group of connected counterparties from 25% to 30% of the eligible capital base of the bank, up to June 30, 2021;

(d) deferring the recovery of the interest applied in respect of all working capital facilities sanctioned in the form of cash/ credit overdraft facilities during the period from March 1, 2020 to August 31, 2020;

(e) permitting lending institutions to convert the accumulated interest on working capital facilities up to the deferment period (up to August 31, 2020) into a funded interest term loan which shall be repayable not later than the end of the current financial year (being, March 31, 2021)

(f) permitting the lending institutions to exclude the moratorium period wherever granted in respect of term loans as stated in para (a) above, from the number of days past-due for the purpose of asset classification under the income recognition and asset classification norms, in respect of accounts classified as standard as on February 29, 2020, even if overdue;

(g) permitting the lending institutions to exclude deferment period on recovery of the interest applied, wherever granted as stated in para (d) above, for the determination of out of order status, in respect of working capital facilities sanctioned in the form of CC/OD where the account is classified as standard, including special mention accounts, as on February 29, 2020; and

(h) requiring lending institutions to make general provisions of not less than 10% of the total outstanding of accounts in default but standard as on February 29, 2020 and asset classification benefit is availed, to be phased over two quarters as provided: (i) not less than 5% for the quarter ended March 31, 2020; and (ii) not less than 5% for the quarter ended June 30, 2020, subject to certain adjustments.

ISSUES FOR HOUSING FINANCE SECTOR

According to the World Bank Global Economic Prospects estimates, India's economy will contract by 9.6% in FY 2021, amid a drastic decline in household spending and private investment. Growth is expected to recover to 5.4% in 2021. The International Monetary Fund has also projected India's economy to contract by 10.3% in FY 2021, forecasting an expansion of 8.8% next year. Challenges for Housing Finance Companies (HFCs) in 2021 in the shape of delays in completion of housing projects, cost overruns due to the unavailability of labour, and delayed investments by buyers in the affordable housing sector. The sector may need to factor in large slippages of loan assets and higher provisioning as incomes shrank and jobs were lost due to the pandemic.

Risks and challenges

Key risks and challenges faced by HFCs are as follows:

Competitive advantage of banks vis -a vis HFCs:

- Banks have access to borrowers banking behavior and their repayment history by which they approach regular customers by offering lower interest rates (than HFCs) and zero processing fees.
-

Delay in project approvals and construction

- HFCs' cashflows are largely dependent on the timely completion of project, in which their customers have booked houses. If the project get delayed, the borrower may start defaulting on loans.
- Lack of proper title and lack of data for credit appraisal
- Credit score availability in India is still at stage which makes it difficult to judge the ability of the borrower to repay.
- HFCs are trying hard to mitigate the risk by doing more due diligence by their technical team.

Competition

The housing finance industry in India is highly competitive. HFCs face competition from domestic and international banks as well as other HFCs for corporate advances and housing loans. Since HFCs have mix of wholesale and retail loans, primary competition of HFCs is with other NBFCs and HFCs offering similar products and services.

In retail business, the addressable market where HFCs are competing in mass affluent and affordable housing, is currently under consolidation. HFCs are expected to have good opportunity for growth and are well placed to capture the opportunity with new age digital platform. HFCs generally compete with competitors based on the range of product offerings, turnaround time, suitable structuring of funding, competing interest rates and fees and customer service.

Key challenges faced by Wholesale Finance sector

Declining real estate asset prices

- Considering low retail activity, customer may be forced to renegotiate their agreements
- Collateral cover is reduced when real estate prices fall, resulting in a rise in the LTV
- Reduction in property prices would pose high asset –quality risk

Current stressed and concentrated portfolio:

- Few players dominate wholesale book, a few slippages can result in high level of gross NPAs

Amount Delinquency 90+ (Value)

	Affordable (<5L)	Affordable (<5L-10L)	Affordable (<10L-15L)	Affordable (<15L-35L)	Mid Range (<35L-75L)	Premium (75L+)	Grand Total
Public Sector Banks	6.30%	2.42%	1.74%	1.52%	1.51%	2.33%	1.88%
HFCs (Incl. NBFCs	7.84%	2.57%	2.51%	2.31%	2.30%	4.41%	2.77%
Private Banks	5.28%	3.37%	2.42%	1.99%	2.12%	2.04%	2.18%
Grand Total	8.28%	3.08%	2.44%	2.04%	1.99%	3.01%	2.49%

Loan Delinquency 90+ (Volume)

	Affordable (<5L)	Affordable (<5L-10L)	Affordable (<10L-15L)	Affordable (<15L-35L)	Mid Range (<35L-75L)	Premium (75L+)	Grand Total
Public Sector Banks	7.57%	2.12%	1.52%	1.33%	1.30%	1.89%	3.53%
HFCs (Incl. NBFCs	7.71%	2.09%	2.04%	1.88%	1.78%	2.86%	3.22%
Private Banks	4.27%	2.93%	2.07%	1.69%	1.75%	1.79%	2.31%
Grand Total	9.75%	2.60%	2.04%	1.73%	1.61%	2.22%	4.19%

- Currently most of the developer's segment is stressed, visible in higher moratoriums, higher NPAs

- Many players announced their strategy to exit the wholesale portfolio

- Limited refinancing avenues

- Due to increasing asset quality concerns in wholesale segment and liquidity crunch, repayment will have to be made through the actual cash flows received from the borrowers.

- Economic downturn and poor demand in the real estate, borrowers are witnessing tight cash issues

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 for the underserved majority, primarily through home loans provided to the Low and Middle Income (LMI) segment in India.

During the year, your Company re-commenced lending business in June 2020, primarily to keep your Company a going-concern. While your Company started lending business on a very small scale, that too got impacted because of the ongoing COVID-19 pandemic and the resultant lockdowns.

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 your company moved to work-from-home, 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.

All business and collections operations were carried out from Home until the lockdown was eased out by various State Governments, and the workforce returned to offices in measured way, ensuring all guidelines issued by various authorities were implemented. Ensuring employee health and safety, your Company's operations were undertaken with utmost caution and safety.

Your Company implemented its "Business Continuity Planning" and ensured that your Company was prepared at all times to face adversities and Business operations continued in best possible way in the given situation across India.

Your Company has been closely monitoring the prevalent situation and would continue to take all necessary steps as required to maximize the value of your Company, while keeping the safety of its employees and customers paramount.

CORPORATE INSOLVENCY RESOLUTION PROCESS

The erstwhile Board of your Company was superseded by RBI w.e.f. November 20, 2019 and your Company is undergoing CIRP under the provisions of the Insolvency and Bankruptcy Code, 2016 ('Code') and pursuant to the orders passed by the Hon'ble NCLT, Mumbai Bench on December 03, 2019 as stated earlier in this Report. The details of the CIRP process are provided in the Board's Report (Report of the Advisory Committee chaired by the Administrator).

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, 2021 is as under:

BALANCE SHEET

(Rs. in crore)

Particulars	Standalone		Consolidated	
	March-2021	Mar 2020	March-2021	Mar-2020
Assets				
Financial assets				
Cash and cash equivalents	9,458.05	6,848.61	9,458.69	6,849.28
Bank Balances other than above	865.11	870.64	865.11	870.64
Derivative Financial Instruments	-	-	-	-
Receivables	0.47	2.75	0.47	2.75
Housing and Other loans:				
At Amortised Cost	29,034.37	35,470.37	29,034.37	35,470.37
At Fair Value	9,420.92	30,732.31	9,420.92	30,732.31
Investments	8,448.66	3,880.51	8,448.65	3,880.51
Other Financial Assets	1,832.48	1,792.53	1,832.50	1,792.55
Total Financial Assets	**59,060.06**	**79,597.72**	**59,060.71**	**79,598.41**
Non-Financial assets				
Current Tax Assets (Net)	56.46	330.23	56.46	330.23
Deferred Tax Assets	10,209.62	5,052.15	10,200.77	5,043.30
Property, Plant and Equipment	796.00	853.61	796.00	853.61
Intangible Assets Under Development	62.32	105.17	62.32	105.17
Other Intangible Assets	81.41	66.69	81.41	66.69
Other Non-Financial Assets	100.99	141.82	100.99	141.82
Total Non-Financial Assets	**11,306.80**	**6,549.67**	**11,297.95**	**6,540.82**
Total Assets	**70,366.86**	**86,147.39**	**70,358.66**	**86,139.23**
Liabilities and Equity				
Liabilities				
Financial Liabilities				
Derivative Financial Instruments		-	-	
Trade Payables:				
(i) total outstanding dues of micro enterprises and small enterprises	3.19	0.34	3.19	0.34
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	72.84	121.46	72.84	121.46
Debt Securities	45,575.30	45,428.29	45,575.30	45,428.29
Borrowings (Other than Debt Securities)	37,685.91	38,410.77	37,685.91	38,410.77
Deposits	5,291.65	5,278.89	5,291.65	5,278.89
Subordinated Liabilities	1,298.33	1,294.30	1,298.33	1,294.30
Other financial liabilities	989.79	1,004.38	989.85	1,004.42
Total financial liabilities	**90,917.01**	**91,538.43**	**90,917.07**	**91,538.47**
Non-Financial Liabilities				
Provisions	7.56	7.53	7.56	7.53
Other non-financial liabilities	79.34	139.37	79.34	139.37
Total non-financial liabilities	**86.90**	**146.90**	**86.90**	**146.90**
Total liabilities	**91,003.91**	**91,685.33**	**91,003.97**	**91,685.37**
Equity				
Equity Share Capital	313.82	313.82	313.82	313.82
Other Equity	(20,950.87)	(5,851.76)	(20,959.13)	(5,859.96)
Total Equity	**(20,637.05)**	**(5,537.94)**	**(20,645.31)**	**(5,546.14)**
Total Equity and Liabilities	**70,366.86**	**86,147.39**	**70,358.66**	**86,139.23**

PROFIT AND LOSS STATEMENT

(Rs. in crore)

Particulars	Standalone		Consolidated	
	Mar-2021	Mar-2020	Mar-2021	Mar-2020
Revenue from Operations				
a) Interest Income	8,719.00	9,232.25	8,719.00	9,232.16
b) Dividend Income	-	-	-	-
c) Fees and Commission Income	3.29	2.83	3.29	2.83
d) Net Gain on Fair Value Changes	-	-	-	-
e) Net Gain on Derecognition of Financial Instruments under Amortised Cost Category	(0.04)	23.97	(0.04)	23.97
f) Other Operating Revenue	48.40	63.18	48.40	299.00
Total Revenue from Operations	**8,770.65**	**9,322.23**	**8,770.65**	**9,557.96**
Other Income	32.14	20.89	32.14	20.89
Total Income	**8,802.79**	**9,343.12**	**8,802.79**	**9,578.85**
Expenses				
Finance Costs	218.49	5,725.18	218.49	5,736.21
Net Loss on Fair Value Changes	25,990.33	14,996.48	25,990.33	15,034.71
Impairment on Financial Instruments	2,244.77	6,241.13	2,244.77	6,242.13
Employee Benefit Expense	213.12	283.29	213.12	283.29
Depreciation and Amortisation Expense	80.83	79.41	80.83	79.41
Other Expenses	172.30	265.62	172.35	265.62
Total Expenses	**28,919.84**	**27,591.11**	**28,919.89**	**27,641.37**
(Loss)/Profit Before Tax	(20,117.05)	(18,247.99)	(20,117.10)	(18,062.52)
Tax expense				
- Current tax	91.37	-	91.37	-
- Earlier Years Adjustments	-	(11.33)	-	(11.33)
- Deferred Tax	(5,157.30)	(4,624.34)	(5,157.30)	(4,624.34)
Total tax Expense	**(5,065.93)**	**(4,635.67)**	**(5,065.93)**	**(4,635.67)**
Net (Loss)/Profit After tax	**(15,051.12)**	**(13,612.32)**	**(15,051.17)**	**(13,426.85)**
Share of net profits of associates and joint ventures	-	-	-	(28.96)
Other comprehensive income				
(A) Items that will not be reclassified to profit or loss				
(i) Remeasurements of the defined employee benefit plans	(0.69)	(1.54)	(0.69)	(1.54)
(iii) Share of other comprehensive income of associates and joint ventures	-	-	-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss	0.18	0.39	0.18	0.39
Subtotal (A)	**(0.51)**	**(1.15)**	**(0.51)**	**(1.15)**
(B) Items that will be reclassified to profit or loss				
(i) Cash flow hedge	-	53.20	-	53.20
(ii) Income tax relating to items that will be reclassified to profit or loss	-	(14.88)	-	(14.88)
Subtotal (B)	**-**	**38.32**	**-**	**38.32**
Other Comprehensive Income (A + B)	**(0.51)**	**37.17**	**(0.51)**	**37.17**
Total comprehensive income	**(15,051.63)**	**(13,575.15)**	**(15,051.68)**	**(13,418.64)**

Significant changes in Key Financial Ratio

Particulars	For the financial year ended March 31, 2021	For the financial year ended March 31, 2020
Interest Coverage ratio	-91.07	-2.19
Current ratio	0.46	0.73
Debt Equity ratio	-4.35	-16.33
Operating Profit margin	-226.0%	-134.0%
Net Profit margin	-171.0%	-145.7%
Return on Net Worth	N/A	-1061.8%

RISK MANAGEMENT

Your Company's Risk management setup was strengthened during CIRP. Your Company had a Risk Management Committee (RMC), which comprised of senior management team of the Company. Further, Operational Risk Management Committee (ORMC), Credit Risk Management Committee (CRMC) and Information Security Committee (ISC) that comprised of members of its senior management team was also established. During the financial year 2020-21, these committees were meeting on a periodic basis to assess the risk management system and the emergent risks your Company is exposed to during the year under review. Your Company had appointed a CRO in compliance to the RBI guidelines and was reporting to the Chief Executive Officer.

During the year under review, your Company strived to manage its risk in a proactive manner and had 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 had put in place an Enterprise Risk Management (ERM) Policy which covered a formalized risk management structure, along with other aspects of risk management i.e. Credit Risk management and Operational Risk management and reference to independent Information Security Management System (ISMS), Fraud Risk, Market Risk and Liquidity Risk management policies. Your Company being an ISO 27001 certified organization and surveillance audit was conducted by BSI-India. ISO 27001 certification was retained successfully.

During the year under review, the RMC of your Company, on periodic basis, assessed the risk management systems, processes and risk minimization procedures of your Company. During the financial year under review, the ERM policy of your Company was revised to align the same with the changing business environment.

During the year under review, Internal Audit Department of your Company, which provided 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 used to be placed before the Advisory Committee and adherence to the plan was reported quarterly to the Advisory Committee. Compliance status of audit observations and follow up actions thereon was reported to the Advisory Committee. The Advisory Committee used to review and evaluate adequacy and effectiveness of your Company's internal control environment and monitored the implementation of audit recommendations.

During the year under review, the Internal Audit function continued to report to the Head Internal Audit who was also appointed as the Chief Risk Officer (CRO) of your Company as an interim arrangement during the CIRP period. Internal Audit function was accountable to the Board of Directors through the Chairman of the Advisory Committee through the Administrator. Internal audit also assisted the management in identifying operational risks for revenue leakage and opportunities for cost savings and revenue enhancements; ensured working within the regulatory and statutory framework and facilitates early detection and prevention of frauds. To enhance the capabilities of the Internal Audit function and assisting in the completion of audits as per the annual audit plan, a Chartered Accountants firm specializing in Governance, Risk & Compliances and having 4 decades of experience in the field of Auditing was on- boarded to co-source the audits.

In accordance with Section 134(5)(e) of the Companies Act, 2013 regarding Internal Financial Controls (IFC), your Company has, during the financial year under review, developed the IFC Framework and designed the Risk and Control Matrices (RCMs) as part of the IFC framework for all the material items impacting the financial statements of your company. A total of 927 controls and 64 Entity level controls have been documented in the RCMs. Your Company had also established a process of testing the effectiveness of the controls as part of the process of ensuring compliance with the IFC framework and appointed a professional firm to undertake the testing of internal financial controls.

HUMAN RESOURCES

Employees are one of the most important asset for your Company and during the year, your Company had taken several initiatives to strengthen the human resource base. Amidst the ongoing COVID-19 pandemic, and the resultant lockdowns thereof, your Company ensured that the transition from face-to-face interface to remote working was smooth and with minimal disruption to employees. Your Company activated a Business Continuity and Employee Safety Plan to ensure compliance with all national and local guidelines, and at the same time maintained continuity of business and other operations. The investments made in technology in the past helped and your Company was able to transition to a digitally connected ecosystem seamlessly. During the year, your Company created internal support systems to reach out to every employee suffering from COVID-19, extending it to the members of their family as well.

During the year under review, your Company also actively encouraged cross utilization of resources to avoid the need for 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 deploy manpower productively. During this period, your Company also re-assessed all its internal processes to strengthen them to maintain business readiness for the next stage of growth.

The ongoing COVID-19 pandemic further added to the need of having an ongoing engagement with the employees and during the year under review your Company had taken several measures to ensure that there is continuous dialogue at various levels to keep the employees motivated and ensure two-way communication. This had ensured that 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.

During CIRP period, your Company also took proactive measures to ring-fence critical talent through a Deferred Incentive Plan which helped your Company to reduce attrition significantly, and has also created a positive impact on business operations and continuity. As on March 31, 2021, your Company's total workforce was 1,836 as against 2,179 on March 31, 2020.

OUTLOOK

As stated earlier in this report, the Reserve Bank of India (RBI) had 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 as the Administrator of your Company. The present management of your Company 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 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.

Report on Corporate Governance

In pursuance of applicable provisions, a Report on Corporate Governance for the Financial Year 2020-21 is presented below:

1. YOUR COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company'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 superseded the erstwhile 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 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 your Company in discharge of his duties.

The members of the Advisory Committee were 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. N. S. Venkatesh, Chief Executive, Association of Mutual Funds of 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 the Company and confirmed the appointment of the Administrator to perform all the functions of resolution professional to complete the CIRP.

The Hon'ble NCLT vide the Order passed on June 7, 2021 (uploaded on its website on June 13, 2021) (Plan Approval Order), approved the Resolution Plan submitted by PCHFL and as approved by the COC for the corporate insolvency resolution of the Company, under Section 31 of the Code 2016. Further details in respect of CIRP of your Company are provided in the Board's Report (Report of the Advisory Committee chaired by the Administrator)

The Administrator continued to discharge the role and responsibility of the resolution professional under the Code until the directions as per the Plan Approval Order were complied with till June 23, 2021.

Further, upon the approval of the Resolution Plan by the Plan Approval Order and compliance with the directions of Hon'ble NCLT in the said Order, the purpose of the RBI constituting the Advisory Committee as per RBI press release dated November 22, 2019, to advise the Administrator in the operations of the Company during the CIRP and to assist him for discharging his duties was fulfilled. Therefore, the Advisory Committee was dissolved and the same was also intimated to the Members of the Advisory Committee.

In accordance with the terms of the Resolution Plan and the Plan Approval Order, a Monitoring Committee had been constituted for conducting the affairs of your Company and supervising the implementation of the Resolution Plan (Monitoring Committee).

The Administrator had agreed to be a member of the Monitoring Committee and he was elected by the Monitoring Committee members to act as the Chairman of the Monitoring Committee, in the first Monitoring Committee Meeting held on June 24, 2021. The members of the Monitoring Committee were Mr. R. Subramaniakumar, Administrator (Expert Member) & Chairman of the Committee (Elected by the Committee Members); Ms. Sugandhi Iyer - General Manager, State Bank of India, Member; Mr. Vipin Shukla - Deputy General Manger – Union Bank of India, Member; Mr. R. K. Kulkarni – Director - Catalyst Trustee Limited, Member; Mr. Khusroo Jijina - Managing Director – Piramal Capital & Housing Finance Limited, Member; Mr. Jairam Sridharan - Chief Executive Officer – Piramal Capital & Housing Finance Limited, Member; Mr. Ashok Kacker – Retired Chief Commissioner of Income Tax, Former Executive Director of SEBI, Observer cum Permanent Appointee as per Plan Approval Order.

As per the Plan Approval Order, the management and control of the Company was vested with the Monitoring Committee during the period between the NCLT Approval Date i.e. June 7, 2021 and until the implementation of the Resolution Plan.

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

Board Composition & Meetings of Board and Committee

Upon supersession of the Board of Directors of your Company by RBI on November 20, 2019, and initiation of CIRP in respect of your Company vide Hon'ble NCLT Order dated December 3, 2019, Mr. R. Subramaniakumar as the Administrator of your Company is vested with powers of the Board of Directors. Since, your Company did not have any Board of Directors during the financial year 2020-21, no board meetings were held.

Accordingly, the disclosures pertaining to the Board of Directors, Board Meetings, relationship between Directors inter-se, shares and Convertible Instruments held by Non-Executive Directors, separate meeting of Independent Directors, familiarization programme for Independent Directors, Board qualifications and attributes and other disclosures pertaining to the Board of Directors were not applicable to your Company for the financial year 2020-21.

In view of the same, the Company also did not have any Board Committee during year under review.

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 had been conforming to the Secretarial Standard as applicable to the Company during CIRP Period.

3. GENERAL BODY MEETINGS

Details of past three Annual General Meetings held by your Company

Meeting	Date and Time	Location	Details of special resolution
36th AGM	Wednesday, September 30, 2020 at 10 a.m.	In view of the global COVID-19 pandemic, the Ministry Corporate Affairs (MCA) 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 Circulars), had 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 your Company was held through Video Conferencing /Other Audio Visual Means.	No Special Resolution was passed.
35th AGM	Saturday, September 28, 2019 at 2.30 p.m.	M C Ghia Hall, Bhogilal Hargovindas Building, 4th Floor, 18/20, K. Dubash Marg, Mumbai 400 001	1. Increase in Authorized Share Capital and Alteration of Memorandum of Association of the Company. 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 Directors 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	Wednesday, 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.	Issuance of Non-Convertible Debentures on Private Placement Basis.

Details of Shareholders complaints/grievances received

During the financial year 2020-21, your Company received 31 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 all the complaints were addressed by your Company during the Financial Year 2020-21.

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, 2021. During the year ended March 31, 2021, your Company received 391 complaints from its debenture holders and all the complaints stand addressed as at the year ended March 31, 2021.

Details of Postal Ballots conducted by the Company

During the year 2020-21, your Company did not conduct any Postal Ballot.

Details of Proposed Postal Ballots

No special resolution through Postal Ballot is proposed to be conducted on or before the ensuing Annual General Meeting.

4. MEANS OF COMMUNICATION

During the Financial Year 2020-21, the primary source of information to the shareholders, customers, analysts and to the public at large was through the erstwhile website of your Company. Your Company presently maintains a functional website i.e. www.dhf.com 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, periodic financial 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 periodic financial results of your Company are published in leading newspapers namely Financial Express, Navshakti, Lokmat and other leading newspapers.

During the year under review, half yearly communications as required under Regulation 52 of SEBI Listing Regulations were sent to the debenture holders by your Company which inter-alia, includes half yearly/ annual financial results etc.

5. GENERAL SHAREHOLDERS INFORMATION

<table>
<tr><td>i. Date, Time and Venue of the 37th AGM</td><td colspan="2">The date, time and venue of the 37th Annual General Meeting of your Company will be decided and Notice will be sent to shareholders.</td></tr>
<tr><td>ii. Financial Year</td><td colspan="2">The financial year of the Company is April to March.</td></tr>
<tr><td>iii. Name and address of the Stock Exchanges on which the securities i.e. Equity and Debentures of the Company are listed</td><td>National Stock Exchange of India Ltd. (NSE)
Exchange Plaza, Bandra – Kurla Complex,
Bandra (East), Mumbai 400 051
Stock Code – DHFL</td><td>BSE Limited (BSE)
Phiroze Jeejebhoy Towers
Dalal Street, Fort, Mumbai 400 001
Stock Code – 511072</td></tr>
<tr><td></td><td colspan="2">As your Company is undergoing CIRP, your Company is in the process of paying the listing fees for the FY 2021-22, to both the stock exchanges.</td></tr>
</table>

Your Company has sent the intimation / application to BSE Limited and National Stock Exchange of India Limited with respect to delisting the Equity Shares and Non-Convertible Debentures of your Company as envisaged in the approved Resolution Plan. The delisting of Equity Shares and NCDs is yet to take effect. However, BSE and NSE have suspended the trading of Equity Shares and NCDs of your Company with effect from June 14, 2021 and July 29, 2021, respectively.

iv. The ISIN Number for Equity Shares of the Company is INE202B01012.

v. Date of Book Closure, if any, will be decided.

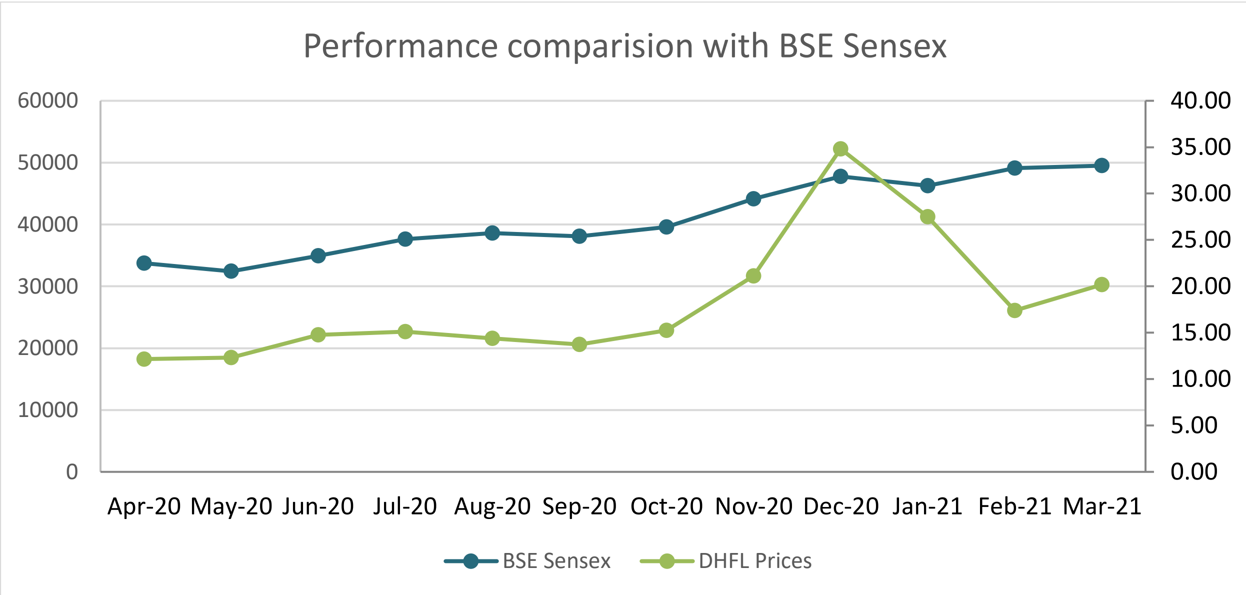
vi. Market Price Data

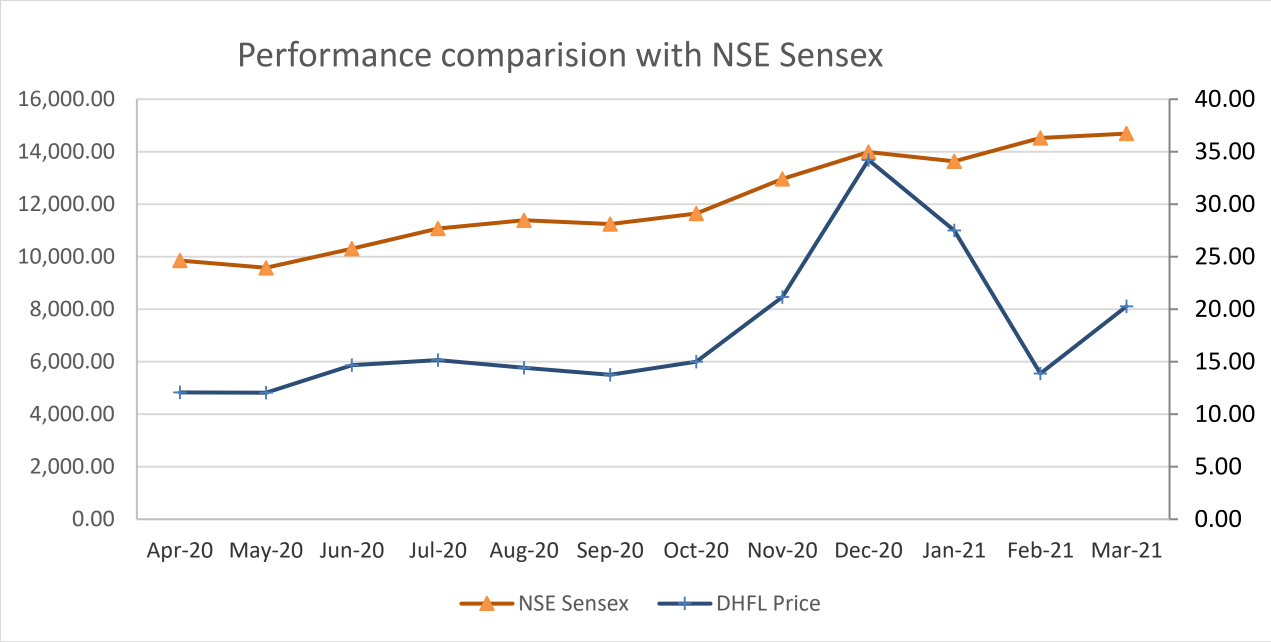
The monthly high and low closing prices during the Financial Year 2020-21 along with the volume of shares traded at BSE and NSE are as follows :-

Month	BSE - Price				NSE – Price			
	High	Low	Avg. Price	Quantity Traded	High	Low	Avg. Price	Quantity Traded
Apr-20	15.93	8.40	12.16	42,00,000	15.80	8.35	12.07	3,09,87,147
May-20	13.65	10.93	12.30	29,00,000	13.25	10.85	12.05	2,51,46,860
Jun-20	17.75	11.75	14.75	97,00,000	17.60	11.75	14.67	5,28,56,757
Jul-20	17.00	13.25	15.12	39,00,000	17.00	13.30	15.15	2,88,75,854
Aug-20	15.74	13.05	14.39	63,00,000	15.65	13.20	14.42	3,04,97,251
Sep-20	15.35	12.11	13.73	26,00,000	15.20	12.30	13.75	1,77,80,752
Oct-20	18.48	12.01	15.24	1,25,00,000	18.35	12.05	15.02	4,37,02,919
Nov-20	27.05	15.20	21.12	97,00,000	27.05	15.25	21.15	4,22,44,993
Dec-20	43.00	26.65	34.82	2,41,00,000	42.85	25.60	34.22	10,96,87,012
Jan-21	32.65	22.35	27.50	1,53,00,000	32.60	22.40	27.50	7,82,56,463
Feb-21	21.25	13.55	17.40	75,00,000	14.20	13.55	13.87	5,12,02,645
Mar-21	25.05	15.30	20.17	1,20,00,000	25.05	15.50	20.27	5,16,37,529

(Sources: www.bseindia.com and www.nseindia.com)

vii. **Performance in comparison to broad-based indices**





viii. **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 Rs. 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

The details of Registrar and Share Transfer Agents of the Company during the financial year 2020-21 are given below:

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, 2021**

Shareholding of nominal Value of	**Shareholders**		**Share Amount**	
In Rs.	**Number**	**% to Total**	**In Rs.**	**% to Total**
Upto 5,000	2,87,097	83.85	35,07,53,230	11.18
5,001 to 10,000	27,299	7.97	21,74,82,120	6.93
10,001 to 20,000	14,830	4.33	22,30,74,210	7.11
20,001 to 30,000	4,897	1.43	12,47,42,870	3.98

30,001 to 40,000	2,306	0.67	8,30,05,490	2.65
40,001 to 50,000	1,797	0.53	8,49,43,270	2.71
50,001 to 1,00,000	2,570	0.75	18,89,62,280	6.02
1,00,001 and above	1,620	0.47	1,86,52,66,770	59.44
Total	**3,42,416**	**100.00**	**3,138,230,240**	**100.000**

xii. **Shareholding Pattern of the Company as on March 31, 2021**

Category	No of Shares	% of Shareholding
Promoters and Persons acting in concert with promoters[1]	12,30,49,714	39.21
Bodies Corporate	40,02,139	1.28
Government Companies	2,000	0.00
Mutual Funds	38,100	0.01
Foreign Portfolio Investor (Corporate)	60,15,434	1.92
NRI	44,58,569	1.42
Financial Institutions / Banks	1,07,94,576	3.44
Individual	157,983,622	50.34
Trusts	s20,339	0.01
Others- Clearing Members	3,226,845	1.03
Hindu Undivided Family	4,042,801	1.29
NBFCs registered with RBI	400	0.00
IEPF	1,88,485	0.06
Total	**31,38,23,024**	**100**

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**

Your Company's equity shares are in the list of compulsory demat settlement by all the investors. As on March 31, 2021, 99.75% of the total issued share capital of your Company representing 31,30,37,269 equity shares were held in dematerialized form and the balance 0.25% representing 7,85,755 equity shares were held in physical form by the shareholders of your Company.

xiv. **Outstanding GDR or ADR or warrants or Convertible instruments, conversion date and likely impact on equity.**

As at March 31, 2021, 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 was not exposed to any commodity price risk during the financial year 2020-21. However, your Company had made borrowings in the form of External Commercial Borrowings (ECBs) during earlier period and had 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 at Note No. 42 of the audited (standalone) financial statements.

xvi. **Plant Locations**

As your 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 (the Report of the Advisory Committee chaired by the Administrator) forming a part of this Annual Report.

xvii. **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, which are acted upon within 24 hours of receipt of query.

Correspondence address of Debenture Trustees are as below:

Catalyst Trusteeship Limited	**IDBI Trusteeship Services 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	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

xviii. **List of Credit Rating obtained by the Company during the financial year 2020-21 and any revisions thereof**

On June 4, 2019, on account of the a delay in repayment of dues by your Company to some of the holders of Non- Convertible Debentures (NCDs), the credit rating was downgraded to Default grade by CRISIL Limited, Brickwork Ratings India Private Limited, CARE Ratings Limited and ICRA Limited.

7. OTHER DISCLOSURES

i. **Related Party Transactions**

The details related to the related party transactions are provided in the Board's Report (the report of Advisory Committee chaired by the Administrator). Your Company has formulated a Related Party Transaction Policy. 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

ii. **Disclosure of utilization of funds raised through preferential allotment or qualified institutions placement**

During the financial year 2020-21, your Company did not raise funds through preferential allotment or qualified institutions placement.

iii. **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.**

SEBI, vide Adjudication Order SR/SM/2020-21/7791/25 dated 29.05.2020 ('SEBI Order') had imposed penalty of Rs. 20,00,000/- (Rupees Twenty Lakhs only) on the Company for violation of provisions of regulation 16(1) of ILDS Regulations read with rule 18(7)(b)(ii) and rule 18(7)(c) of Companies (Share Capital and Debentures) Rules, 2014 and regs. 52(1) and 52(4) of LODR Regulations, broadly relating to maintenance of DRR and DRF. However, the Company filed an appeal before SAT (Appeal No. 196/2020) for the penalty imposed by SEBI. SAT, vide Order dated October 09, 2020 ('SAT Order') quashed the SEBI Order. SEBI has filed an appeal to the Supreme Court against the SAT Order (CA No. 3963 of 2020). The said matter is presently pending before Hon'ble Supreme Court and the Company has not paid the penalty amount.

There were no strictures or penalties imposed on your Company by the Stock Exchanges or SEBI or any other statutory authority, on any matter relating to capital market, during the financial year 2019-20 and 2019-18.

Details of penalties imposed on your Company during the financial year ended March 31, 2021 and March 31, 2020 by regulatory authorities are provided in Form No. MGT-9 for the respective years, and the said Form MGT-9 are available on the website of your Company at the URL www.dhfl.com and 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 2018-19 as per Form MGT 9 annexed to the Board's Report of your Company for the said financial year, no penalties were imposed on your Company

iv. **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.

It is affirmed that post commencement of CIRP with effect from 3rd December, 2019, no personnel was denied access to the Administrator.

v. **Details of non-acceptance of any recommendation given by committee of the Board, wherever mandatory, during the Financial Year 2020-21.**

As stated earlier in this Report, since your Company did not have Board of Directors during the Financial Year 2020-21, details of non-acceptance of any recommendation given by committee of the Board during financial year 2020-21 was not relevant.

vi. **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**

Details of 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 2020-21 is given below:

(Rs. in Lakh)

Particulars	K. K. Mankeshwar & Co. And Their network entities
Fees for audit and related services	180
Other Fees	22
Total	**202**

vii. **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	Nil
Number of Complaints disposed of during the financial year	Nil
Number of Complanits pending as on end of the financial year	Nil

viii. Code of Conduct for the Board of Directors and the Senior Management

As stated earlier in this Report, your Company did not have Board of Directors during the Financial Year 2020-21. Before the supersession of the Board of Directors by RBI on November 20, 2019, during the financial year 2020-21, 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 Senior management personnel with the Company as on March 31, 2021 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 Managing Director forms a part of this Annual Report.

ix. Web link for Material Subsidiary Policy:

The Material Subsidiary Policy of the Company is available at URL: https://www.dhfl.com/docs/default-source/investors/policy-on-determining-material-subsidiary/policy-on-determining-of-material-subsidiary.pdf

x. **Certificate of Non-Disqualification of Directors**

As stated earlier in this Report, your Company did not have Board of Directors during the Financial Year 2020-21. Hence, Certificate of Non-Disqualification of Directors is not applicable to your Company for the financial year 2020-21.

xi. **Compliance with Corporate Governance Requirements**

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**

The quarterly results and the Annual Results during and for the financial year 2020-21 were compiled to meet the periodic disclosure requirements and were submitted with necessary disclosures/disclaimers in the Financial Statements as well as in the Auditor's Report; with resultant modification in CEO/CFO Certification.

xiii. Auditors Certificate on Corporate Governance

The certificate issued by Ms. 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 Annexure 7 to the Board's Report (the 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

It is hereby, confirmed and declared that in terms of Regulation 26 (3) of SEBI Listing Regulations all the Senior Management Personnel of your Company as on March 31, 2021 have affirmed compliance with the "Code of Conduct for the Board of Directors and the Senior Management Personnel", for the Financial Year 2020-21.

Place: Mumbai
Date: August 31, 2021

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 and thereafter, in 2019 the top 1000 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.

The Company was part of the top 1000 listed entities as on March 31, 2020, hence, it has incorporated the Business Responsibility Report (BRR) as part of this 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

4. **Website:** www.dhfl.com

5. **E-mail id:** secretarial@dhfl.com

6. **Financial Year reported:** 2020-21

7. **Sector(s) that the Company is engaged in (industrial activity code-wise): During the year ended March 31, 2021 -** NIC Code – 64192 - Activities of specialized institutions granting credit for house purchases that also take deposits.

8. **List three key products/services that the Company manufactures/provides (as in balance sheet**
   - Housing Loans
   - Other property Loans

9. **Total number of locations where business activity is undertaken by the Company:**

   a) **Number of International Locations (Provide details of major 5)** – The Company had international representative offices located in London and Dubai. During the year under review, the Company closed down international representative office located at Dubai and representative office in London is in the process of closure announcement.

   b) **Number of National Locations** – As on March 31, 2021, the Company's business operations take place in 293 locations throughout India which includes 181 Branches, 88 Micro Branches, 17 Zonal/ Regional/CPU Offices, 4 Disbursement Hubs, 1 Registered Office, 1 Corporate Office and 1 National Office.

10. **Markets served by the Company**

    As on March 31, 2021, the Company had a pan-India network grouped into zones and regions located across the length and breadth of the country. The distribution network in India is mainly spread across Tier II and Tier III cities and towns. Additionally, The Company also has its registered and national offices in Mumbai.

Section B: Financial Details of the Company (as on 31.03.2021)

1 **Paid up Capital (INR)**

Rs. 313.82 crore.

2. Total Turnover (INR)

Rs. 8,802.79 crore

3 Total loss after taxes (INR)

Rs. -15,051.12 crore

4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):

The Company had been incurring losses during the last three financial years. The loss suffered by the Company during the year under review was Rs. 15,051.12 crore vis-à-vis loss of Rs. 13,612.32 crore for the financial year 2019-20.

Considering the special circumstances that the Company was in CIRP during the period under review and as it had failed to repay the dues to its deposit holders, lenders and other creditors since 2019, an exemption was sought by the Company from Ministry of Corporate Affairs (MCA) vide its letter dated April 12, 2021 with respect to the obligations under the provisions of Section 135 of the Companies Act, 2013 while CIRP was ongoing. Further, follow-up request in this connection was sent to MCA on April 30, 2021. The 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:

While the Company could not spend any amount towards CSR during the year under review, the activities where the Company has focused its efforts and funds towards CSR activities during last several years 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 ended March 31, 2021.

Section C: Other Details

1 Does the Company have any Subsidiary Company/ Companies?

As on March 31, 2021, the Company had 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).

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 had furthered the Company's CSR Vision and had facilitated implementation of high impact initiatives through multi-stakeholder partnership; covering government and non-government organisations.

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 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. Accordingly, the Company did not have the Board of Directors during the financial year under review.

2. Principle-wise (as per NVGs) BR Policy/policies (Reply inY/N)

Sl. 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*

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 If answer to S. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sl. No.	Particulars	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	NOT APPLICABLE								
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 required each employee, Director and business associate to abide by the various policies as outlined in the COBE so that reputation of the Company remained intact and the Company delivered as per the expectations of the stakeholders. Code of Conduct for Board and Senior Management as well as the Fair Practice Code and Whistle Blower Policy were 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 was a mechanism to ensure that all distributors, brokers and other third party partners comply with the norms of the Company.

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 year under review, the Company had received 31 complaints from its shareholders and relating to non-receipt of share transfer/bonus certificate, non-receipt of dividend, non- receipt of annual report etc. All the complaints were addressed at the end of the financial year. The Company also received 279 complaints from fixed deposit holders and 391 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

The Company had taken concerted efforts in the realm of sustainable products in terms of providing housing loans for the Lower Middle Income (LMI) segment. These products were 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 Company's home loan portfolio is below Rs. 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, the Company 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 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") were 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?**

   During the year under review, as the Company had been in the business of providing financial services and was not involved in any manufacturing activities, there were 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 a 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

The Company being in the services industry, employees are key assets and are significant in driving business growth. Well-being programs lead to a significant increase in overall productivity of employees.

The Company 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, 2021, there were 1,836 permanent employees in the Company.

2 **Please indicate the Total number of employees hired on temporary/contractual/casual basis.**
During the year under review, there were no employees hired on temporary/casual basis. However, as on March 31, 2021, the Company had 2,147 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 236 women employed in the Company as on March 31, 2021

4 **Please indicate the Number of permanent employees with disabilities.**
There were 7 employees with disabilities as on March 31, 2021

5 **Do you have an employee association that is recognized by management?**
No such associations existed during the year-end review.

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 assures a resolution or response to their concerns. As per the grievance handling mechanism during the year under review, employees could make use of the intranet to disclose their grievances. Moreover, the Company had 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.

Sl. 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 the Company 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.

During the year under review, the Company’s Human Resources initiatives and Learning & Development systems were 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	103%
Permanent Women Employees	100%
Casual / Temporary /Contractual Employees	108%
Permanent employees with Disability	100%

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 looked 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 had designed its efforts along the focus areas of

   - Women empowerment and skilling
   - Early childhood care & education
   - Village development through awareness and resource efficient practices

During the year under review, the Company had not spent any amount towards CSR.

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 had been undertaking Corporate Social Responsibility (CSR) initiatives to promote the enrichment of the society in a strategic, collaborative manner. DHFL Changing Lives Foundation, incorporated in December 2017, had 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 had over the years taken the mantle of implementing the Company's "Project Sneh" – flagship initiative under Early Childhood Care and Education. Other CSR programmes including Financial Literacy, Skills Development, Rural Development with focus on Drought Mitigation and Elder Care were implemented by the Company with reputed NGOs.

Principle 5 (P5): Businesses should respect and promote human rights

Respecting human rights is fundamental in the Company's business operations and is closely linked to advancing the long-term, sustainable development of the organization. Appropriate steps had been taken to ensure no discrimination takes place either during the recruitment process or in the due course of employment at the Company. 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?**

The Company'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.

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 the Company 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 risks at an early stage and mitigate the risks by employing innovative and efficient technology solutions focusing on areas e.g. renewable energy utilization and waste minimization.

The Company 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 provided guidance to safeguard the environment and support economic growth by continually improving sustainability performance across value chain. The Policy outlined expectations from employees, the external business associates and other relevant stakeholders to ensure environmental integrity of business operations.

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 the Company still has a role to play in ensuring that the indirect impact of our activities do not harm the environment. The Company 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 conscious 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 the Company 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, The Company 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 had in the past supported 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 had driven 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?** The Company has not implemented any CSR programme in FY 2020-21.

Hence, no impact assessment done for the year under review.

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 had spent towards its CSR programmes.

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.**

The Company being keen on ensuring the adaptability of projects in the communities, in the past, it had planned the exit timelines before beginning the project. In doing so, it was 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 had 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, in the past, the Company's financial literacy app, under the banner of the Company Haqdarshak had provided a robust digital platform for community workers to facilitate and connect beneficiaries to government welfare schemes.

- The Company's flagship programme under Early Childhood Care & Education, implemented by DHFL Changing Lives Foundation, had featured as a case study in the report published by Springer Publication in February 2020.

Principle 9 (P9): Businesses should engage with and provide value to their customers and consumers in a responsible manner.

The Company 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, 2 complaints were pending [out of total 3,775 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 the Company 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 surveys at regular intervals. 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 to address the root causes.

During the year under review, the minutes of these Committee Meetings were reviewed by the Advisory Committee at regular intervals.

Standalone Financial Statements

For the year ended 31st March, 2021

DEWAN HOUSING FINANCE CORPORATION LIMITED

K.K.MANKESHWAR & CO.

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K.K. MANKESHWAR & CO.
CHARTERED ACCOUNTANTS

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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 accompanying standalone financial statements of Dewan Housing Finance Corporation Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2021, 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 (hereinafter referred to as the "Standalone Financial Statements").

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

We have issued Disclaimer Reports basis the observations forming part of the report for the financial year ended 31st March, 2020. The predecessor joint auditors had also issued a 'Disclaimer Report' for the year ended 31st March, 2019. The status update of the observations reported together with the observations noted for the financial year ended 31st March, 2021 is as below:

1. We refer to Note No. 51 to the Standalone Financial Statements regarding that the Administrator, Advisors and Key Managerial Personnel ("KMPs" or "Present Management") have taken charge with effect from 21th November 2019 and have relied on information, data, clarifications and views provided by the existing staff of the Company for the purposes of the Standalone Financial Statements. The Company has initiated appropriate actions on the basis of reports submitted by Transaction Auditor such as filing of application with NCLT and submission of Fraud Monitoring Reporting (FMRs) to National Housing Bank (NHB)/RBI and filing of complaint with appropriate authorities. The Company has also taken into consideration the fair value of wholesale loan portfolio as per cash flows which are part of the valuation reports submitted by valuer appointed under IBC while calculating the fair value of wholesale loan portfolio during the year ended on 31st March, 2021. Only when the complete outcome and impact of ongoing investigations are known, the accuracy and completeness or otherwise of the data can be known. Further, the Administrator and the KMPs have signed the Standalone Financial Statements solely for the purpose of compliance and discharging their duties during CIRP period of the Company and in accordance with the provisions of the Code, 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.

2. We refer to Note no. 50 to the Standalone Financial Statements regarding the Administrator and the Advisory Committee members along with the KMPs, upon their taking charge have taken various efforts to improve the operational, financial and managerial efficiency of the Company with the support of the employees of the Company. In this regard, various initiatives to strengthen the financial/lending

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policies and processes, functioning of the IT system; legal audit of material loan documents, establishing risk management framework, updating internal financial controls and updating risk controls matrices, strengthening internal audit control through in-house resources and engagement of external professional experts/consultants have been undertaken. Various actions to ensure comprehensive compliance with various applicable rules and regulations during this period have also been undertaken. While substantial progress has been made by concluding some of the initiatives including legal audit as well, some of these could not be fully concluded and implemented by 31st March, 2021 due to the ongoing pandemic and therefore, various activities continue to be ongoing.

However, with regard to the legal audit, it is informed that the legal audit is completed. Further as also informed the legal audit was done for internal consumption having no bearing on financials of their findings and the legal audit report has not been provided to us.

In view of the above, we have been unable to obtain sufficient appropriate evidence in support of the outcomes of the said initiatives and their likely impact upon the overall governance / control environment within the Company and with regard to the legal audit, due to non-availability of the legal audit report we are unable to comment on the possible consequential effects arising therefrom.

3. We also refer to the "Written Representations" by Present Management and its limitations and inability thereof in confirming or non-confirming the assertions 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 Note no. 53 to the Standalone Financial Statements together with multiple issues of financial significance as highlighted in our audit report for the year ended 31st March, 2020 and in context of the suspected irregularities as reported and under media scrutiny. These issues are presently investigated by the concerned agencies namely Ministry of Corporate Affairs (MCA) 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 the Company to certain borrowers. The Central Bureau of Investigation (CBI) has also initiated investigation in connection with certain loans 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 and few other cases. As of the date of this report, investigations are ongoing together with transactions audits performed by independent agencies/firms appointed by the Administrator. We also noted 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 and otherwise. These investigations are informed as not yet fully completed; and with no outcomes being communicated by the reported fraudulent transaction referred to in '5' below are made in the Standalone Financial Statements in respect of the said reported matters. Further regarding the Special Review by an external professional firm assigned by lending banks, the final report is still awaited.

In view of the above, we are unable 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 so far.

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5. We refer to the Note no. 7.12 to the Standalone Financial Statements on findings of the Transaction Avoidance Auditor's Report under Section 66 of the Code covering certain transactions undertaken by the Company in the past has been filed before Hon'ble NCLT, Mumbai. During the year as on 31st March 2021 amounting of Rs. 40,35,470 lakh have been identified and reported by the Company to Stock Exchanges and National Housing Bank (NHB)/RBI as fraudulent, undervalued and preferential in nature. The Company has made the provisions of entire amount in respect of all such transactions, as per NHB/RBI guidelines on 'Provisioning Pertaining to Fraud Accounts'. We have requested for the copy of the said report to allow /enable us to verify and validate the completeness and correctness of the quoted Note no. 7.12. However, we have been informed the said report of the Transaction Audit is exclusively meant for Administrator and NCLT and is accordingly not provided to us.

   In view of the foregoing and due to non-availability of the transaction audit report, we are unable to comment upon the completeness; correctness and adequacy / inadequacy of the underlying security covers; and of such provisions and their possible consequential effect/ impact arising therefrom.

6. In respect of certain loans granted or invested by the Company wherein with regard to deficiencies in documentation/ securities of Project / Mortgage Loans/ Inter Corporate Deposit, the Present Management has earlier expressed its inability to express any view on the documentation adequacy / completeness till the conclusion of the legal audit which is now informed to have been completed.

   Further as also informed the legal audit was done for internal consumption having no bearing on financials of their findings and the legal audit report has not been provided to us and the Present Management continue to not express any view on the documentation adequacy / completeness.

   In view of the above and due to non-availability, the legal audit report we are unable to comment on the loan/ security(ies) documentation and the possible consequential effects arising therefrom.

7. We refer to the Note no. 59 to the Standalone Financial Statements regarding the total wholesale loan portfolio including interest receivable aggregating Rs. 54,24,862 lakh (pursuant to classification of this portfolio to "held for sale" in the year ended 31st March 2019) has been "fair valued" as at 31st March 2021 at Rs 9,42,093 lakh, with the resulting fair value loss aggregating Rs 44,82,769 lakh, which factors the outcome of valuation exercise carried out under IBC. The recoverability or otherwise of these loans is yet to be ascertained and hence the provision has been made by the Present Management as a prudent measure.

8. The net worth of the Company is fully eroded rendering the Company unable to comply with the regulatory requirements of RBI in respect of the Net Owned Fund (NOF) and which also resulted in multiple contraventions of the provisions of RBI Master Directions - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021, 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 are not 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 above, the Company on 24th December, 2020 had represented to RBI to permit forbearance for the Company in relation to such requirement, as the Company was under Corporate Insolvency Resolution Process (CIRP). As advised by RBI on 5th February, 2021 the Company had been allowed to submit

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the compliance roadmap through the successful Prospective Resolution Applicants (PRA), after implementation of the resolution plan.

9. We refer to Note No. 57 to the Standalone Financial Statements regarding that the Company has not made any provision for interest on borrowings amounting to Rs. 7,65,155 lakh for the year ended on 31st March 2021, in view of the Company's current CIRP process. 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. Had the interest was accrued on borrowings and provided for, the loss for year ended 31st March,2021 would have been higher by Rs 5,69,046 lakh respectively (net of tax).

   As an opinion is confirmed in finality by the competent authority only when concluding the matter, we are unable to comment upon the position being taken by the Present Management in this regard.

10. The Company continues to follow the ECL Policy as determined in the last year, which also included the approach to be followed by the Company for the subsequent years, for the year ended 31st March 2021 without considering any consequential effects of the changing business conditions and overall economic scenario during the year. In view of the same we are unable to comment upon the financial impact, if any, on the Standalone Financial Statements arising thereof due to the same.

11. We refer to Note no. 56 to the Standalone Financial Statements regarding that the Company has a balance of Rs.10,20,962 lakh as deferred tax asset as on 31st March, 2021. 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 outcome of the CIRP, we are unable to comment on the same.

12. We observed that the 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 assets under development. The Company has capitalized Rs 3,415 lakh to Software Asset and charged Rs 870 lakh to the Statement of Profit and Loss during the year and remaining carrying value of Rs. 6,232 lakh has been shown as under "Intangible Assets under development". However, 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, its development cost and adjustments arising thereof, if any, and we are therefore unable to comment upon their consequential effects to the Standalone Financial Statements.

13. In view of the possible effects of the matters described in paragraphs 1 to 12 above, we are also unable to comment on the Company's compliance of the covenants in respect of all borrowings and consequential implications including disclosures, if any.

14. We refer to Note no. 54 regarding that the Administrator has filed an application under Section 30(6) of the Code for submission of resolution plan of Piramal Capital

& Housing Finance Limited (PCHFL) as approved by the Committee of Creditors with the Adjudicating Authority i.e. Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench on 24th February 2021 post receipt of No objection from Reserve Bank of India as per Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019.

We have not been provided with a copy of the said application together with relevant details and we are therefore unable to comment whether or not the CIRP outcomes require any accounting adjustments to be made in the attached Standalone Financial Statements on account of business impairment or otherwise following the business value now becoming known in definitive terms; and the consequential effect that such adjustment/s, if any, could carry on the attached Standalone Financial Statements if required to have been made.

15. In view of the foregoing, we have been unable to obtain sufficient appropriate evidence to support the values of the loans and are unable 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, appropriateness of classification of loans, assets, restatement, related parties and other disclosures and compliances, as applicable. Further the loans referred in above paragraphs may not have been properly secured and 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.

16. We refer to Note no. 52 to the Standalone Financial Statements regarding that in certain instances, the amount of the claim admitted under CIRP may differ from the amount reflecting in the books of accounts of the Company. The Standalone Financial Statements are drawn on the basis of figures appearing in the books of accounts of the Company as on 31st March 2021. As also stated, these figures may be interpreted solely for the purpose of satisfying the regulatory requirements for preparing yearly standalone financial statements and these figures could undergo changes during the CIRP or thereafter depending upon the findings. Pending final outcome of the CIRP, no adjustments, including of the effects arising due to changes in foreign exchange rates except for regrouping and recharacterization adjustments identified during the year, have been made in the Standalone Financial Statements and books of account for the differential amounts including for the amounts short/unclaimed, if any, in the claims admitted as on the date of acceptance of claims.

In view of the above we are unable to comment upon the completeness and correctness of such accounts and the consequential effect of the adjustments arising thereof on the Standalone Financial Statements.

17. We refer to Note no. 55 to the Standalone Financial Statements which explains that consequent to the outbreak of the COVID-19 pandemic, the Central Government in India had declared a national lockdown in March, 2020, through various notifications. Subsequently, the national lockdown was lifted by the central government, but regional lockdowns continue to be implemented in areas with a significant number of COVID-19 cases. However, with various working measures, the Company has been making efforts to restore its normal operations. The extent to which the COVID- 19 pandemic, including the current "second wave" that has significantly increased the number of cases in India, will impact the operation of the company, will depend on the ongoing as well as future developments, which are not precisely predictable and for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve.

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18. We refer to the Note No. 62 to the Standalone Financial Statements regarding that in accordance with RBI circular dated April 07, 2021, the Company shall refund / adjust 'interest on interest' to all borrowers including those who had availed of working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed. Pursuant to these instructions, the methodology for calculation of the amount of such 'interest on interest' has been recently circulated by the Indian Banks Association (IBA). The Company is in the process of suitably implementing this methodology and has created a liability towards estimated amount of interest on interest collected/charged and reduced the same from the interest income for the year ended March 31, 2021.

Material uncertainty related to Going Concern

The Company has incurred loss aggregating Rs. 15,05,163 lakh (including Other Comprehensive Income) during the year ended March 31, 2021, 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 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 letter and 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

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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 National Company Law Tribunal (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 Corporate Insolvency Resolution Process (CIRP) against the 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 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 NCLT, Mumbai Bench (NCLT/Adjudicating Authority). The Adjudicating Authority, vide the above order, appointed the Administrator to perform all the functions of a Resolution Professional (RP) to complete the CIRP of the Company as required under the provisions of the Code. The moratorium was declared by the NCLT.

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.

Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

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 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 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 sought but we are unable to obtain all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

K.K. Mankeshwar & Co. Chartered Accountants

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 matter described in the Basis for Disclaimer of Opinion section*, 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 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, 2021 from being appointed as a director in the terms of Section 164 (2) of the Act, as we have been explained that the 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) The provisions of Section 197 read with Schedule V to the Act are not applicable to the company for the year ended 31st March, 2021.

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 matter 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.

   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.

K.K. Mankeshwar & Co. Chartered Accountants

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 731 days in transferring unclaimed public deposits (including interest) of Rs. 88.13 lakh and unclaimed dividend of Rs. 30.12 Lacs 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: 21097820AAAAJM8773
New Delhi, dated the
05th June, 2021

K.K. Mankeshwar & Co. Chartered Accountants

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 at 31st March, 2021 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, both issued by the Institute of Chartered Accountant of India.

Because of the matter described in 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.

K.K. Mankeshwar & Co. Chartered Accountants

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 Administrator following his appointment and with the approval of Committee of Creditors of the 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"), 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 have ensured that the Company continues to operate as a "Going Concern" in line with the objective of the Code and requirements thereunder.

The Present Management has undertaken good governance initiative, soon after it became effective, inclusive of strengthening of Internal Financial Controls (IFC) 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 strengthening, updating and revising the internal financial controls and risk control matrices could not be fully concluded and implemented by March 31, 2021. In the meantime, the PM has also initiated the testing of design adequacy and operating effectiveness of the IFC's which were concluded and implemented. The testing outcomes are yet to be formalised. The IFC implementation is informed to be not fully concluded and implemented 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, 2021, 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, 2021.

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, 2021. 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 31 March, 2021, and the disclaimer has affected our opinion on the standalone financial statements of the Company and we have issued a disclaimer of opinion on the standalone financial statements.

DINESH KUMAR BACHCHAS
Partner
Membership No. 097820
For and on Behalf of
K .K. MANKESHWAR & CO.
Chartered Accountants
FRN: 106009W
UDIN: 21097820AAAAJM8773
New Delhi, dated the
05th June, 2021

K.K. Mankeshwar & Co. Chartered Accountants

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 physical verification with the fixed assets record maintained by the Company are made available and in view of the same we are unable to comment upon the completeness of the physical verification and of the discrepancies arising thereof and the likely financial impact of the same.

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 which 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 Right to Use 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 not been 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, during the year 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.

K.K. Mankeshwar & Co. Chartered Accountants

(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 The extent of the arrears of statutory dues outstanding as at 31st March 2021 for a period of more than six months from the date they become payable are as follows:

Name of the statute	Nature of dues	Amount (Lakh)*	Period to which the amount relates	Due date	Date of payment
Income Tax	TDS on fixed deposits	78.24	2019-20	Oct-19	Not Paid
Income Tax	TDS on Interest on Securities	5.03	2019-20	Oct-19	Not Paid

* Due to stay order issued by Honourable Bombay High Court and after RBI initiated the CIRP process against the Company.

(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 March 31, 2021 which have not been deposited on account of a dispute are as follows:

Name of Statute	Nature of dues	Amount (Rs 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)
Penalty under	Claiming the premium on Zero	29400.00	A.Y 2015-16	CIT(A) - U/s-271(1)(c)

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Income Tax	coupon bond			
Income Tax	Disallowance	4700.00	A.Y 2017-18	CIT(A) - 143(3)

(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 (inclusive of interest for the period up to 03rd December 2019) as per books of account, are as given below:

Particulars	**Outstanding Amount (Rs. 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	2,34,400.52	
United Bank of India	58,903.94	
Vijaya Bank	12,753.29	
National Housing Bank	2,43,281.80	
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 March 31, 2021, 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.

K.K. Mankeshwar & Co.
Chartered Accountants

(x) 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 (ED) has also initiated investigation in connection with the loans given by the Company to certain borrowers. Central Bureau of Investigation (CBI) has also initiated investigation in connection with certain loan granted by the Company. Apart from this. CBI is also investigating into the matter of amounts invested by an Uttar Pradesh State Government entity - Provident Fund in the Fixed Deposits of the Company and few other cases.

In view of the various regulatory authorities / lenders are currently carrying out their own investigations which are yet to be completed/concluded 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 except as of the date of this report, investigations are ongoing together with transactions audits performed by independent agencies/firms appointed by the Administrator. We also noted that during the year as on 31st March 2021 amounting of Rs. 40,35,470 lakh have been identified and reported by the Company to Stock Exchanges and National Housing Bank (NHB)/RBI as fraudulent, undervalued and preferential in nature. Further, the Company has also detected frauds amounting to Rs. 90 lakh in respect of cash misappropriation, cheating / breach of trust etc. and has fully provided for provision on the same.

(xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Companies Act, 2013 are not applicable to the Company and hence reporting under clause 3 (xi) are not applicable and hence not commented upon.

(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) According to the information and explanations given by the present management, the Company has not entered into any non-cash transactions with directors or persons connected with them as referred to in section 192 of the Companies Act, 2013 and hence, reporting requirements under clause 3(xv) of the Order are not applicable to the Company and hence not required to be commented upon.

K.K. Mankeshwar & Co. Chartered Accountants

(xvi) The Company, being a housing finance company is registered with National Housing Bank and thus 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: 21097820AAAA3M5773
New Delhi, dated the
05th June, 2021

K.K. Mankeshwar & Co. Chartered Accountants

Dewan Housing Finance Corporation Limited
Balance Sheet as at 31 March 2021

(₹ in Lakh)

	Note No.	As at 31.03.2021	As at 31.03.2020
ASSETS			
Financial assets			
Cash and cash equivalents	5	945,805	684,861
Bank Balances other than above	5	86,511	87,064
Receivables	6	47	275
Housing and Other loans:-	7		
At Amortised Cost		2,903,437	3,547,037
At Fair Value		942,092	3,073,231
		3,845,529	**6,620,268**
Investments	8	844,866	388,051
Other financial assets	9	183,248	179,253
Total Financial Assets		**5,906,006**	**7,959,772**
Non-Financial assets			
Current Tax Assets (Net)	10	5,646	33,023
Deferred tax assets	11	1,020,962	505,215
Property, plant and equipment	12	79,600	85,361
Intangible assets under development	13	6,232	10,517
Other intangible assets	13	8,141	6,669
Other non-financial assets	14	10,099	14,182
Total Non-Financial Assets		**1,130,680**	**654,967**
Total Assets		**7,036,686**	**8,614,739**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Trade Payables	15		
(i) total outstanding dues of micro enterprises and small enterprises		319	34
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		7,284	12,146
Debt Securities	16	4,557,530	4,542,829
Borrowings (Other than Debt Securities)	17	3,768,591	3,841,077
Deposits	18	529,165	527,889
Subordinated Liabilities	19	129,833	129,430
Other financial liabilities	20	98,979	100,438
Total Financial Liabilities		**9,091,701**	**9,153,843**
Non-Financial Liabilities			
Provisions	21	756	753
Other non-financial liabilities	22	7,934	13,937
Total Non-Financial Liabilities		**8,690**	**14,690**
Total Liabilities		**9,100,391**	**9,168,533**
EQUITY			
Equity Share Capital	23	31,382	31,382
Other equity	24	(2,095,087)	(585,176)
Total Equity		**(2,063,705)**	**(553,794)**
Total Liabilities and Equity		**7,036,686**	**8,614,739**

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
New Delhi, dated the
05 June 2021

K.K. Mankeshwar & Co. Chartered Accountants

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	**Mr. S N Baheti**	**Mr. S K Bansal**
Chief Executive Officer	**Company Secretary**	**Chief Finance Officer**

MR. R SUBRAMANIAKUMAR
ADMINISTRATOR APPOINTED UNDER IBC

Dewan Housing Finance Corpn. Ltd. Mumbai (Bandra)

Place : Chennai
Date: 05 June 2021

The Administrator has been appointed under Rule 5(a)(iv) of the Insolvency [illegible] and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 under the Insolvency and Bankruptcy Code [illegible]. The [illegible], business and property of Dewan Housing Finance Corporation Limited are being managed by the Administrator, Mr. R. Subramaniakumar, who acts as agent [illegible] Company only and without any personal liability. Address for Correspondence : Ground & 6th Floor, HDIL Towers, Anant Kanekar Marg, Station Road, Bandra (East), Mumbai 400051. Email ID for Correspondence : dhfladministrator@dhfl.com

Dewan Housing Finance Corporation Limited

Statement of Profit and Loss for the year ended 31 March 2021

(₹ in Lakh)

	Note No.	Year ended	
		31.03.2021	31.03.2020
Revenue from Operations			
a) Interest Income	25	871,900	923,225
b) Fees and commission income	26	329	283
c) Net gain on fair value changes	27	-	-
d) Net gain on derecognition of financial instruments under amortised cost category	28	(4)	2,397
e) Other operating revenue	29	4,840	6,318
Total Revenue from Operations		**877,065**	**932,223**
Other Income	30	3,214	2,089
Total Income		**880,279**	**934,312**
Expenses			
Finance costs	31	21,849	572,518
Net loss on fair value changes	27	2,599,033	1,499,648
Impairment on financial instruments & writte-offs	32	224,477	624,113
Employee benefit expense	33	21,312	28,329
Depreciation, amortisation and impairment	12 & 13	8,083	7,941
Other expenses	34	17,230	26,562
Total expenses		**2,891,984**	**2,759,111**
(Loss) before Tax		**(2,011,705)**	**(1,824,799)**
Tax expense	35		
- Current tax		9,137	-
- Earlier years adjustments		-	(1,133)
- Deferred tax		(515,730)	(462,434)
Total Tax expense		**(506,593)**	**(463,567)**
Net (Loss) After Tax		(1,505,112)	(1,361,232)
Other comprehensive income			
(A) Items that will not be reclassified to profit or (loss)			
(i) Remeasurements of the defined employee benefit plans		(69)	(154)
(ii) Income tax relating to items that will not be reclassified to profit or(loss)		18	39
Subtotal (A)		(51)	(115)
(B) Items that will be reclassified to profit or (loss)			
(i) Cash flow hedge		-	5,320
(ii) Income tax relating to items that will be reclassified to profit or (loss)		-	(1,488)
Subtotal (B)		-	3,832
Other Comprehensive Income (A + B)		**(51)**	**3,717**
Total comprehensive income		**(1,505,163)**	**(1,357,515)**
Earnings per equity share			
Basic (₹)		(479.61)	(433.76)
Diluted (₹)		(479.61)	(433.76)

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
New Delhi, dated the
05 June 2021

K.K. Mankeshwar & Co. Chartered Accountants

For Dewan Housing Finance Corporation Limited
(a Company under Corporate Insolvency Resolution Process by an order dated December 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

Dewan Housing Finance Corpn. Ltd. Mumbai (Bandra)

MR. R SUBRAMANIAKUMAR
ADMINISTRATOR APPOINTED UNDER IBC

Place : Chennai
Date: 05 June 2021

Dewan Housing Finance Corporation Limited

Cash flow statement for the year ended March 31, 2021

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
A. Cash flow from operating activities		
Net (Loss)/profit before tax	(2,011,705)	(1,824,799)
Adjustments for:		
Depreciation and amortisation expense	8,083	7,941
Share Based Payments to employees	209	(1,791)
Loss/(Profit) on Sale of Property, plant and equipments	155	169
Interet on Income Tax Refund	(2,537)	-
Interest income from investments	(11,610)	(3,281)
Other interest income	(124)	(3,749)
Net loss/ (gain) on fair value changes	2,599,033	1,499,648
Net loss/ (gain) on derecognition of financial instruments under amortised cost category	4	594
Impairment on financial instruments & written-off	224,477	624,113
Operating profit before working capital changes	**805,985**	**298,845**
Adjustments for:		
(Increase)/Decrease in other bank balances	11	88,547
Decrease/ (Increase) in trade receivables	228	201
(Increase)/Decrease in other financial asset	(3,887)	(73,726)
(Increase)/Decrease in other non financial asset	24,502	20,176
(Increase)/ Decrease in housing and other property loans	(122,244)	805,076
(Increase)/Decrease in trade payable	(4,577)	1,975
Increase/ (Decrease) in other financial liabilities	(1,274)	114,060
(Decrease)/ Increase in other non financial liabilities	(6,003)	(2,388)
(Decrease)/Increase in provisions	3	(262)
Cash generated from operations during the year	**692,744**	**1,252,506**
Taxes paid (Net)	20,777	5,130
Net Cash (used in) Operating Activities [A]	**713,521**	**1,257,636**
B. Cash flow from investing activities		
Interest Income	10,363	7,368
Sales proceeds from investment (Net)	-	18,204
Net movement in Other Investments	(476,064)	51,691
Net movement in PTC	12,791	(17,727)
Capital Expenditure	324	(2,211)
Proceeds from Sale of Fixed Assets	9	150
Net Cash generated from / (used in) Investing Activities [B]	**(452,577)**	**57,475**
C. Cash flow from financing activities		
Repayment of redeemable non convertible debentures	-	(258,526)
(Repayment) of / Proceeds from Commercial Paper	-	(75,000)
Repayment of term loan	-	(442,504)
Proceeds from other borrowings (net)	-	193,544
Public / Other Deposits (repaid)/received (net)	-	(173,762)
Dividend & Dividend Distribution Tax Paid	-	(10)
Net Cash (used in)/ generated from financing activities [C]	**-**	**(756,258)**
Net increase / (decrease) in cash and cash equivalents [A+B+C]	**260,944**	**558,853**
Cash and cash equivalents at the beginning of the year	**684,861**	**126,008**
Cash and cash equivalents at the end of the year (refer note 5)	**945,805**	**684,861**

K.K. Chartered Accountants Co.

DEWAN HOUSING FINANCE CORPN. LTD. MUMBAI (BANDRA)

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
New Delhi, dated the
05 June 2021

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	**Mr. S N Baheti**	**Mr. S K Bansal**
Chief Executive Officer	**Company Secretary**	**Chief Finance Officer**

MR. R SUBRAMANIAKUMAR
ADMINISTRATOR APPOINTED UNDER IBC

Place : Chennai
Date: 05 June 2021

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

Dewan Housing Finance Corporation Limited
Statement of Changes in Equity for the year ended 31 March 2021

A. EQUITY SHARE CAPITAL

(₹ in Lakh)

Balance as at March 31, 2020	31,382
Changes in equity share capital during the year	-
Balance as at March 31, 2021	31,382

B. OTHER EQUITY

(₹ in Lakh)

	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, 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/(loss) 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)
Profit/(Loss) for the year	-	-	(1,505,112)	-	-	-	-	(1,505,112)
Other comprehensive income/(loss) for the year	-	-	(51)	-	-	-	-	(51)
Creation of deferred tax on embedded derivative	-	-	-	(4,957)	-	-	-	(4,957)
Employee Stock Options (Net)	-	-	-	-	-	209	-	209
Balance as at March 31, 2021	220,885	117,000	(2,741,556)	121,936	183,899	2,749	-	(2,095,087)

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
New Delhi, dated the
05 June 2021

K.K. Mankeshwar & Co. Chartered Accountants

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

Dewan Housing Finance Corp. Ltd. Mumbai (Bandra)

MR. R SUBRAMANIAKUMAR
ADMINISTRATOR APPOINTED UNDER IBC

Place : Chennai
Date: 05 June 2021

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 400051. Email ID for Correspondence: dhfladministrator@dhfl.com

Dewan Housing Finance Corporation Limited
Notes forming part of Financial Statements

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, 2nd floor, Sir P.M Road, Fort , Mumbai -400001.

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.

These financial statements have been prepared on a going concern basis.

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 transactions that are required to be valued in accordance with Ind AS 102, Ind AS 17 and Ind AS 36, respectively.

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). has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows".

The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest lakh, except when otherwise indicated.

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.

2.3. 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 and the guidelines issued by the Reserve Bank of India ("RBI") and/or National Housing Bank ("NHB") to the extent applicable.

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:

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Dewan Housing Finance Corpn. Ltd. MUMBAI (BANDRA)

- 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 face value and proceeds received in excess of the face value are recognised as Securities Premium. 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

Classification as Debt or Equity 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

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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.

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'

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Dewan Housing Finance Corpn. Ltd. Mumbai (Bandra)

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 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.

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(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. 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.

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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).

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DEWAN HOUSING FINANCE CORPN. LTD. MUMBAI (BANDRA)

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 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. In the past periods, due to certain market conditions, the company has sold financial assets 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 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.

(vii) Impairment of financial assets

Overview of the ECL principles

The Company records allowance for expected credit losses(ECL) for all loans and other debt financial assets which are 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.

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.

(xii) 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.

(xiii) 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.

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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).

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.

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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 financial assets is calculated on carrying value (i.e the gross carrying amount less the allowance for expected credit loss (ECLs)). **(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) 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.

(iv) Fees & Commission Income

Fee and commission, other than the fee that forms an integral part of EIR, are accounted on accrual basis.

(v) 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 27), 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 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.

(vi) Other Operating Income

Prepayment charges, additional interest on delayed payment of EMI/PEMI 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,

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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 performance incentive and 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.

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 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.

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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 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

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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. 20

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.

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.

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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.

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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 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

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DEWAN HOUSING FINANCE CORP. LTD. MUMBAI BANDRA 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.

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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.

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

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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 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 40.**

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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 42 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

4. Other estimates:

These include contingent liabilities, useful lives of tangible and intangible assets etc.

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5 Cash and bank balance

(₹ in Lakh)

Particulars	As at 31.03.2021	As at 31.03.2020
Cash and cash equivalents		
(i) Cash on hand	910	55
(ii) Balances with banks:		
- In Current Accounts	32,674	30,454
- In Deposit accounts	912,221	654,352
	945,805	**684,861**
Other bank balances		
(i) In other Deposit accounts		
- Other deposit accounts		
-Original Maturity less than 3 months	-	13,061
-Original Maturity more than 3 months but less than 12 months	71,854	33,238
-Original Maturity more than 12 months	14,482	40,590
(ii) Earmarked balances with banks		
- Unclaimed Dividend Account	175	175
	86,511	**87,064**
Total	**1,032,316**	**771,925**

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 31.03.2021	As at 31.03.2020
SLR Requirement	58,886	58,886
Bank Guarantee	2,580	2,555
Securitisation comforts provided to various trustees/buyers	23,394	23,452
Margin Money	508	486
Total	**85,368**	**85,379**

Dewan Housing Finance Corporation Limited

Notes forming part of the financial statements for the year ended 31 March 2021

6 Receivables

(₹ in Lakh)

Particulars	As at 31.03.2021	As at 31.03.2020
Trade receivables		
Unsecured considered good	47	275
Unsecured - credit impaired	79	79
	126	**354**
Provision for impairment for:		
Receivables - credit impaired	79	79
Total	**47**	**275**

6.1 Trade Receivables includes amounts due from the related parties ₹ 21 lakh(₹ 165 Lakh) respectively. (Refer note 47)

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

6.3 Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

6.4 Trade receivables days past due

(₹ in Lakh)

	More than 360 days past due	Total
ECL rate	100%	
As at March 31, 2021		
Estimated total		
gross carrying	79	79
amount at default		
ECL-Simplified approach	79	79
Net carrying amount	-	-
As at March 31, 2020		
Estimated total		
gross carrying	79	79
amount at default		
ECL-Simplified approach	79	79
Net carrying amount	-	-

6.5 Reconciliation of impairment allowance is as under:

(₹ in Lakh)

As at April 1, 2019	79
Add: on addition	-
Less: on deletion	-
As at March 31, 2020	79
Add: on addition	-
Less: on deletion	-
As at March 31, 2021	79

Dewan Housing Finance Corporation Limited

Notes forming part of the financial statements for the year ended 31 March 2021

7 Housing and other loans

(₹ in Lakh)

Particulars	As at 31.03.2021	As at 31.03.2020
At amortised cost		
Housing and other property loan	3,279,411	3,710,805
Loans to developers	181,248	181,248
Intercorporate deposit (unsecured)	364,169	358,834
Loan to others	811	770
Total gross	**3,825,639**	**4,251,657**
Less: Impairment loss allowance	(922,202)	(704,620)
Total net	**2,903,437**	**3,547,037**
At Fair Value		
Housing and other property loan	358,759	1,029,956
Loans to developers	583,333	2,043,275
Total	942,092	3,073,231
Total	**3,845,529**	**6,620,268**

7.1 All loans are secured unless otherwise stated and all loans are disbursed in India.

7.2 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.

7.3 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 Reserve Bank of India (RBI) Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated 17th February, 2021. 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 ₹ 6,669 lakh (₹ 8,354 lakh).

Project loan include ₹ 8,23,984 lakh projects (including infrastructure projects) where the collateral being an intangible security i.e. rights, licenses, authorisations, appropriate provision as per fair value has been made as on 31 March 2021

7.4 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.

7.5 The above include insurance portion amounting to ₹ 67,059 lakhs (₹ 76,332 lakh) 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.

7.6 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 ₹ 40,244 lakh as at March 31, 2021 (₹ 28,062 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.

7.7 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 ₹ 23,98,841 lakh (₹ 29,31,057 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.

7.8 The company is not granting any loans against gold jewellery as collateral.

7.9 Housing and other property loan includes an amount of ₹ 301,868 lakh(₹ 301,868 lakh) which could not be mapped to any security against which this amount was disbursed in the past. In the light of the above position and in the absence of any internal confirmation, the Present Managment had, in the previous year, decided as a prudent measure to treat the amount as loss assets as per asset classification norms and also due to non-availablity of any security, the Company had fully provided for this amount under ECL.

7.10 Loans to others include loans to employees which are secured by the hypothecation of respective assets against which these loans have been granted.

7.11 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 ₹ 4,957 Lakh (₹ 4,840 lakh) has been amortised out of the General Reserve in terms of the valuation report of the scheme.

7.12 Pursuant to findings of the Transaction Avoidance Auditor's report under Section 66 of the Insolvency and Bankruptcy Code, 2016, covering certain transactions undertaken by the Company in the past has been filed before Hon'ble NCLT, Mumbai. During the year ended on 31st March 2021, loan transactions amounting ₹ 40,35,470 lakh have been identified and reported by the Company to Stock Exchanges and National Housing Bank (NHB)/Reserve Bank of India (RBI) as fraudulent, undervalued and preferential in nature. The Company has made the provisions of entire amount in respect of all such transactions, as per NHB/RBI guidelines on 'Provisioning Pertaining to Fraud Accounts'

7.13 In addition to above note no 7.12, the Company has also detected frauds amounting to Rs. 90 lakh in respect of cash misappropriation, cheating / breach of trust etc. and has fully provided for provision on the same.

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Dewan Housing Finance Corp. Ltd. MUMBAI (BANDRA)

8 Investments

Particulars	(No of Units/Shares) As at 31.03.2021	(No of Units/Shares) As at 31.03.2020	(₹ in Lakh) As at 31.03.2021	(₹ in Lakh) As at 31.03.2020
<u>At cost</u>				
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 Holding Limited	10,000	10,000	1	1
			1	1
Total			**1**	**1**
<u>**At fair value through profit or loss**</u>				
Investments in unquoted equity instruments (others than Subsidiary, Associate and Joint Venture)				
Investments in unquoted equity instruments (others than Subsidiary, Associate and Joint Venture)			7,545	6,311
Investment in Venture Capital Fund - unquoted			1,716	1,712
Investment in Security Receipts			65,806	69,486
Investment in Preference Share			2,757	2,714
Investment in Pass Through Certificates			169,719	175,710
Total			**247,543**	**255,933**
<u>**At Amortised Cost**</u>				
Debentures - (Quoted)			-	240
Investment in Government securities (SLR) - (Quoted)			72,783	73,112
Investment in Treasury bill (Quoted)			478,824	-
Investment in Pass Through Certificates (Ref. note No 8.4)			45,715	58,765
Total			**597,322**	**132,117**
Grand Total			**844,866**	**388,051**

8.1 All investments are made within India

8.2 Investment in Government and other SLR Securities aggregating ₹ 71,639 Lakh (₹ 72,128 Lakh) carry a floating charge created in favour of depositors in the Fixed Deposit schemes of the Company (read with Note 18).

8.3 The Company holds 100% of equity share capital of DHFL Investments Limited (DIL), however, based on the agreement with dated March 31, 2017 with Wadhawan Gloabal Capital limited(WGC), the DIL is not considered as a subsidiary company for the purpose of preparation of these Ind AS financial statements.

Further, the Compnay has appointed all the directors on the board of DIL in February 2020 subsequent to the resignation of all the erstwhile directors and no action taken by WGC for appointment of new directors. The Company has taken all the actions available under law. However, since the matter is sub judice, the Company has maintained the status quo and not considered DIL as subsidiary during the financial year ended on 31st March 2021.

8.4 Impairment loss allowance recognised on Investment in PTC ₹ 210 lakh (₹ 275 lakh) is included in Impairment loss allowance on loans and advances to customers.

Dewan Housing Finance Corporation Limited
Notes forming part of the financial statements for the year ended 31 March 2021

9 Others Financial Assets (Unsecured and Considered Good)

(₹ in Lakh)

Particulars	As at 31.03.2021	As at 31.03.2020
Receivable on assigned loans	80,006	82,245
Security Deposits	2,364	2,918
Receivable from mutual fund	449	449
Amount receivable under securitisation/joint syndication/ settlement transaction	20,076	30,591
Other assets	81,170	63,434
	184,065	**179,637**
Less: Provision for impairment	817	384
Total	**183,248**	**179,253**

9.1 Security Deposits includes amounts due from the related parties ₹ 10 lakh (₹ 39 lakh). (refer note 47)

10 Current Tax Assets (Net)

(₹ in Lakh)

Particulars	As at 31.03.2021	As at 31.03.2020
Advance Tax (Net of Provision)	5,646	33,023
Total	**5,646**	**33,023**

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Dewan Housing Finance Corporation Limited
Notes forming part of the financial statements for the year ended 31 March 2021

11 Deferred tax assets

(₹ in Lakh)

Particulars	As at 31.03.2021	As at 31.03.2020
Deferred tax liabilities	(377,376)	(259,340)
Deferred Tax Assets	1,398,338	764,555
Total	1,020,962	505,215

11.1 Deferred tax assets and liabilities in relation to:

(₹ in Lakh)

Particulars	Opening balance as at April 1, 2020	Recognised in Profit and Loss	Recognised in Other Comprehensive Income	Utilisations/ Adjustments	Closing balance as at March 31, 2021
Deferred tax liabilities					
On difference between book balance and tax balance of Property, plant & equipment	(19,536)	3,593	-	-	(15,943)
On account of measurement of Financial instrument at amortised cost	(197,529)	(133,091)	-	-	(330,620)
Receivable on assigned loans	(21,076)	574	-	-	(20,502)
Others	(21,199)	10,887	-	-	(10,311)
	(259,340)	**(118,037)**	-	-	**(377,376)**
Deferred tax assets					
On account of impairment on financial instruments	185,610	61,184	-	-	246,794
On account of provision for employee benefits	193	(17)	18	-	194
Fair value on Investment	940	419	-	-	1,359
Fair value on Employee Stock Options/Employee Stock Appreciation Rights Expenses	575	53	-	-	628
Fair Valuation of Loan	483,191	665,728	-	-	1,148,919
Lease accounting	116	328	-	-	444
Business Loss	93,930	(93,930)	-	-	-
	764,555	**633,765**	**18**	-	**1,398,338**
Net	505,215	515,728	18	-	1,020,962

11.2 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 NCLT.

12 **Property, plant and equipment**

(₹ in Lakh)

Description	Gross block				Accumulated depreciation				Net block
	As at April 1, 2020	Additions	Deductions	As at March 31, 2021	As at April 1, 2020	Charge for the year	Deductions	As at March 31, 2021	As at March 31, 2021
Building	57,045	-	-	57,045	2,192	939	-	3,131	53,914
Leasehold Improvements	2,961	55	200	2,816	312	455	92	675	2,141
Furniture and Fixtures	2,893	71	5	2,959	917	399	6	1,310	1,649
Vehicles	232	5	-	237	91	64		155	82
Office Equipment	5,804	88	83	5,809	1,724	764	30	2,458	3,351
Leasehold Premises	9,326	-	-	9,326	488	164	-	652	8,674
Computers	5,444	1	7	5,438	2,425	902	6	3,321	2,117
Right to Use Asset	12,302	321	-	12,623	2,497	2,454	-	4,951	7,672
Total	**96,007**	**541**	**295**	**96,253**	**10,646**	**6,141**	**134**	**16,653**	**79,600**

Previous Year

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**

12.1 Pursuant to findings of the Transaction Avoidance Auditor's report under Section 66 of the Code covering certain transactions undertaken by the Company has been filed before Hon'ble NCLT, Mumbai. During the year, a transaction amounting ₹ 33,031 lakh in connection with the excess consideration paid to purchase office building called Napha situated at Santacruz(East), Mumbai has been identified and reported by the Company to Stock Exchanges and National Housing Bank (NHB)/ Reserve Bank of India (RBI) as fraudulent, undervalued and preferential in nature.

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DEWAN HOUSING FINANCE CORPN. LTD. MUMBAI (BANDRA)

13 Intangible Assets

(₹ in Lakh)

Description	Gross block				Accumulated amortisation				Net block
	As at April 1, 2020	Additions	Deductions	As at March 31, 2021	As at April 1, 2020	Charge for the year	Deductions	As at March 31, 2021	As at March 31, 2021
Computer (Software)	9,151	3,415	-	12,566	2,483	1,942	-	4,425	8,141
Total	**9,151**	**3,415**	**-**	**12,566**	**2,483**	**1,942**	**-**	**4,425**	**8,141**
Intangible Assets under development (Software)									6,232

Previous Year

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

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14 Other Non-Financial Assets (Unsecured and considered good)

(₹ in Lakh)

Particulars	As at 31.03.2021	As at 31.03.2020
Employee Advance	12	19
Advance to Vendors	362	315
Gratuity Fund	240	465
Prepaid Expenses	1,134	4,902
Input tax credit Receivable	8,351	8,481
Total	**10,099**	**14,182**

15 Trade payables

There are no overdue amounts to Micro, Small and Medium Enterprises as at March 31, 2021 for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.

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.

(₹ in Lakh)

Particulars	31.03.2021	31.03.2020
a) Amount outstanding but not due as at year end	319	34
b) Amount due but unpaid as at the year end		
c) Amount 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	319	34

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DEWAN HOUSING FINANCE CORPN. LTD. MUMBAI (BANDRA)

16 Debt Securities

(₹ in Lakh)

Particulars	As at 31.03.2021	As at 31.03.2020
At Amortised Cost		
Secured		
Redeemable non convertible debentures	43,12,192	42,97,968
Unsecured		
Redeemable non convertible debentures (Subordinated issue)	2,35,080	2,34,603
Commercial Papers	10,258	10,258
Total	45,57,530	45,42,829
Debt Securities in India	44,71,830	44,57,129
Debt Securities outside India	85,700	85,700
Total	45,57,530	45,42,829

16.1 **Terms of repayment and rate of interest in case of Debt Securities.**

As At March 31, 2021	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Secured					
Redeemable non convertible debentures	5.50%-14.63%	34,40,693	3,43,679	5,27,819	43,12,192
Unsecured					
Redeemable non convertible debentures (Subordinated issue)	8.80%-11.35%	95,080	-	1,40,000	2,35,080
Commercial Papers	6.62% - 9.00%	10,258	-	-	10,258

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%	25,59,690	9,33,280	8,04,998	42,97,968
Unsecured					
Redeemable non convertible debentures (Subordinated issue)	8.80%-11.35%	85,073	9,530	1,40,000	2,34,603
Commercial Papers	6.62% - 9.00%	10,258	-	-	10,258

16.2 Secured Non-Convertible Debentures 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 17.3 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.

Unsecured Redeemable Non Convertible Subordinated Debentures aggregating to ₹ 221,900 Lakh (₹ 221,900 Lakh), outstanding as at March 31, 2021, are subordinated to present and future senior indebtedness of the Company. It qualifies as Tier II capital in accordance with RBI Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated 17th February, 2021 for assessing capital adequacy based on balance term to maturity. These debentures are redeemable at par on maturity on various periods.

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17 Borrowings (Other Than Debt Securities)

(₹ in Lakh)

Particulars	As at 31.03.2021	As at 31.03.2020
Secured		
At amortised cost		
Term Loans		
from Banks	2,747,014	2,744,451
from National Housing Bank	243,282	243,102
Term Loans from other parties		
External Commercial Borrowing	301,285	299,739
Cash credit facilities and Working Capital Demand Loan		
Loans repayable on demand	119,053	119,055
Collateralised debt obligations	357,957	434,730
Total (A)	3,768,591	3,841,077
Borrowings in India	3,467,306	3,541,338
Borrowings outside India	301,285	299,739
Total (B) to tally with (A)	3,768,591	3,841,077

17.1 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 7.2)

17.2 **Terms of repayment and rate of interest in case of Borrowings:**

As At March 31, 2021	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Secured					
Term loan from Banks	Floating*	2,244,286	342,556	160,172	2,747,014
Term Loan from National Housing Bank	6.12% -9.00%	121,715	45,469	76,098	243,282
Term Loan from External Commercial Borrowing	Floating**	301,285	-	-	301,285

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

* Linked with MCLR/Base Rate of Respective Banks
** Link with LIBOR

17.3 All Secured loans including Cash credit and other credit facilities from UBI Consortium, from the National Housing Bank (NHB), Other Banks, External Commercial Borrowing and Financial Institutions are secured by way of first pari passu 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. All cash credit facilities are repayable as per the contracted/ roll over term.

In case of ECBs and Masala Bond, all of them are secured by way of first pari passu 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.

Some of the ECBs 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. None of the ECBs and Masala Bond are guaranteed by the promoter directors of the Company.

17.4 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).

17.5 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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18 Deposits

(₹ in Lakh)

Particulars	As at 31.03.2021	As at 31.03.2020
At Amortised Cost		
Public Deposits		
Fixed Deposits	520,357	519,081
Other Deposits	1,267	1,267
Non Public Deposits	7,541	7,541
Total	**529,165**	**527,889**

18.1 In terms of RBI Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated 17th February, 2021, 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 42 of RBI Master Direction – dated 17th February, 2021, are secured by floating charge in favour of trustees representing the public deposit holders of the company towards maintenance of Statutory Liquid Assets as prescribed by RBI.

18.2 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 4.1.30 of RBI Directions, are secured by floating charge on the Statutory Liquid Assets maintained in terms of RBI Act, 1934.

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19 Subordinated Liabilities

(₹ in Lakh)

Particulars	As at 31.03.2021	As at 31.03.2020
Unsecured		
Non-Convertible Debentures (Perpetual)	129,833	129,430
Total	**129,833**	**129,430**

19.1 All subordinated liabilities are issued in India

19.2 Terms of repayment and rate of interest in case of Borrowings:

As At March 31, 2021	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Secured					
Non-Convertible Debentures (Perpetual)	9.85%-12.75%	13,763	-	116,070	129,833

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

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20 Other Financial Liabilities

(₹ in Lakh)

Particulars	As at 31.03.2021	As at 31.03.2020
Unclaimed dividend	175	175
Unclaimed matured deposits and interest accrued thereon	7,683	7,683
Security and other deposits received	302	499
Creditors for Capital Expenditure	236	242
Amounts payable on Securitised Loans	65,492	64,576
Lease liability	9,627	10,630
Others	15,464	16,633
Total	**98,979**	**100,438**

20.1 As required under Section 124 of the Companies Act, 2013, the Company has transferred unclaimed dividend of the year 2011-12 ₹ Nil (₹ 8 Lakh) and towards unclaimed deposits and interest accrued thereon ₹ Nil (₹ 14 Lakh) to Investor Education & Protection Fund (IEPF) during the year.

Further, during the year ₹ 88 Lakh (₹ 59 lakh) unclaimed Deposit & ₹ 25 lakh (₹ 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 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 on going RBI intiated CIRP process against of the Company.

21 Provisions

(₹ in Lakh)

Particulars	As at 31.03.2021	As at 31.03.2020
Provision for Employee Benefits	756	753
Total	**756**	**753**

22 Other Non-Financial Liabilities

(₹ in Lakh)

Particulars	As at 31.03.2021	As at 31.03.2020
Advance from Customer	6,961	13,130
Statutory Remittances*	959	621
Deferred income on fair valuation of deposit taken	14	186
Total	**7,934**	**13,937**

*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

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23 Equity Share Capital

(₹ in Lakh)

Particulars	As at 31.03.2021		As at 31.03.2020	
	Number	Rs	Number	Rs
AUTHORISED				
Equity Shares of ₹ 10 each	840,390,024	84,039	840,390,024	84,039
ISSUED, SUBSCRIBED AND FULLY PAID UP				
Equity Shares of ₹ 10 each	313,823,024	31,382	313,823,024	31,382
Total	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	31.03.2021		31.03.2020	
	Number	Rs	Number	Rs
Equity shares outstanding as at the beginning of the year	313,823,024	31,382	313,823,024	31,382
Shares issued during the year	-	-	-	-
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	31.03.2021		31.03.2020	
	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 Rs. 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	21-03-15	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	17-11-16	2,081,545	230.80	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	13-07-17	3,247,100	434.90	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	13-07-17	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	16-10-17	150,800	434.90	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	22-01-18	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	2,619,174
Number of options / ESAR's granted during the year	-
Number of options / ESAR's forfeited / lapsed during the year	342,210
Number of options / ESAR's Vested during the year	552,746
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 Rs.)	-
Number of options outstanding at the end of the year	**2,276,964**
Number of options exercisable at the end of the year	**1,882,764**

Weighted Average exercise price & Option price (in Rs.):

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	**2020-21**	**2019-20**
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 (₹ Nil)

2) Remaining Contractual life for ESAR granted and outstanding as on March 31, 2021

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	-	1.47
Grant – II	-	1.86
Grant – III	3.29	1.31
Grant – IV		-
Grant – V	3.55	1.15
Grant – VI	-	-

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24 Other Eqiuty

(₹ in Lakh)

Particulars	As at 31.03.2021	As at 31.03.2020
Securities Premium	2,20,885	2,20,885
Debenture Redemption Reserve	1,17,000	1,17,000
General Reserve	1,21,936	1,26,893
Special Reserve	1,83,899	1,83,899
Employee Stock Option Outstanding	2,749	2,540
Retained Earnings	(27,41,556)	(12,36,393)
Total	**(20,95,087)**	**(5,85,176)**

24.1 Movement in Other Equity

(₹ in Lakh)

Particulars	As at 31.03.2021	As at 31.03.2020
Securities Premium		
At the beginning of the year	**2,20,885**	**2,20,885**
Debenture Redemption Reserve		
At the beginning of the year	**1,17,000**	**1,17,000**
General Reserve		
At the beginning of the year	1,26,893	1,31,733
(Less): Utilised during the year	(4,957)	(4,840)
Closing balance	**1,21,936**	**1,26,893**
Statutory Reserve (Special Reserve)		
(As per Section 29C of The National Housing Bank Act, 1987)		
At the beginning of the year	**1,83,899**	**1,83,899**
Employee Stock Option Outstanding		
At the beginning of the year	2,826	6,096
Add/(Less): Reduction on account of unvested options lapsed during the year	275	(2,268)
(Less): Reduction on account of vested options lapsed during the year	(304)	(1,002)
	2,797	2,826
(Less): Deferred employee compensation	(48)	(286)
Closing Balance	**2,749**	**2,540**
Other Comprehensive Income-Cash Flow Hedge Reserve		
At the beginning of the year	-	(3,832)
Add: Other comprehensive Income	-	3,832
Closing Balance	-	-
Retained Earnings		
At the beginning of the year	(12,36,393)	1,24,807
Add: Change in accounting Policy	-	147
Add/(less): Other Comprehensive Income	(51)	(115)
Add: Profit/(Loss) for the year	(15,05,112)	(13,61,232)
Amount available for appropriations	(27,41,556)	(12,36,393)
Appropriations	-	-
Closing Balance	**(27,41,556)**	**(12,36,393)**
Total	**(20,95,087)**	**(5,85,176)**

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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.

24.2 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:

(₹ in Lakh)

	2020-21	2019-20
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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25 Interest income

(₹ in Lakh)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
On Financial Assets measured at Amortised Cost		
Interest on Loans	354,996	412,386
Interest income from investments	11,610	7,030
Interest on deposits	27,038	17,292
Other interest Income	124	9,537
	393,768	446,245
On Financial Assets measured at Fair Value		
Interest on Loans	478,132	476,980
	478,132	476,980
Total	871,900	923,225

26 Fees and commission Income

(₹ in Lakh)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Loan processing fee and other charges	205	(144)
Guarantee Commission	-	190
Insurance Commission (Refer mote 26.1)	124	237
Total	329	283

26.1 Insurance Commission income includes amount received from;-

(₹ in Lakh)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Pramerica Life Insurance Limited (Formerly kown as DHFL Pramerica Life Insurance Company Limited)	181	343
Navi General Insurance Ltd (formerly known as DHFL General Insurance Ltd)	(57)	(106)
Total	124	237

There is no difference between income recognised in Profit and loss account and as per contract.

27 Net gain on fair value changes

(₹ in Lakh)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Measured at FVTPL		
Fair Valuation of Loan		
Unrealised	(2,597,456)	(1,559,684)
Fair Valuation of Option in Equity Invesment		
Unrealised	-	28,916
Investment in equity measured at FVTPL		
Realised	-	33,700
Unrealised	1,234	(5,325)
	1,234	28,374
Investment in Preference shares measured at FVTPL		
Unrealised	43	(842)
Investment in mutual fund measured at FVTPL		
Realised	57	365

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Investment in Security Receipts		
Realised	-	69
Unrealised	(2,934)	433
	(2,934)	502
Investment in Venture Capital Fund		
Realised	-	(3)
Unrealised	23	(237)
	23	(240)
Derivative Trading		
Realised	-	2,960
Total	(2,599,033)	(1,499,648)

28 Net gain on derecognition of financial instruments under amortised cost category (₹ in Lakh)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
On assignment of portfolio	-	2,991
Sale of Bond and Debenture	(4)	(594)
Total	(4)	2,397

29 Other Operating Revenue (₹ in Lakh)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Others*	4,840	6,318
Total	4,840	6,318

* Mainly includes cheque return charges and servicing fees pertaining to securitisation transactions

30 Other Income (₹ in Lakh)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Rent Income	484	1,450
Interest on Income Tax Refund	2,537	-
Miscellaneous Income	193	639
Total	3,214	2,089

31 Finance Costs (₹ in Lakh)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Interest expenses on financial liabilities measured at amortised cost		
Interest on deposits	-	31,430
Interest on borrowings	179	227,098
Interest on debt securities	-	277,872
Interest on Subordinated Liabilities	-	8,367
Interest on others	-	61
Finance charges	20,659	26,492
Interest on lease liability	1,011	1,198
Total	21,849	572,518

Refer Note no 57 for interest recognition policy under CIRP

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32 Impairment on financial instruments & Write-offs

(₹ in Lakh)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
On Financial instruments measured at Amortised Cost		
Loans	218,071	584,999
Investments	6,250	18,677
Bad debts written off	156	20,437
Total	224,477	624,113

33 Employee Benefits Expenses

(₹ in Lakh)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Salaries and Bonus	20,000	28,182
Contribution to Provident Fund and other Funds	1,092	1,509
Staff Training and Welfare Expenses	11	430
Share Based Payments to employees	209	(1,792)
Total	21,312	28,329

34 Other Expenses

(₹ in Lakh)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Rent	809	927
Rates and Taxes	305	135
Travelling and Conveyance	507	828
Printing and Stationery	49	142
Advertising	331	1,882
Training & Conference Expenses	3	16
Business Sourcing Expense	88	83
Insurance Charges	628	725
Legal & Professional Charges	1,360	9,486
CIRP Expense	3,666	880
Communication Expense	864	1,290
Repairs and Maintenance - Other than Buildings	5,492	5,482
Electricity Charges	477	763
Directors' Fees and Commission	-	26
Loss on Sale of Property, plant and equipments	155	169
Expenditure on corporate social responsibilty (CSR) under section 135 of the Companies Act, 2013 (Refer note 34.1)	-	6
Office Maintenance	943	1,413
Recovery Expense	1,211	1,806
General Office Expenses	342	503
Total	17,230	26,562

34.1 Details of CSR Expenses:-

(₹ in Lakh)

	For the year ended 31.03.2021	For the year ended 31.03.2020
Gross amount required to be spent by the Company during the year	232	2,857
Amount Spend During the year in Cash		
Financial Literacy	-	6
	-	6
Amount Spend During the year Yet to be paid in Cash	Nil	Nil

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34.2 Legal and professional fees include auditor's remunaration of ₹ 202 lakh (₹ 254 lakh)

(₹ in Lakh)

	For the year ended 31.03.2021	For the year ended 31.03.2020
Audit Fees	180	180
Certification and Other Matters	6	29
Out of Pocket Expenses	-	25
GST	16	20
	202	254

Disclosure for the financial year 2019-20 include ₹ 18 lakh paid to predecessor statutory auditors of the company in their capacity as statutory auditors

34.3 Remuneration of Non Executive Directiors consist of ₹ Nil (₹ 26 lakh).

35 Taxes

a) Income tax expenses

The major components of income tax expenses

i) Profit and Loss section

(₹ in Lakh)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Current tax expenses	9,137	-
Prior Period adjustments	-	(1,133)
Deferred tax	(515,730)	(462,434)
Total	(506,593)	(463,567)

ii) Other comprehensive income section

(Rs in Lakh)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Deferred tax	(18)	1,449
Total	(18)	1,449

b) Reconciliation of effective tax rate

(Rs in Lakh)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
(Loss)/ Profit before tax	(2,011,705)	(1,824,799)
Enacted tax rate in India (including surcharge and cess)	25.630%	25.630%
Expected tax expenses	(515,600)	(467,696)
Effect of income that is exempt from taxation	-	-
Others	8,989	5,578
Total	(506,611)	(462,118)
Tax expense recognised in profit and loss	(506,593)	(463,567)
Tax expense recognised in other comprehensive income	(18)	1,449
Total	(506,611)	(462,118)

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36 Earnings Per Share

Basic earnings per share (EPS) is calculated by dividing the net profit for the year attributable to equity holders of Company bythe 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 (after adjusting for interest on the convertiblepreference shares and interest on the convertible bond, in each case, net of tax) by the weighted average number of equity sharesoutstanding during the year plus the weighted average number of equity shares that would be issued on the conversion of all the dilutivepotential 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 31.03.2021	For the year ended 31.03.2020
Net (Loss) after tax attributable to equity shareholders (Rs. in Lakh)	(1,505,112)	(1,361,232)
Weighted average number of equity shares outstanding during the year (Nos)	313,823,024	313,823,024
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	313,823,024
Face value per equity share (Rs.)	10.00	10.00
Basic earnings per equity share (Rs.)	(479.61)	(433.76)
Diluted earnings per equity share (Rs.)	(479.61)	(433.76)

* not considered when anti-dilutive

37 Contingent Liabilities

(₹ in Lakh)

Particulars	As at 31.03.2021	As at 31.03.2020
1) Guarantees provided by bank on behalf of Company for Securitisation transactions and to erstwhile associate company as per share purchase agreement.	5,567	5,567
2) Claims against the Company not acknowledged as debts	1,561	1,150
3) Disputed liabilities in respect of		
a) Income Tax Demand	4,087	850
b) Income Tax Penalty	39,656	10,168
c) ESIC Demand	1	-
4) The Company has written put option to Wadhawan Global Capital Private Limited (WGC) in connection with Investment made by WGC in Compulsary Convertibe Debentures issued by DHFL Investments Limited.	172,732	158,813
5) 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, 2021. The outflows would arise in the event of short collection, in the Cash inflows of the pool of securtised receivable.	53,597	50,028

37.1 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 have 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.

37.2 (i) As per Rule 5(b)(1) of FSP Rules, the moratorium under Section 14 of the IBC commences from the date of the filing of the Petition by the financial sector regulator i.e. Reserve Bank of India before the Hon'ble NCLT. The Hon'ble NCLT by its Order dated 3rd December 2019 inter alia, pronounced commencement of moratorium u/s 14 of the IBC, from the date of the filing of the Petition by Reserve Bank of India i.e. 29th November 2019.

(ii) Further, the 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.

(iii) Upon commencement of moratorium, institution of suits or continuation of pending suits or proceedings against the Company including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority is prohibited, under and in accordance with the provisions of Section 14 of the Insolvency and Bankruptcy Code.

(iv) The continuity or quashing of existing legal suits (pre CIRP) also gets decided as part of the Resolution Plan approved by Hon'ble NCLT and the successful Resolution Applicant as new owner of DHFL is absolved of any such future obligations on the pre CIRP legal cases filed against DHFL, under the provisions of Section 32 A of IBC.

38 Commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for as at March 31, 2021 ₹ 25 Lakh (₹ 95 Lakh)

39 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 (ROU) assets recognised and the movements during the year:

(₹ in Lakh)

Particulars	As at March 31, 2021
As at 1st April, 2020	9,805
Addition	321
Deletion	-
Depreciation	2,454
As at March 31, 2021	7,672

Set out below are the carrying amounts of lease liability and the movements during the year:

(₹ in Lakh)

Particulars	As at March 31, 2021
As at 1st April, 2020	10,630
Addition	275
Accretion of interest	975
Payments	2,253
As at 31st March 2021	9,627

The Maturity analysis of lease liabilities is as under:

(₹ in Lakh)

Particulars	As at March 31, 2021		
	Within 12 months	After 12 months	Total
Lease Liabilities	2,066	7,561	9,627

Contractual maturities of lease liability at 31 March 2021 on an undiscounted basis

(₹ in Lakh)

Particulars	As at March 31, 2021
Within one year	2,877
After one year but not longer than five years	6,862
More than five years	1,270

The following are the amounts recognised in statement of profit or loss:

(₹ in Lakh)

Particulars	As at March 31, 2021
Depreciation expense of right-of-use assets	2,454
Interest expense on lease liabilities	975
Expense relating to short-term leases	95
Expense relating to leases of low-value assets	41
Total amount recognised in profit or loss	3,565

The Company had total cash outflows for leases of ₹ 2,253 lakh (P.Y. ₹ 2,982 lakh).

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.

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40 **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: This 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.

ii **Accounting classifications and fair values**

As at March 31, 2021 (₹ in Lakh)

Particulars	Measured at FVTPL				Measured at	Others*	Total
	Level 1	Level 2	Level 3	Total	Amortised cost		
Financial assets							
Cash and cash equivalents		-	-	-	945,805	-	945,805
Other bank Balances		-	-	-	86,511	-	86,511
Receivables	-	-	-	-	47	-	47
Housing and other loans		-	942,092	942,092	2,903,437	-	3,845,529
Investments		-	247,543	247,543	597,322	1	844,866
Other financial assets		-	-	-	183,248	-	183,248
Total Financial Assets	-	-	**1,189,635**	**1,189,635**	**4,716,370**	**1**	**5,906,006**
Financial Liabilities							
Trade Payables		-	-	-	7,603	-	7,603
Debt Securities		-	-	-	4,557,530	-	4,557,530
Borrowings (Other than Debt Securities)		-	-	-	3,768,591	-	3,768,591
Deposits	-	-	-	-	529,165	-	529,165
Subordinated Liabilities		-	-	-	129,833	-	129,833
Other financial liabilities		-	-	-	98,979	-	98,979
Total Financial Liabilities	-	-	-	-	**9,091,701**	-	**9,091,701**

As at March 31, 2020 (₹ in Lakh)

Particulars	Measured at FVTPL				Measured at	Others*	Total
	Level 1	Level 2	Level 3	Total	Amortised cost		
Financial assets							
Cash and cash equivalents	-	-	-	-	684,861	-	684,861
Other bank Balances	-	-	-	-	87,064	-	87,064
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	-	-	-	-	179,253	-	179,253
Total Financial Assets	-	-	**3,329,164**	**3,329,164**	**4,630,607**	**1**	**7,959,772**
Financial Liabilities							
Trade Payables		-	-	-	12,180		12,180
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	-	-	-	-	100,438	-	100,438
Total Financial Liabilities	-	-	-	-	**9,153,843**	-	**9,153,843**

* Others includes investment in subsidiaries which have been carried at cost

iii Fair value of the financial assets that are measured at amortised cost

As at March 31, 2021 (₹ in Lakh)

Particulars	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets					
Investments	597,322	566,826		45,715	612,541
Total Financial Assets	**597,322**	**566,826**	-	**45,715**	**612,541**
Financial Liabilities					
Debt Securities	4,557,530	-	-	4,557,530	4,557,530
Borrowings (Other than Debt Securities)	3,768,591	-	-	3,768,591	3,768,591
Deposits	529,165	-	-	529,165	529,165
Subordinated Liabilities	129,833	-	-	129,833	129,833
Total Financial Liabilities	**8,985,119**	-	-	**8,985,119**	**8,985,119**

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**

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 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.

c 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.

d 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 bank 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.

e 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, 2021 and March 31, 2020:

(₹ 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, 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/due	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**	-
Acquisitions			-	-		
Disposal			(746)	(19)		
Reclassified from amortised cost category to FVTPL/due	466,317	-	-	-		
Gains / (Losses) recognized in profit or loss	(2,597,456)	(5,991)	(2,934)	23	1,277	
As at March 31, 2021	**942,092**	**169,719**	**65,806**	**1,716**	**10,302**	

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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, 2021	As at March 31, 2020
Housing and property loans measured at FVTPL	942,092	3,073,231
Pass through certificate	169,719	175,710
Security receipts	65,806	69,486
Venture capital fund	1,716	1,712
Unquoted equity / preference investments	10,302	9,025
Derivative financial instruments	-	

(₹ in lakh)

Particulars	Significant unobservable inputs (refer notes below)	Impact on Fair value			
		As at March 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2020
		Increase in FV	Decrease in FV	Increase in FV	Decrease in FV
Housing and property loans measured at FVTPL	a	NA*	NA*	11,791	11,333
Pass through certificate	a	1,697	(1,697)	1,757	(1,757)
Security receipts	b	6,581	(6,581)	6,949	(6,949)
Venture capital fund	b	172	(172)	171	(171)
Unquoted equity / preference investments	c	558	(472)	448	(454)
Derivative financial instruments	c	-	-		-

* Current Fair valuation on FVTPL loans have been taken basis valuation done for the purpose of CIRP and hence no detailed analysis was performed

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.

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41 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, 2021			March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial Assets						
Cash and cash equivalents	945,805	-	945,805	684,861	-	684,861
Other bank Balances	86,511	-	86,511	87,064	-	87,064
Receivables	47	-	47	275	-	275
Housing and Other loans	626,368	3,219,161	3,845,529	1,172,038	5,448,230	6,620,268
Investments	478,824	366,042	844,866	240	387,811	388,051
Other financial assets	183,248	-	183,248	179,253	-	179,253
Total Financial Assets	**2,320,803**	**3,585,203**	**5,906,006**	**2,123,731**	**5,836,041**	**7,959,772**
Non-Financial Assets						
Current Tax Assets (Net)	-	5,646	5,646	-	33,023	33,023
Deferred tax assets	-	1,020,962	1,020,962	-	505,215	505,215
Property, plant and equipment	-	79,600	79,600	-	85,361	85,361
Intangible assets under development	-	6,232	6,232	-	10,517	10,517
Other intangible assets	-	8,141	8,141	-	6,669	6,669
Other non-financial assets	10,099	-	10,099	14,182	-	14,182
Total Non-Financial Assets	**10,099**	**1,120,581**	**1,130,680**	**14,182**	**640,785**	**654,967**
Total Assets	**2,330,902**	**4,705,784**	**7,036,686**	**2,137,913**	**6,476,826**	**8,614,739**
LIABILITIES						
Financial Liabilities						
Trade Payables	7,603	-	7,603	12,180	-	12,180
Debt Securities	2,540,821	2,016,709	4,557,530	1,156,767	3,386,062	4,542,829
Borrowings (Other than Debt Securities)	1,934,834	1,833,757	3,768,591	1,248,692	2,592,385	3,841,077
Deposits	481,401	47,764	529,165	378,257	149,632	527,889
Subordinated liabilities	13,763	116,070	129,833	13,360	116,070	129,430
Other financial liabilities	98,979	-	98,979	100,438	-	100,438
Total Financial Liabilities	**5,077,401**	**4,014,300**	**9,091,701**	**2,909,694**	**6,244,149**	**9,153,843**
Non-Financial Liabilities						
Provisions	756		756	753	-	753
Other non-financial liabilities	7,934		7,934	13,937	-	13,937
Total Non-Financial Liabilities	**8,690**	-	**8,690**	**14,690**	-	**14,690**
Total Liabilities	**5,086,091**	**4,014,300**	**9,100,391**	**2,924,384**	**6,244,149**	**9,168,533**

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.

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42 **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. In the meantime 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, 2021

(₹ 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	945,805	945,805	-	-	-
Other bank Balances	86,511	86,511	-	-	-
Receivables	47	47	-	-	-
Housing and Other loans	3,845,529	626,368	537,455	1,297,042	1,384,664
Investments	844,866	478,824	12,020	-	354,022
Other financial assets	183,248	183,248			-
Total	5,906,006	2,320,803	549,475	1,297,042	1,738,686
Financial Liabilities					
Trade Payables	7,603	7,603			-
Debt Securities	4,557,530	2,540,821	1,005,211	343,679	667,819
Borrowings (Other than Debt Securities)	3,768,591	1,934,834	1,209,460	388,025	236,270
Deposits	529,165	481,401	34,377	5,495	7,892
Subordinated Liabilities	129,833	13,763		-	116,070
Other financial liabilities	98,979	98,979			-
Total	9,091,701	5,077,401	2,249,048	737,199	1,028,051
Net	(3,185,695)	(2,756,598)	(1,699,573)	559,843	710,635

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	-		-
Receivables	275	275			-
Housing and Other loans	6,620,268	1,172,038	1,786,896	3,365,313	295,021
Investments	388,051	240	11,737		377,074
Other financial assets	179,253	179,253			-
Total	7,959,772	2,123,731	1,798,633	3,365,313	672,095
Financial Liabilities					
Trade Payables	12,180	12,180			-
Debt Securities	4,542,829	1,156,766	1,498,254	942,810	944,999
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	100,438	100,439			-
Total	9,153,843	2,909,695	3,270,489	1,521,332	1,452,328
Net	(1,194,071)	(785,964)	(1,471,856)	1,843,980	(780,232)

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 repricing 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.

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, 2021	As at March 31, 2020
Loans (Gross):		
Fixed rate instruments	964,164	1,066,555
Floating rate instruments	2,861,330	3,185,102
Total	3,825,494	4,251,657
Borrowings:		
Fixed rate instruments	5,550,386	5,610,599
Floating rate instruments	3,434,731	3,430,626
Total	8,985,117	9,041,225

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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, 2021	For the year ended March 31, 2020
Increase by basis points	50	(2,132)	(913)
Decrease by basis points	(50)	(2,132)	(913)

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, 2021	301,285
March 31, 2020	299,739

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.

ii **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.

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.

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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.

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, 2021				March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	2,777,528	172,891	760,386	3,710,805	5,644,698	122,322	267,053	6,034,073
New assets added during the year	16,576	-	-	16,576	30,063	12	17	30,092
Assets derecognised under direct assignment	-	-	-	-	(421,383)	49	49	(421,285)
Repayment of Loans (excluding write offs)	(482,120)	(7,327)	(11,874)	(501,321)	(1,395,541)	93,112	(28,173)	(1,330,602)
Transfers to / from Stage 1	54,998	(23,370)	(5,475)	26,153	109,833	(26,704)	(5,770)	77,359
Transfers to / from Stage 2	(196,953)	204,195	(6,430)	812	(128,716)	137,654	(8,938)	-
Transfers to / from Stage 3	(125,866)	(71,865)	223,961	26,230	(858,765)	(152,813)	2,321,163	1,310,085
Considered at Fair Value	-	-	-	-	(208,217)	(3,500)	(1,796,715)	(2,008,432)
Amounts written off	-	60	96	156	5,556	2,259	11,700	19,515
Gross carrying amount closing balance	2,044,163	274,584	960,664	3,279,411	2,777,528	172,891	760,386	3,710,805

Reconciliation of ECL balance is given below:

(₹ in Lakh)

Particulars	March 31, 2021				March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance	22,098	3,774	452,807	478,679	20,015	925	95,572	116,512
ECL remeasurements due to changes in EAD/ assumptions (net)	5,699	(196)	(3,957)	1,546	1,298	5,248	(20,352)	(13,806)
Transfers to / from Stage 1	(673)	(626)	(1,824)	(3,123)	(80)	(1,504)	(4,178)	(5,762)
Transfers to / from Stage 2	2,411	5,469	(2,143)	5,737	94	7,753	(6,472)	1,375
Transfers to / from Stage 3	1,541	(1,925)	74,626	74,242	624	(8,578)	1,680,808	1,672,854
on considered at Fair Value	-	-	-	-	151	(197)	(1,301,043)	(1,301,089)
on amounts written off	-	2	32	34	(4)	127	8,472	8,595
Closing balance	31,076	6,498	519,541	557,115	22,098	3,774	452,807	478,679

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 ₹ 479 Lakh (₹ 898 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, 2021				March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	176,098	1	5,149	181,248	147,612	1	5,249	152,862
New assets added during the year	-	-	-	-	-	-	-	-
Assets derecognised under direct assignment	-	-	-	-	30,000	-	-	30,000
Repayment of Loans (excluding write offs)	-	-	-	-	(1,514)	-	(100)	(1,614)
Transfers to / from Stage 1	-	-	-	-	-	-	-	-
Transfers to / from Stage 2	-	-	-	-	-	-	-	-
Transfers to / from Stage 3	-	-	-	-	-	-	-	-
Considered at Fair Value	-	-	-	-	-	-	-	-
Amounts written off	-	-	-	-	-	-	-	-
Gross carrying amount closing balance	176,098	1	5,149	181,248	176,098	1	5,149	181,248

Reconciliation of ECL balance is given below:

(₹ in Lakh)

Particulars	March 31, 2021				March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance	-	-	815	815	-	-	686	686
ECL remeasurements due to changes in EAD/ assumptions (net)	-	-	-	-	-	-	129	129
Transfers to / from Stage 1	-	-	-	-	-	-	-	-
Transfers to / from Stage 2	-	-	-	-	-	-	-	-
Transfers to / from Stage 3	-	-	-	-	-	-	-	-
on considered at Fair Value	-	-	-	-	-	-	-	-
on amounts written off	-	-	-	-	-	-	-	-
Closing balance	-	-	815	815	-	-	815	815

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 (₹ Nil)

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c Inter Corporate Deposits

Reconciliation of Inter Corporate loan balances is given below

(₹ in Lakh)

Particulars	March 31, 2021				March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	-	-	358,834	358,834	11,054	28,286	525,929	565,269
New assets added during the year	-	-	5,385	5,385	68	-	17,997	18,061
Repayment of Loans	-	-	(50)	(50)	(3,380)	-	(221,418)	(224,490)
Transfers to / from Stage 1	-	-	-	-			-	-
Transfers to / from Stage 2	-	-	-	-		(28,286)	28,286	-
Transfers to / from Stage 3	-	-	-	-	(8,038)		8,038	-
Gross carrying amount closing balance	-	-	364,169	364,169	-	-	358,834	358,834

Reconciliation of ECL balance is given below

(₹ in Lakh)

Particulars	March 31, 2021				March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance	-	-	225,032	225,032	372	863	1,447	2,682
ECL remeasurements due to changes in EAD/ assumptions (net)	-	-	139,137	139,137		-	222,350	222,350
Transfers to / from Stage 1	-	-	-	-		-	-	-
Transfers to / from Stage 2	-	-	-	-		(863)	863	-
Transfers to / from Stage 3	-	-	-	-	(372)	-	372	-
Closing balance	-	-	364,169	364,169	-	-	225,032	225,032

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, 2019	19
Add: on addition	75
Less: on deletion	
As at March 31, 2020	94
Add: on addition	11
Less: on deletion	
As at March 31, 2021	105

e Concentration of Loans & Advances

Particulars	As at 31-03-2021	As at 31-03-2020
Total Exposure to twenty largest borrowers/customers*	2,882,711	2,633,178
Percentage of Exposures to twenty largest borrowers /Customers to total Exposure on Borrowers /Customers	39.83%	34.40%

* Includes loans which are fair valued as at 31 March 2021

43 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.

44 **Capital Management**

The Company's objectives when managing capital are to

- Safeguard the ability to continue as a going concern
- Maintain an optimal capital structure to reduce the cost of capital and meet regulatory requirements
- Cover risks inherent in the business

Consistent with others in the industry, the Company monitors capital on the basis of the Net Debt to Equity Ratio. Net Debt (total borrowings net of cash and cash equivalents and Liquid investments) is divided by Total 'Equity' (as shown in the balance sheet) to derive Net Debt to Equity Ratio.

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 and thereby continues to operate as a going concern.

Particulars	Amount
Total borrowings net of cash and cash equivalents (₹ in Lakh)	8,039,314
Total Equity (₹ in Lakh)	(2,063,705)
Debt Equity Ratio	-

45 **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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46 a **Employee benefits**

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, 2021	For the year ended March 31, 2020
Contribution to provident fund	580	811
Contribution to pension fund	291	418

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 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, 2021	For the year ended March 31, 2020
Liability at the beginning of the year	1,893	1,823
Current Service Cost	212	255
Interest cost	131	138
Benefits paid	(211)	(463)
Actuarial (gain) /losses	56	140
Liability at the end of the year	**2,081**	**1,893**

ii Changes in Fair Value of Plan Assets

(₹ in Lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Fair Value of Plan Assets at the beginning of the year	2,360	2,506
Expected Return on Plan Assets	161	190
Contributions	6	67
Benefits Paid	(193)	(389)
Actuarial (loss)	(13)	(14)
Fair Value of Plan Assets at the end of the year	**2,321**	**2,360**

iii Reconciliation of Fair Value of Assets and Obligations

(₹ in Lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Fair value of Plan Assets	2,321	2,360
Present Value of Obligation	2,081	1,894
Net Asset / (Liability) recognized in the Balance Sheet	**240**	**466**

iv Expenses recognized in Statement of Profit and Loss

(₹ in Lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current Service Cost	212	255
Net interest on net defined benefit assets	131	138
Past Service Cost	-	-
Expected Return on Plan Assets	(161)	(190)
Expenses recognized in the statement of profit and loss under employee benefits	**182**	**203**

v Expenses recognized in Other Comprehensive Income

(₹ in Lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Actuarial (Gain)/Loss on Obligation for the Period	56	140
Return on Plan Assets, Excluding Interest Income	13	14
(Income) / Expenses recognized in the other comprehensive income	69	154

vi Expected benefit payments

(₹ in Lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
1st Following Year	87	120
2nd Following Year	101	70
3rd Following Year	134	103
4thFollowing Year	96	124
5thFollowing Year	121	88
Sum of Year 6 to 10	893	772

vii Actuarial Assumptions

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Mortality Table (LIC)	2006-08	2006-08
Discount Rate (P. A.)	6.80%	6.82%
Expected rate of return on plan asset (per annum)	6.80%	6.82%
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, 2021 is 12 years (2019-20: 12 years)

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DEWAN HOUSING FINANCE CORPN. LTD. MUMBAI BANDRA

Effect of change in assumptions

(₹ in Lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Projected Benefit Obligation on Current Assumptions	2,081	1,894
Delta Effect of +1% Change in Rate of Discounting	(190)	(175)
Delta Effect of -1% Change in Rate of Discounting	221	204
Delta Effect of +1% Change in Rate of Salary Increase	199	183
Delta Effect of -1% Change in Rate of Salary Increase	(181)	(165)
Delta Effect of +1% Change in Rate of Employee Turnover	13	12
Delta Effect of -1% Change in Rate of Employee Turnover	(15)	(14)

viii Amount recognised in current year and previous year

Gratuity :

(₹ in Lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Defined benefit obligation	(2,081)	(1,894)
Fair value of plan asset	2,321	2,360
Surplus in the plan	240	466
Actuarial (gain)/loss on plan obligation	56	140
Actuarial (loss) on plan asset	(13)	(14)

47 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	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) (upto 10.06.2019)
		Aadhar Housing Finance Limited (Erstwhile) (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) (through DIL, being a WoS of the Company)
		Wadhawan Global Capital Limited
		DHFL Changing Lives Foundation
5	Investing party and its Group Companies	a. PGLH of Delaware Inc (upto 31.07.2019)
		b. PGIM India Mutual Fund (upto 31.07.2019)
5	Key Management Personnel	Kapil Wadhawan (Chairman & Managing Director - upto 20.11.2019)
		Dheeraj Wadhawan (Non-Executive Director - upto 20.11.2019)
		Srinath Sridharan (Non -executive Director - upto 20.11.2019)
		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)

K.K. Mankeshwar & Co. Chartered Accountants

DEWAN HOUSING FINANCE CORPN. LTD. MUMBAI (BANDRA)

(₹ in Lakh)

Nature of Transactions	Subsidiaries		Joint Ventures		Associate Companies/Others*		Key Management Personnel	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
A) Details of transactions :								
1) Investments								
Investments Made	-	-	-	-	-	-	-	-
Investments Sold	-	-	-	3,613	-	48,390	-	-
2) Loans, Advances, Deposits and other assets				-				
Given	4	-	-	-	-	-	-	-
Returned/Written Off	4	135	-	-	32	3,114	-	-
3) Borrowings, Security Deposits and other liabilities								
Received	-	-	-	-	-	-	-	-
Repayment/Adjusted	-	-	-	-	-	-	-	-
4) Income(Net)								
Commission	-	-	-	4	181	435	-	-
Trademark Licence Fees	-	-	-	-	-	143	-	-
Interest	-	9	-	-	-	301	-	-
Rent & Maintenance	-	-	-	-	12	127	-	-
Servicing fees	-	-	-	-	-	9	-	-
Miscellaneous income	-	-	-	-	-	460	-	-
5) Expenditure								
Remuneration	-	-	-	-	-	-	284	299
Rent Expenses	-	-	-	-	-	321	-	-
Insurance Charges	-	-	-	-	27	591	-	-
en Expenses	-	-	-	-	-	92	-	-
ors Sitting Fees	-	-	-	-			-	24
INCOME RECEIVED FROM :								
1) Commission								
Pramerica Life Insurance Limited (Formerly DHFL Pramerica Life Insurance Company Limited)	-	-	-	-	181	343	-	-
PGIM India Asset Managers Pvt. Ltd. (formerly DHFL Pramerica Asset Managers Pvt. Ltd.)	-	-	-	4		-	-	-
Navi General Insurance Ltd (formerly DHFL General Insurance Ltd	-	-	-	-		(98)	-	-
Wadhawan Global Capital Limited	-	-	-	-	-	190	-	
2) Trademark Licence Fees								
Navi General Insurance Ltd (formerly DHFL General Insurance Ltd)	-	-	-	-		143	-	-
3) Interest								
DHFL Advisory & Investments P Ltd	-	9	-	-	-		-	-
Wadhawan Holding Pvt Ltd	-	-	-	-	-	237	-	-
Wadhawan Global Capital Ltd	-	-	-	-		64	-	-
4) Rent & Maintenance Charges								
Aadhar Housing Finance Ltd (Formerly DHFL Vysya)	-	-	-	-	-	41	-	-
Avanse Financial Services Ltd	-	-	-	-	-	74	-	-
Pramerica Life Insurance Limited (Formerly DHFL Pramerica Lif rance Company Limited)	-	-	-	-	12	12	-	-
5) Service Charges								
Aadhar Housing Finance Ltd	-	-	-	-	-	9		-
6) Miscellaneous Income								
Avanse Financial Services Pvt Ltd	-	-	-	-		91	-	-
Aadhar Housing Finance Ltd	-	-	-	-	-	369	-	-
EXPENDITURE :								
1) Rent, Rates & Taxes								
Wadhawan Holdings Private Limited	-	-	-	-		172	-	-
Essential Hospitality Private Limited	-	-	-	-	-	149	-	-
2) Remuneration								
Mr. Kapil Wadhawan	-	-	-	-		-	-	188
Mr. Vaijnath M Gavarshetty	-	-	-	-		-	95	46
Mr. Sunil Kumar Bansal	-	-	-	-		-	37	11
Mr. Satya Narayan Baheti	-	-	-	-		-	57	19
Directors Sitting Fees								
Dheeraj Wadhawan	-	-	-	-		-	-	0
Alok Kumar Misra	-	-	-	-		-	-	12
Depali Pant Rajeev Joshi	-	-	-	-		-	-	5
Sunjoy Joshi	-	-	-	-		-	-	8
Professional Fees								
R Subramaniakumar	-	-	-	-		-	96	35
3) Insurance Charges								
Pramerica Life Insurance Limited (Formerly DHFL Pramerica Life Insurance Company Limited)		-		-	27	70		

(₹ in lakh)

Nature of Transactions	Joint Ventures		Associate Companies/Others*		Investing Party and its Group Companies		Key Management Personnel	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
A) Details of transactions								
1] Investments								
Investments Made								
Investments Sold		3,613		48,390				
2] Loans, Advances, Deposits and other assets								
Given								
Returned/Written Off		-	32	3,114				
3] Borrowings, Security Deposits and other liabilities								
Received								
Repayment/Adjusted								
4] Income(Net)								
Commission		4	183	435				-
Trademark Licence Fees				143				-
Interest		-		301				-
Rent & Maintenance		-	12	127				
Servicing fees		-	-	9				-
Miscellaneous income			-	960				
5] Expenditure								
Remuneration							284	299
Rent Expenses		-	-	321				-
Insurance Charges		-	27	591				-
Canteen Expenses		-	-	92				-
Directors Sitting Fees								24

Details of Transactions	Joint Ventures		Associate Companies/Others*		Investing Party and its Group Companies		Key Management Personnel	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
INCOME RECEIVED FROM								
1] Commission								
Pramerica Life Insurance Limited (Formerly DHFL Pramerica Life Insurance Company Limited)		-	183	343				-
PGIM India Asset Managers Pvt. Ltd. (Formerly DHFL Pramerica Asset Managers Pvt. Ltd.)		4						-
Navi General Insurance Ltd (Formerly DHFL General Insurance Ltd)				(98)				
Wadhawan Global Capital Limited				190				
2] Trademark Licence Fees								
Navi General Insurance Ltd (Formerly DHFL General Insurance Ltd)		-		143				-
3] Interest								
Wadhawan Holding Pvt Ltd				237				
Wadhawan Global Capital Ltd				64				
4] Rent & Maintenance Charges								
Aadhar Housing Finance Ltd (Formerly DHFL Vysya)				43				
Avanse Financial Services Ltd				74				
Pramerica Life Insurance Limited (Formerly DHFL Pramerica Life Insurance Company Limited)			12	10				
5] Service Charges								
Aadhar Housing Finance Ltd				9				
6] Miscellaneous Income								
Avanse Financial Services Pvt Ltd				91				
Aadhar Housing Finance Ltd				869				
EXPENDITURE								
1] Rent, Rates & Taxes								
Wadhawan Holdings Private Limited		-		172				
Essential Hospitality Private Limited		-		149				
2] Remuneration								
Mr. Kapil Wadhawan							-	188
Mr. Vaijinath M Gavarshetty							95	46
Mr. Sunil Kumar Bansal							37	11
Mr. Satya Narayan Baheti							57	19
Professional Fees								
R Subramaniakumar							96	35
3] Directors Sitting Fees								
Mr. Dheeraj Wadhawan							-	0
Mr. Alok Kumar Misra							-	12
Ms. Deepali Pant Joshi							-	5
Mr. Sunjoy Joshi							-	8
4] Insurance Charges								
Pramerica Life Insurance Limited (Formerly DHFL Pramerica Life Insurance Company Limited)			27	70				-
Navi General Insurance Ltd (Formerly DHFL General Insurance Ltd)				522				
5] Canteen Expenses								
Dish Hospitality Private Limited				92				

K.K. Mankeshwar & Co. Chartered Accountants

Dewan Housing Finance Corp. Ltd. Mumbai (Bandra)

Dewan Housing Finance Corporation Limited
Notes to the accounts for the year ended March 31, 2021

B) Details of transactions

(₹ in Lakh)

Nature of Transactions	Subsidiaries		Joint Ventures		Associate Companies/Others*		Key Management Personnel	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
CLOSING BALANCES :								
a) Loans, Advances, Deposits, trade receivables (net) and other assets	-	-			13	204	-	
b) Investments	7,502	7,502					-	
CLOSING BALANCES :								
1) Loans, Advances, Deposits and other assets								
Pramerica Life Insurance Limited (Formerly DHFL Pramerica Life Insurance Company Limited)		-			10	39		
2) Trade Receivable and other assets								
Pramerica Life Insurance Limited (Formerly DHFL Pramerica Life Insurance Company Limited)		-			21	335		
3) Investments								
DHFL Advisory & Investments P Ltd	7,501	7,501				-		-
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.

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 37.1

11) Zero denotes amount less than Rs. 50,000

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Housing Finance Corp. Mumbai (Bandra)

48 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. It is 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 Statement for the year ended 31st March, 2021 have been prepared on going concern assumptions.

49 The Administrator following 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 have ensured that the Company continues to operate as a "Going Concern" in line with the objective of the Code and requirements thereunder.

50 The Administrator and the Advisory Committee members along with the KMPs, upon their taking charge have taken various efforts to improve the operational, financial and managerial efficiency of the Company with the support of the employees of the company. In this regard, various initiatives to strengthen the financial/lending policies and processes, functioning of the IT system; legal audit of material loan documents, establishing risk management framework, updating internal financial controls and updating risk controls matrices, strengthening internal audit control through in-house resources and engagement of external professional experts/consultants have been undertaken. Various actions to ensure comprehensive compliance with various applicable rules and regulations during this period have also been undertaken. While substantial progress has been made by concluding some of the initiatives including legal audit as well, some of these could not be fully concluded and implemented by 31st March, 2021 due to the ongoing pandemic and therefore, various activities continue to be ongoing.

The Administrator, Advisors and KMPs have taken charge with effect from 21st November 2019 and have relied on information, data, clarifications and views provided by the existing staff of the Company for the purposes of the standlone financial statements. The Company has initiated appropriate actions on the basis of reports submitted by Transaction Auditor such as filing of application with NCLT and submission of Fraud Monitoring Reporting(FMRs) to National Housing Bank(NHB)/RBI and filing of complaint with appropriate authorities. The Company has also taken into consideration the fair value of wholesale loan portfolio as per cash flows which are part of the valuation reports submitted by valuer appointed under IBC while calculating the fair value of wholesale loan portfolio during the year ended on 31st March, 2021. The Administrator and the KMPs have signed the standalone financial Statement solely for the purpose of compliance and discharging their duties during CIRP period of the Company and in accordance with the provisions of the Code, 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.

52 In certain instances, the amount of the claim admitted under CIRP may differ from the amount reflecting in the books of accounts of the Company. The above audited financial statements are drawn on the basis of figures appearing in the books of accounts of the Company as on March 31st 2021. The Administrator, Advisors, and KMPs believe that these figures may be interpreted solely for the purpose of satisfying the regulatory requirement for preparing yearly standalone financial statements and that these figures could change during the CIRP or thereafter depending upon the findings.

53 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 (ED) has also initiated investigation in connection with the loans given by the Company to certain borrowers. Central Bureau of Investigation (CBI) has also initiated investigation in connection with certain loan granted by the Company. Apart from this, CBI is also investigating into the matter of amounts invested by an Uttar Pradesh State Government entity - Provident Fund in the Fixed Deposits of the Company and few other cases. The Company is fully co-operating with all the investigating agencies and providing the necessary information/data as and when the same is sought.

54 The Administrator has filed an application under Section 30(6) of the IBC Code for submission of resolution plan of Piramal Capital & Housing Finance Limited (PCHFL) as approved by the Committee of Creditors, with the Adjudicating Authority i.e. Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench on 24th February 2021 post receipt of No objection from Reserve Bank of India as per Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019.

55 Consequent to the outbreak of the COVID-19 pandemic, the Central Government in India had declared a national lockdown in March, 2020. Subsequently, the national lockdown was lifted by the central government, but regional lockdowns continue to be implemented in areas with a significant number of COVID-19 cases. However, with various working measures, the Company has been making efforts to restore its normal operations. The extent to which the COVID- 19 pandemic, including the current "second wave" that has significantly increased the number of cases in India, will impact the operation of the company, will depend on the ongoing as well as future developments, which is not precisely predictable.

56 The Company has a balance of ₹ 10,20,962 lakh as deferred tax asset created as per Ind AS - 'Income Taxes' as on 31 March 2021. The Company is running as a going concern as per the provisions of the Code, which requires that the value of the company is preserved and maintained it as a going concern.

57 The Company has not made any provision for interest on borrowings amounting to ₹ 7,65,155 lakh for the year ended 31 March 2021 in view of the Company's current CIR process. 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. Had the interest was accrued on borrowings and provided for, loss for the year ended 31st March,2021 would have been higher by ₹ 5,69,046 lakh (net of tax).

58 The investments/ advance by way of unsecured Inter Corporate Deposit (ICD) including interest receivable aggregating ₹ 4,10,924 lakh are outstanding as at 31 March 2021. The provision for the entire ICD amount has been made due to lack of security.

59 The total wholesale loan portfolio, including interest receivable aggregating ₹ 54,24,862 lakh (pursuant to classification of this portfolio to "held for sale" in the year ended 31st March 2019), has been "fair valued" as at 31st March 2021 at ₹ 9,42,093 lakh, with the resulting fair value loss aggregating Rs 44,82,769 lakh. Out of this, fair value loss aggregating ₹ 18,85,313 lakh has been accounted up to 31st March,2020 and balance loss of ₹ 25,97,456 lakh has been charged to the Statement of Profit and Loss for the year ended 31st March 2021.

60 The Company having a default rating does not fulfil the credit rating criteria and hence does not meet the definition of a 'Large Corporate' as per criteria under SEBI circular SEBI/HO/DDHS/CIR/P/2018/144 dated 26th November 2018. Necessary disclosure has been made to the stock exchanges in this regard.

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Chartered Accountants

Dewan Housing Finance Corpn Ltd
Mumbai (Bandra)

61 The Honourable Supreme Court of India, in a public interest litigation (PIL) filed by Gajendra Sharma vs. Union of India & Anr., vide an interim order dated September 3, 2020 ("Interim Order"), had directed that accounts which were not declared NPA till August 31, 2020 shall not be classified as NPA till further order. Basis the said interim order, even accounts that would have otherwise been classified as NPA post August 31, 2020 were not classified as NPA. However, during such period the Company has classified such accounts as stage 3 for financial reporting and provisioning purpose.

The interim order granted to not declare accounts as NPA stood vacated on March 23, 2021 vide the judgement of the Hon'ble Supreme Court. In accordance with the instructions in paragraph 5 of the RBI circular dated April 07, 2021 issued in this connection, the Company has classified the accounts as NPA as on 31st March 2021 as per the extant RBI instructions / IRAC norms.

62 a) In accordance with RBI circular dated April 07, 2021, the Company shall refund / adjust 'interest on interest' to all borrowers including those who had availed of working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed. Pursuant to these instructions, the methodology for calculation of the amount of such 'interest on interest' has been recently circulated by the Indian Banks Association (IBA). The Company is in the process of suitably implementing this methodology and has created a liability of ₹ 1,397 lakh towards estimated amount of interest on interest collected/charged and reduced the same from the interest income for the year ended March 31, 2021.

b) The Government of India, Ministry of Finance, vide its notification dated October 23, 2020, had announced COVID-19 Relief Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts (Scheme), as per the eligibility criteria and other aspects specified therein and irrespective of whether the moratorium was availed or not. The Corporation has implemented the Scheme and credited an amount to the eligible borrowers loan account as per the Scheme.

63 **Disclosure Required by the Reserve Bank of India**

The following disclosures have been given on COVID19 Regulatory Package - Asset Classification and Provisioning, in terms of Circular DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020, Circular DOR.No.BP.BC.63/21.04.048/2019-20 dated April 17, 2020 and DOR.No.BP.BC.71/21.04.048/2019-20 dated May 23, 2020 ("RBI Circular")

(Rs. in Lakh)

Particular	As at March 31, 2021	As at March 31, 2020
(i) Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3 of above circular	484,371	363,018
(ii) Respective amount where asset classification benefits is extended.	340,124	105,418
(iii) Provisions made in terms of paragraph 5 of above circular	34,012	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 loan, as per the circular	34,012	5,271
(vi) Total provision on such loan as per books of Account (ECL/ Fair Value)	162,742	5,882

64 The National Housing Bank has imposed penalty of Nil (₹ 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.

65 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.

Keshwar & Co. Chartered Accountants

DEWAN HOUSING FINANCE CORPN LTD. MUMBAI (BANDRA)

66 Schedule to the Balance Sheet of a housing finance company (as required in terms of paragraph 16 'Other Disclosures' of the Master Direction-Non-Banking Financial Company-Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021

(Rs. in Lakh)

		Liabilities side	Amount outstanding	Amount overdue
(1)	**Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid:**			
	(a)	Debentures : Secured	4,312,192	NA*
		Debentures : Unsecured	364,913	NA*
	(b)	Deferred Credits	-	NA*
	(c)	Term Loans	3,291,581	NA*
	(d)	Inter-corporate loans and borrowing	-	NA*
	(e)	Commercial Paper	10,258	NA*
	(f)	Public Deposits	529,165	NA*
	(g)	Cash credit facilities and Working Capital Demand Loan	119,053	NA*
	(h)	Collateralised debt obligations	357,957	NA*
(2)	**Break-up of (1)(f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid):**			
	(a)	In the form of Unsecured debentures	-	NA*
	(b)	In the form of partly secured debentures i.e. debentures where there is a shortfall in thevalue of security	-	NA*
	(c)	Other public deposits	529,165	NA*

*DHFL is undergoing CIRP pursuant to the orders passed by the Hon'ble NCLT, Mumbai Bench on December 03, 2019 and all dues to creditors are frozen as on CIRP commencement date (December 03, 2019). All dues to creditors will be settled as per the Resolution Plan approved by the Committee of Creditors (CoC) and subsequently approved by NCLT. The resolution plan approved by CoC has already received a no-objection from RBI and has been submitted to NCLT for approval.

				Amount outstanding
	Asset side			
(3)	**Break-up of Loans and Advances including bills rceivables [other than those included in (4) below]:**			
	(a)	Secured		6,406,722
	(b)	Unsecured		1,171,374
(4)	**Break up of Leased Assets and stock on hire and other assets counting towards asset financing activities**			
	(i)	Lease assets including lease rentals under sundry debtors		
		(a)	Financial lease	
		(b)	Operating lease	
	(ii)	Stock on hire including hire charges under sundry debtors		
		(a)	Assets on hire	
		(b)	Repossessed Assets	
	(iii)	Other loans counting towards asset financing activities		
		(a)	Loans where assets have been repossessed	
		(b)	Loans other than (a) above	
(5)	**Break-up of Investments**			
	Current Investments			
	1	Quoted		
		(i)	Share	
			(a) Equity	
			(b) Preference	
		(ii)	Debentures and Bonds	
		(iii)	Units of mutual funds	
		(iv)	Government Securities	
		(v)	T-Bills	478,824
	2	Unquoted		
		(i)	Share	
			(a) Equity	
			(b) Preference	
		(ii)	Debentures and Bonds	
		(iii)	Units of mutual funds	
		(iv)	Government Securities	
		(v)	Others (please specify)	
	Long Term investments			
	1	Quoted		
		(i)	Share	
			(a) Equity	
			(b) Preference	
		(ii)	Debentures and Bonds	
		(iii)	Units of mutual funds	
		(iv)	Government Securities	72,783
		(v)	Others (please specify)	

				Amount
	2	Unquoted		
		(i)	Share	
			(a) Equity	7,546
			(b) Preference	2,757
		(ii)	Debentures and Bonds	-
		(iii)	Units of mutual funds	-
		(iv)	Government Securities	-
		(v)	Security Receipts	65,806
		(vi)	PTC	215,434
		(vi)	Venture Capital Fund	1,716

(6)	Borrower group-wise classification of assets financed as in (3) and (4) above:				
			Amount net of provisions		
			Secured	Unsecured	Total
	1	Related Parties **			
		(a) Subsidiaries	-	-	
		(b) Companies in the same group	-	-	-
		(c) Other related parties	-	-	
	2	Other than related parties	7,722,826	1,262,293	8,985,119
		Total	7,722,826	1,262,293	8,985,119

(7)	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and Unquoted) :			
			Market Value / Break up or fair value or NAV	Book Value (Net of Provisions)
	1	Related Parties **		
		(a) Subsidiaries	1	1
		(b) Companies in the same group	-	-
		(c) Other related parties	-	-
	2	Other than related parties	860,084	844,865
		Total	860,085	844,866

(8)	Other information			
	(i)	Gross Non-Performing Assets		
		(a)	Related parties	-
		(b)	Other than related parties	5,111,496
	(ii)	Net Non-Performing Assets		
		(a)	Related parties	
		(b)	Other than related parties	774,550
	(iii)	Assets acquired in satisfaction of debt		40,244

67 Disclosure as required under RBI Circular No. RBI/2020-21/16 DOR No BP BC/3/21.04.048/2020-21 dated August 6, 2020 in relation to the Resolution Framework for COVID-19-related Stress.

Type of borrower	(A) Number of accounts where resolution plan has been implemented under this window	(B) exposure to accounts mentioned at (A) before implementation of the plan	(C) Of (B), aggregate amount of debt that was converted into other securities	(D) Additional funding sanctioned, if any, including between invocation of the plan and implementation	(E) Increase in provisions on account of the implementation of the resolution plan
Personal Loans	NIL	NIL	NIL	NIL	NIL
Corporate persons*	NIL	NIL	NIL	NIL	NIL
Of which, MSMEs	NIL	NIL	NIL	NIL	NIL
Others	NIL	NIL	NIL	NIL	NIL
Total	**NIL**	**NIL**	**NIL**	**NIL**	**NIL**

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

68 DHFL is undergoing CIRP pursuant to the orders passed by the Hon'ble NCLT, Mumbai Bench on December 03, 2019 and all dues to creditors are frozen as on CIRP commencement date (December 03, 2019). The company has represented to RBI and has been permitted forbearance from meeting various regulatory requirements as the company is currently under CIRP. As the freeze on contractual outflows to creditors was applicable during the entire financial year ending 31 Mar 2021, the company has not reported the Liquidity Coverage Ratio (LCR) as required to be disclosed as per Master Direction-NBFC-HFC (Reserve Bank) Directions, 2021 issued on 17 Feb 2021

69 There are no subsequent events other than disclosed in notes to the financial statements

70 Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/ disclosure

71 Disclosures Required By The Reserve Bank of India (RBI)

The following additional information is disclosed in the terms of Master Direction - Non Banking Financial Company - Systematically important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 issued by Reserve Bank of India vide Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016 as amended (the "RBI Master Directions"). These figures may not be traceable to the Financial Statements as at March 31, 2021. 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.

The disclosures as required by the RBI Master Directions has been prepared for the current year ended March 31, 2021, as per Indian Accounting Standards along with other relevant provisions of the Act, the Master Direction – Non-Banking Financial Company – Systemically Important Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions') and notification for implementation of Indian Accounting Standard vide RBI Circular DOR (NBFC).CC.PD.No.116/22.10.106/2020-21 July 24, 2020 ('RBI Notification for Implementation of Ind AS') issued by RBI to the extent applicable.

1 **Minimum Disclosures**
The following additional disclosures have been given in terms of circular no. RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated February17, 2021 issued by the Reserve Bank of India

2 **Summary of Significat 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, 2021.

3 **Disclosures :**
3.1 **Capital**

(₹ lakh)

Particulars	31.03.2021	31.03.2020
i) CRAR (%) *	-44.13%	1.83%
ii) CRAR – Tier I Capital	-47.66%	5.95%
iii) CRAR – Tier II Capital	3.53%	4.12%
iv) Amount of Subordinated debt raised as Tier II Capital*		
v) Amount raised by issue of perpetual Debt instruments*		

* No debts have been raised during the current and pervious year.

3.2 **Reserve Fund U/s 29 C of NHB Act ,1987**

(₹ lakh)

Particulars	31.03.2021	31.03.2020
Balance at the beginning of the year a) Statutory Reserve u/s 29C of the National Housing Bank 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	65,324 118,575	65,324 118,575
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 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	65,324 118,575	65,324 118,575
c) Total	183,899	183,899

3.3 **Investments Current**

(₹ lakh)

Particulars	31.03.2021	31.03.2020
3.5.1 Value of Investments		
(i) Gross Value of Investments	848,053	423,793
(a) In India	848,053	423,793
(b) Outside India		
(ii) Provision for Depreciation	39,328	33,077
(a) In India	39,328	33,077
(b) Outside India		
(iii) Net value of Investments	808,725	390,716
(a) In India	808,725	390,716
(b) Outside India	-	
3.5.2 Movement of provisions held towards depreciation on investments	-	
(1) opening balance	33,077	14,400
(ii) Add: Provisions Made during the year	6,251	18,677
(iii) Less: write-off/written back of excess provisions during the year	-	
(iv) Closing Balance	39,328	33,077

3.4 **Derivatives :**

3.4.1 **Forward Rate agreement (FRA)/ Interest Rate Swap (IRS)**

(₹ lakh)

Particulars	31.03.2021	31.03.2020
i) The notional principal of swap agreements	NIL	NIL
ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	NIL	NIL
iii) Collateral required by the HFC upon entering into swaps	-	
iv) Concentration of credit risk arising from the swaps *	NIL	NIL
v) The fair value of the swap book *	NIL	NIL

*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**

(₹ lakh)

Particulars	Amount
(i) Notional principal amount of exchange traded IR derivatives undertaken during the year (instrument wise)	NIL
a)	
b)	
c)	
ii) Notional principal amount of exchange traded IR derivatives outstanding as on 31st March 2021 (instrument wise)	NIL
a)	
b)	
c)	
iii) Notional principal amount of exchange traded IR derivatives outstanding and not "highly effective" (instrument wise)	
a)	
b)	
c)	

MUMBAI BANDRA

K.K. Mankeshwar & Co. Chartered Accountants

iv) Mark-to-market value of exchange traded IR derivatives outstanding and not "highly effective" (instrument-wise)	NIL
a)	
b)	
c)	

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 2021

B **Quantitative Disclosure**

(₹ 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

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 2021 towards the Minimum Retention Requirements (MRR)

(₹ lakh)

Particulars	No. / Amount
1. No of SPVs sponsored By the Company for securitisation Transaction	18
2. Total amount of securitised assets as per books of the SPVs sponsored	341,556
3. Total amount of exposures retained by the company towards the MRR as on the date of balance sheet	99,313
(i) Off-balance sheet exposures towards Credit Enhancements	-
a) Cash Collateral	-
b) Investment in Class 'B' PTCs	-
(ii) On-balance sheet exposures towards Credit Enhancements	99,313
a) Cash Collateral	53,597
b) Investment in Class 'B' PTCs	45,715
4. Amount of exposures to securitisation transactions other than MRR	
(i) Off balance sheet exposures towards Credit Enhancements	NIL
a) Exposure to own Securitization	
i)	
ii)	
b) Exposure to third party securitization	NIL
i)	
ii)	
(ii) On balance sheet exposures towards Credit Enhancements	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**

(₹ lakh)

Particulars	31.03.2021	31.03.2020
i) No. of accounts	-	-
ii) Aggregate value (net of provisions) of accounts sold to SC / RC	-	-
iii) Aggregate consideration	-	-
iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
v) Aggregate gain / loss over net book value	-	-

3.5.3 **Detail of Assignment transactions undertaken by HFC's**

(₹ lakh)

Particulars	31.03.2021	31.03.2020
i) No. of accounts	Nil	6
ii) Aggregate value (Net of Provisions) of accounts assigned	Nil	374,324
iii) Aggregate consideration	Nil	374,324
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

3.5.4 **Details of non-performing financial assets purchased / sold**

A. Detail of non-performing financial assets purchased

Particulars	31.03.2021	31.03.2020
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

(₹ lakh)

Particulars	31.03.2021	31.03.2020
1. No of accounts Sold	NIL	895
2. Aggregate Outstanding	NIL	16,289
3. Aggregate Consideration received	NIL	9,772

3.6 **Assets Liability Management (Maturity pattern of certain items of Assets Liabilities)**

(₹ lakh)

Particulars	Liabilities			
	Deposits	Borrowings From Banks	Market Borrowings	Foreign Currency Liabilities
1 to 7 days	187,230	1,864,885	1,155,639	165,249
>7 to 14 Days		6,750		
>14 to 30/31 days	8,100	42,308	24,320	
Over one month to 2 months	4,322	47,895	5,500	
Over 2 months to 3 months	5,220	68,224	442,690	82,416
Over 3 to 6 months	25,164	130,183	176,918	18,794
Over 6 months to 1 year	63,984	302,598	157,500	28,138
Over 1 year to 3 years	18,377	866,314	2,309,711	5,183
Over 3 year to 5 years	5,495	388,025	143,675	
Over 5 Years	7,851	236,170	141,490	
Total	326,840	3,189,349	4,547,963	301,281

Particulars	Assets		
	Advances	Investments	Foreign Currency Assets
1 to 7 days		478,823	
>7 to 14 Days	21,271		
>14 to 30/31 days			
Over one month to 2 months	11,976	-	
Over 2 months to 3 months	24,513	-	
Over 3 to 6 months	61,852	-	
Over 6 months to 1 year	116,992	-	
Over 1 year to 3 years	845,168	12,010	
Over 3 year to 5 years	1,198,724	-	
Over 5 Years	2,153,488	354,023	
Total	5,845,384	844,856	

3.7

3.7. 1 **Exposure to Real Estate Sector** (₹ lakh)

Category			31.03.2021	31.03.2020
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	3,749,717	4,005,676
	(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	3,143,738	3,279,622
	(iii)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures -	247,002	260,048
		a) Residential	45,715	58,761
		b) Commercial Real Estate	201,287	201,287
b)	**Indirect Exposure**			
	Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)			
Total Exposure to Real estate Sector			7,140,458	7,545,347

3.7. 2 **Exposure to Capital Market**

(₹ lakh)

Particulars	31-03-21	31-03-20
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	3,429
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 convertable bonds or convertible debentures or units of equity oriented mutual funds are taken as perimary security	-	
iv) Advance for any other purposes to the extent secured by collateral security of shares or convertable 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 stockborkers 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 / Alternate Investment Funds (Both registered and unregistered)	1,484	1,502
Total Exposure to Capital Market	4,913	4,931

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 is presently under moratorium imposed by the Hon'ble NCLT and the Administrator appointed by Reserve Bank of India(RBI) is overseeing the affairs of the Company with the advice of Advisors appointed by RBI with the main objective to preserve the value of the Company as a going concern. The company's net worth has become negative due to additional provisions made on NPAs and frauds reported during CIRP. Further, the resolution process under CIRP is at an advanced stage of completion and issue of negative net worth is expected to be addressed through implementation of the proposed Resolution Plan to be approved under the ongoing CIRP.

3.7 .5 **Unsecured Advances**

The loan advanced by the Company includes unsecured advances to the tune of Rs. 14,73,242 lakh. This includes Projects (including infrastructure projects) where the collateral being an intangible security i.e. rights licenses, authorisations. (Also refer Note no 7.9)

3.7 .6 **Exposure to group companies engaged in real estate business**

Particulars	Amount (₹ in Lakh)	% of owned fund
i) Exposure to any single entity in a group engaged in real estate business	-	
ii) Aggregate value (net of provisions) of accounts sold to SC / RC	-	-

4 **Miscellaneous**

4.1 **Registration obtained from other financial sector regulators**

a) The Company Renewed its Certificate of Registration (COR) dated 29th March 2019 to Act as a Corporate Agent (Composite) bearing COR No CA0052 from Insurance Regulatory and Development Authority of India (IRDAI) valid from 1st April 2019 and being valid upto 31st March 2022

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 121515 as AMFI Registered Mutual Fund Advisor

4.2 **Disclosure of Penalties imposed by NHB and other regulators**

a) **Penalties levied by Securities and Exchange Board of India ("SEBI")**

SEBI, vide Adjudication Order No. Order/SR/SM/SM/2020-21/7791 dated May 29, 2020 ("SEBI Order") had imposed penalty of Rs. 20,00,000/- (Rupees Twenty Lakh only) 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, broadly relating to maintenance of DRR, DRF and delay in submission of the financial results of the Company for March 31, 2019.

However, the Company filed an appeal before SAT vide Appeal No. 196/2020 for the penalty imposed by SEBI. SAT, vide Order dated October 9, 2020 ("SAT Order") quashed the SEBI Order.

Further, SEBI has filed an appeal to the Supreme Court against the SAT Order (CA No. 3963 of 2020) and the outcome of the same is awaited.

2 **Penalties levied by Stock Exchanges**

The BSE and NSE, the Stock Exchanges, have levied a fine of Rs. 53,100/- (including taxes) each on the Company for delay (fine @ Rs. 5,000/- per day) in submission of standalone and consolidated financial results as per regulation 33(3) of LODR Regulations for the quarter ended September 30, 2020, in terms of SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2018/77 dated May 3 2018 and the same has been paid by the Company.

4.3 **Related party Transactions**

All Related Party Transactions have been reported in Note No. 47. The policy on dealing with Related party transactions have been placed on website as well as in annual report.

4.4 **Group Structure :**

4.5 **Rating assigned by Credit Rating Agencies and migration of rating during the year**

Rating Particulars	Rating Agency	31-03-21	31-03-20
Short term debt / commercial paper	ICRA	ICRA D	ICRA D
	CRISIL	CRISIL D	CRISIL D
IPCIs	CARE	CARE D	CARE D
	BRICKWORKS	BWR D	BWR D
Subordinated debt	CARE	CARE D	CARE D
	BRICKWORKS	BWR D	BWR D
NCDs	CARE	CARE D	CARE D
	BRICKWORKS	BWR D	BWR D
NCDs (Public Issue)	CARE	CARE D	CARE D
	BRICKWORKS	BWR D	BWR D
Long term Bank Loans	CARE	CARE D	CARE D
Public (Fixed) Deposits	CARE	CARE D (FD)	CARE D (FD)
	BRICKWORKS	BWR FD	BWR FD

* There has been no change in credit rating of DHFL in the period 01 April 2020 to 31 March 2021. The credit rating was earlier downgraded by CARE Ratings, Brickwork Ratings, ICRA Ltd and CRISIL Ratings to D on 05 June 2019.

4.6 **Remuneration of Directions**

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, 2021 the Company did not have any Board of Directors.

4.7 **Management**

Pursuant to Master Direction-Non-Banking Financial Company-Housing Finance Company (Reserve Bank) Directions, 2021, a separate section titled 'Management Discussion and Analysis' forms part of this Annual Report.

4.8 **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.

4.9 **Revenue Recognition**

During the year there were no revenue recognition which has been postponed pending the resolution of significant uncertainties.

4.10 **IND AS 110- Consolidated Financial Statements (CFS)**

Refer Note No. 2, Significant Accounting Policies forming part of consolidated Financial Statement for the relevant disclosures.

5 **Additional Disclosures**

5.1 **Provisions and contingencies**

(₹ lakh)

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	31.03.2021	31.03.2020
i) Provisions for depreciation on Investment	6,251	18,677
ii) Provisions made towards Income Tax	(739,535)	(463,567)
iii) Provisions towards NPA	3,004,635	996,239
iv) Provisions for Standard Assets (with detail like teaser loan CRE, CRE-RH etc)	(4,717)	(26,093)
v) Other Provision and Contingencies(with details)	203,026	108,470

(₹ lakh)

Break up of Loans & Advances & Provisions thereon	Housing Loan		Non-Housing Loan	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
Standard Assets				
a) Total Outstanding Amount	1,279,658	1,677,034	847,043	[illegible]
b) Provisions made	18,387	16,649	8,350	[illegible]

Sub-Standard Assets				
a) Total Outstanding Amount	189,787	1,494,247	140,485	1,480,292
b) Provisions made	52,478	224,144	23,015	222,050
Doubtful Assets- Category -I				
a) Total Outstanding Amount	211,225	625,474	107,268	381,407
b) Provisions made	61,970	156,365	29,009	87,852
Doubtful Assets- Category -II				
a) Total Outstanding Amount	511,952	129,850	322,529	55,107
b) Provisions made	166,499	51,541	155,401	22,043
Doubtful Assets- Category -III				
a) Total Outstanding Amount	1,756,898	74,805	1,769,485	171,594
b) Provisions made	1,757,222	75,142	1,769,485	171,594
Loss Assets				
a) Total Outstanding Amount	301,868	301,868	-	-
b) Provisions made	301,868	301,868	-	-
Total				
a) Total Outstanding Amount	4,051,588	4,302,339	3,186,810	3,335,515
b) Provisions made	2,378,424	825,715	1,985,258	516,401

The above provision includes 100% provision amount in respect of fraud assets declared. (refer note no 7.12 & 7.13)

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 By company)**

(₹ lakh)

Particulars	31.03.2021	31.03.2020
Total deposits of twenty largest depositors	263,272	263,272
Percentage of Deposits of twenty largest depositors to total deposits of the Company	49.71%	49.71%

5.3.2 **Concentration of Loans & Advances**

(₹ lakh)

Particulars	31.03.2021	31.03.2020
Total exposure to twenty largest borrowers/ customers	2,682,711	2,633,178
Percentage of exposures to twenty largest borrowers/ customers to total exposure of the HFC on borrowers/ customers	39.83%	34.48%

5.3.3 **Concentration of all Exposure (including off-balance sheet exposure)**

(₹ lakh)

Particulars	31.03.2021	31.03.2020
Total Exposure to twenty largest borrowers/customers	2,682,711	2,633,178
Percentage of Exposures to twenty largest borrowers /Customers to total Exposure of the HFC on Borrowers /Customers	39.03%	33.63%

5.3.4 Concentration of NPAs

(₹ lakh)

Particulars	31.03.2021	31.03.2020
Total Exposure to top ten NPA accounts	1,729,202	1,729,202

5.3.5 **Sector wise NPA**

Sector	Percentage of NPAs to Total Advances in that sector
A. Housing Loans:	
1. Individuals	18.75%
2. Builders/Project Loans	99.67%
3. Corporates	0.00%
4. Others Loans	100.00%
B. Non-Housing Loans:	
1. Individuals	0.00%
2. Builders/Project Loans	99.51%
3. Corporates	0.00%
4. Others Loans	72.69%

5.4 **Movement of NPAs**

(₹ lakh)

Particulars	31.03.2021	31.03.2020
I) Net NPAs to Net Advances (%)	10.70%	44.14%
II) Movement of NPAs (Gross)		
a) Opening balance	4,683,695	244,551
b) Additions during the year	498,334	4,489,873
c) Reduction during the year	70,533	50,729
d) Closing balance	5,111,496	4,683,695
III) Movement of NPAs (Net)		
a) Opening balance	3,371,092	189,859
b) Additions during the year	(2,529,062)	3,220,381
c) Reduction during the year	67,480	39,148
d) Closing balance	774,550	3,371,092
IV) Movement of Provisions for NPAs		
(Excluding provisions on Standard assets)		
a) Opening balance	1,312,603	54,692
b) Additions during the year	3,027,396	1,269,491
c) Reduction during the year	3,053	11,581
d) Closing balance	4,336,946	1,312,603

5.5 Overseas Assets

(₹ lakh)

Particulars	31.03.2021	31.03.2020
Advances with overseas offices		-

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

6 Disclosure of Complaints

6.1 Customers Complaints

	Particulars	31.03.2021	31.03.2020
a)	No of Complaints Pending at the beginning of the year	27	3
b)	No of Complaints received during the year	3,775	2,531
c)	No of complaints redressed during the year	3,773	2,504
d)	No of complaints pending at the end of the year	2	27

K.K. Mankeshwar & Co. Chartered Accountants

Dewan Housing Finance Corpn. Mumbai (Bandra)

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
New Delhi, dated the
05 June 2021

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	**Mr. S N Baheti**	**Mr. S K Bansal**
Chief Executive Officer	**Company Secretary**	**Chief Finance Officer**

MR. R SUBRAMANIAKUMAR
ADMINISTRATOR APPOINTED UNDER IBC

Place : Chennai
Date: 05 June 2021

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 ministrator, 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 ekar Marg, Station Road, Bandra (East), Mumbai 400051 Email ID for Correspondence: dhfladministrator@dhfl.com

Consolidated Financial Statements

For the year ended 31st March, 2021

DEWAN HOUSING FINANCE CORPORATION LIMITED

K.K.MANKESHWAR & CO.

121, POCKET-I JASOLA
NEW DELHI - 110 025
Tel. : +91-11-41402828
del@kkmindia.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'), which comprise the consolidated balance sheet as at 31st March 31, 2021, 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

We have issued Disclaimer Reports basis the observations forming part of the report for the financial year ended 31st March, 2020. The predecessor joint auditors had also issued a 'Disclaimer Report' for the year ended 31st March, 2019. The status update of the observations reported together with the observations noted for the financial year ended 31st March, 2021 is as below:

1. We refer to Note No. 51 to the Consolidated Financial Statements regarding that the Administrator, Advisors and Key Managerial Personnel ("KMPs" or "Present Management") have taken charge with effect from 21th November 2019 and have relied on information, data, clarifications and views provided by the existing staff of the Company for the purposes of the Consolidated Financial Statements. The Company has initiated appropriate actions on the basis of reports submitted by Transaction Auditor such as filing of application with NCLT and submission of Fraud Monitoring Reporting (FMRs) to National Housing Bank (NHB)/RBI and filing of complaint with appropriate authorities. The Company has also taken into consideration the fair value of wholesale loan portfolio as per cash flows which are part of the valuation reports submitted by valuer appointed under IBC while calculating the fair value of wholesale loan portfolio during the year ended on 31st March, 2021. Only when the complete outcome and impact of ongoing investigations are known, the accuracy and completeness or otherwise of the data can be known. Further, the Administrator and the KMPs have signed the Consolidated Financial Statements solely for the purpose of compliance and discharging their duties during CIRP period of the Company and in accordance with the provisions of the Code, 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.

2. We refer to Note no. 50 to the Consolidated Financial Statements regarding the Administrator and the Advisory Committee members along with the KMPs, upon

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their taking charge have taken various efforts to improve the operational, financial and managerial efficiency of the Company with the support of the employees of the company. In this regard, various initiatives to strengthen the financial/lending policies and processes, functioning of the IT system; legal audit of material loan documents, establishing risk management framework, updating internal financial controls and updating risk controls matrices, strengthening internal audit control through in-house resources and engagement of external professional experts/consultants have been undertaken. Various actions to ensure comprehensive compliance with various applicable rules and regulations during this period have also been undertaken. While substantial progress has been made by concluding some of the initiatives including legal audit as well, some of these could not be fully concluded and implemented by 31st March, 2021 due to the ongoing pandemic and therefore, various activities continue to be ongoing.

However, with regard to the legal audit, it is informed that the legal audit is completed. Further as also informed the legal audit was done for internal consumption having no bearing on financials of their findings and the legal audit report has not been provided to us.

In view of the above, we have been unable to obtain sufficient appropriate evidence in support of the outcomes of the said initiatives and their likely impact upon the overall governance / control environment within the Company and with regard to the legal audit, due to non-availability of the legal audit report we are unable to comment on the possible consequential effects arising therefrom.

3. We also refer to the "Written Representations" by Present Management and its limitations and inability thereof in confirming or non-confirming the assertions 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 Note no. 53 to the Consolidated Financial Statements together with multiple issues of financial significance as highlighted in our audit report for the year ended 31st March, 2020 and in context of the suspected irregularities as reported and under media scrutiny. These issues are presently investigated by the concerned agencies namely Ministry of Corporate Affairs (MCA) 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 the Company to certain borrowers. The Central Bureau of Investigation (CBI) has also initiated investigation in connection with certain loans 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 and few other cases. As of the date of this report, investigations are ongoing together with transactions audits performed by independent agencies/firms appointed by the Administrator. We also noted 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 and otherwise. These investigations are informed as not yet fully completed; and with no outcomes being communicated by the reported fraudulent transaction referred to in '5' below are made in the Consolidated Financial Statements in respect of the said reported matters. Further regarding the Special Review by an external professional firm assigned by lending banks, the final report is still awaited.

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In view of the above, we are unable 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 so far.

5. We refer to the Note no. 7.12 to the Consolidated Financial Statements on findings of the Transaction Avoidance Auditor's Report under Section 66 of the Code covering certain transactions undertaken by the Company in the past has been filed before Hon'ble NCLT, Mumbai. During the year as on 31st March 2021 amounting of Rs. 40,35,470 lakh have been identified and reported by the Company to Stock Exchanges and National Housing Bank (NHB)/RBI as fraudulent, undervalued and preferential in nature. The Company has made the provisions of entire amount in respect of all such transactions, as per NHB/RBI guidelines on 'Provisioning Pertaining to Fraud Accounts'. We have requested for the copy of the said report to allow /enable us to verify and validate the completeness and correctness of the quoted Note no. 7.12. However, we have been informed the said report of the Transaction Audit is exclusively meant for Administrator and NCLT and is accordingly not provided to us.

   In view of the foregoing and due to non-availability of the transaction audit report, we are unable to comment upon the completeness; correctness and adequacy / inadequacy of the underlying security covers; and of such provisions and their possible consequential effect/ impact arising therefrom.

6. In respect of certain loans granted or invested by the Company wherein with regard to deficiencies in documentation/ securities of Project / Mortgage Loans/ Inter Corporate Deposit, the Present Management has earlier expressed its inability to express any view on the documentation adequacy / completeness till the conclusion of the legal audit which is now informed to have been completed.

   Further as also informed the legal audit was done for internal consumption having no bearing on financials of their findings and the legal audit report has not been provided to us and the Present Management continue to not express any view on the documentation adequacy / completeness.

   In view of the above and due to non-availability, the legal audit report we are unable to comment on the loan/ security(ies) documentation and the possible consequential effects arising therefrom.

7. We refer to the Note no. 59 to the Consolidated Financial Statements regarding the total wholesale loan portfolio including interest receivable aggregating Rs. 54,24,862 lakh (pursuant to classification of this portfolio to "held for sale" in the year ended 31st March 2019) has been "fair valued" as at 31st March 2021 at Rs 9,42,093 lakh, with the resulting fair value loss aggregating Rs 44,82,769 lakh, which factors the outcome of valuation exercise carried out under IBC. The recoverability or otherwise of these loans is yet to be ascertained and hence the provision has been made by the Present Management as a prudent measure.

8. The net worth of the Company is fully eroded rendering the Company unable to comply with the regulatory requirements of RBI in respect of the Net Owned Fund (NOF) and which also resulted in multiple contraventions of the provisions of RBI Master Directions - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021, 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 are not commenting on the

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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 above, the Company on 24th December, 2020 had represented to RBI to permit forbearance for the Company in relation to such requirement, as the Company was under Corporate Insolvency Resolution Process (CIRP). As advised by RBI on 5th February, 2021 the Company had been allowed to submit the compliance roadmap through the successful Prospective Resolution Applicants (PRA), after implementation of the resolution plan.

9. We refer to Note No. 57 to the Consolidated Financial Statements regarding that the Company has not made any provision for interest on borrowings amounting to Rs. 7,65,155 lakh for the year ended on 31st March 2021, in view of the Company's current CIRP process. 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. Had the interest was accrued on borrowings and provided for, the loss for year ended 31st March,2021 would have been higher by Rs 5,69,046 lakh respectively (net of tax).

   As an opinion is confirmed in finality by the competent authority only when concluding the matter, we are unable to comment upon the position being taken by the Present Management in this regard.

10. The Company continues to follow the ECL Policy as determined in the last year, which also included the approach to be followed by the Company for the subsequent years, for the year ended 31st March 2021 without considering any consequential effects of the changing business conditions and overall economic scenario during the year. In view of the same we are unable to comment upon the financial impact, if any, on the Consolidated Financial Statements arising thereof due to the same.

11. We refer to Note no. 56 to the Consolidated Financial Statements regarding that the Company has a balance of Rs.10,20,077 lakh as deferred tax asset as on 31st March, 2021. 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 outcome of the CIRP, we are unable to comment on the same.

12. We observed that the 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 assets under development. The Company has capitalized Rs 3,415 lakh to Software Asset and charged Rs 870 lakh to the Statement of Profit and Loss during the year and remaining carrying value of Rs. 6,232 lakh has been shown as under "Intangible Assets under development". However, 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, its development cost and adjustments arising thereof, if any, and we are therefore unable to comment upon their consequential effects to the Consolidated Financial Statements.

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13. In view of the possible effects of the matters described in paragraphs 1 to 12 above, we are also unable to comment on the Company's compliance of the covenants in respect of all borrowings and consequential implications including disclosures, if any.

14. We refer to Note no. 54 regarding that the Administrator has filed an application under Section 30(6) of the Code for submission of resolution plan of Piramal Capital & Housing Finance Limited (PCHFL) as approved by the Committee of Creditors with the Adjudicating Authority i.e. Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench on 24th February 2021 post receipt of No objection from Reserve Bank of India as per Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019.

    We have not been provided with a copy of the said application together with relevant details and we are therefore unable to comment whether or not the CIRP outcomes require any accounting adjustments to be made in the attached Consolidated Financial Statements on account of business impairment or otherwise following the business value now becoming known in definitive terms; and the consequential effect that such adjustment/s, if any, could carry on the attached Consolidated Financial Statements if required to have been made.

15. In view of the foregoing, we have been unable to obtain sufficient appropriate evidence to support the values of the loans and are unable 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, appropriateness of classification of loans, assets, restatement, related parties and other disclosures and compliances, as applicable. Further the loans referred in above paragraphs may not have been properly secured and 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.

16. We refer to Note no. 52 to the Consolidated Financial Statements regarding that in certain instances, the amount of the claim admitted under CIRP may differ from the amount reflecting in the books of accounts of the Company. The Consolidated Financial Statements are drawn on the basis of figures appearing in the books of accounts of the Company as on 31st March 2021. As also stated, these figures may be interpreted solely for the purpose of satisfying the regulatory requirements for preparing yearly consolidated financial statements and these figures could undergo changes during the CIRP or thereafter depending upon the findings. Pending final outcome of the CIRP, no adjustments, including of the effects arising due to changes in foreign exchange rates except for regrouping and recharacterization adjustments identified during the year, have been made in the Consolidated Financial Statements and books of account for the differential amounts including for the amounts short/unclaimed, if any, in the claims admitted as on the date of acceptance of claims.

    In view of the above we are unable to comment upon the completeness and correctness of such accounts and the consequential effect of the adjustments arising thereof on the Consolidated Financial Statements.

17. We refer to Note no. 55 to the Consolidated Financial Statements which explains that consequent to the outbreak of the COVID-19 pandemic, the Central Government in India had declared a national lockdown in March, 2020, through various notifications. Subsequently, the national lockdown was lifted by the central government, but regional lockdowns continue to be implemented in areas

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with a significant number of COVID-19 cases. However, with various working measures, the Company has been making efforts to restore its normal operations. The extent to which the COVID- 19 pandemic, including the current "second wave" that has significantly increased the number of cases in India, will impact the operation of the company, will depend on the ongoing as well as future developments, which are not precisely predictable and for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve.

18. We refer to the Note No. 62 to the Consolidated Financial Statements regarding that in accordance with RBI circular dated April 07, 2021, the Company shall refund / adjust 'interest on interest' to all borrowers including those who had availed of working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed. Pursuant to these instructions, the methodology for calculation of the amount of such 'interest on interest' has been recently circulated by the Indian Banks Association (IBA). The Company is in the process of suitably implementing this methodology and has created a liability towards estimated amount of interest on interest collected/charged and reduced the same from the interest income for the year ended March 31, 2021.

Material uncertainty related to Going Concern

The Company has incurred loss aggregating Rs. 15,05,168 lakh (including Other Comprehensive Income) during the year ended 31st March 2021, 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, 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 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 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 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 are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern

K.K. Mankeshwar & Co. Chartered Accountants

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 are also responsible for overseeing the financial reporting process of the Group.

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 2021 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.

Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Other Matter

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 Rs. Nil, and net loss after tax of Rs. 0.76 Lakh for the year ended March 31, 2021 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.

K.K. Mankeshwar & Co. Chartered Accountants

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 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 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 sought but were unable 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*, 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 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 Acounting 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 it's subsidiaries are disqualified as on March 31, 2021 from being appointed as director in the terms of Section 164 (2) of the Act, as we have been explained that the 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) The provisions of Section 197 read with Schedule V to the Act are not applicable to the Group for the year ended 31st March, 2021.

K.K. Mankeshwar & Co. Chartered Accountants

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 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 Company except general delay ranging from 1 to 731 days in transferring unclaimed public deposits (including interest) of Rs. 88.13 lakh and unclaimed dividend of Rs. 30.12 Lacs 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: 21097820AAAAJX4387
New Delhi, dated the
05th June 2021

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'), which are companies incorporated in India, as of 31st March, 2021 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, 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, 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 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

K.K. Mankeshwar & Co. Chartered Accountants

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 Administrator following his appointment and with the approval of Committee of Creditors of the 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"), 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 have ensured that the Company continues to operate as a "Going Concern" in line with the objective of the Code and requirements thereunder.

The Present Management has undertaken good governance initiative, soon after it became effective, inclusive of strengthening of Internal Financial Controls (IFC) 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 strengthening, updating and revising the internal financial controls and risk control matrices could not be fully concluded and implemented by March 31, 2021. In the meantime, the PM has also initiated the testing of design adequacy and operating effectiveness of the IFC's which were concluded and implemented. The testing outcomes are yet to be formalised. The IFC implementation is informed to be not fully concluded and implemented 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 31st March 2021, 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 31st March 2021.

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 incorporated in India had adequate internal financial controls over financial reporting with reference to these Consolidated Financial Statements as at March 31, 2021 and this report affects our report dated June 05, 2021 which expressed a disclaimer of opinion on these Consolidated Financial Statements of the Group.

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Group for the year ended 31 March, 2021, and the disclaimer has affected our opinion on the consolidated financial statements of the Group and we have issued a disclaimer of opinion on the consolidated financial statements.

DINESH KUMAR BACHCHAS
Partner
Membership No. 097820
For and on Behalf of
K .K. MANKESHWAR & CO.
Chartered Accountants
FRN: 106009W
UDIN:21097820AAAAIH4287
New Delhi, dated the
05th June 2021

K.K. Mankeshwar & Co. Chartered Accountants

Dewan Housing Finance Corporation Limited

Consolidated Balance Sheet as at 31st March 2021

(₹ in Lakh)

	Note No.	As at 31.03.2021	As at 31.03.2020
ASSETS			
Financial assets			
Cash and cash equivalents	5	945,869	684,928
Bank Balances other than Above	5	86,511	87,064
Receivables	6	47	275
Housing and Other loans:-	7		
At Amortised cost		2,903,437	3,547,037
At Fair Value		942,092	3,073,231
		3,845,529	**6,620,268**
Investments	8	844,865	388,051
Other financial assets	9	183,250	179,255
Total Financial Assets		**5,906,071**	**7,959,841**
Non-Financial assets			
Current Tax Assets (Net)	10	5,646	33,023
Deferred tax assets	11	1,020,077	504,330
Property, plant and equipment	12	79,600	85,361
Inatangible assets under development	13	6,232	10,517
Other intangible assets	13	8,141	6,669
Other non financial assets	14	10,099	14,182
Total Non-Financial Assets		**1,129,795**	**654,082**
Total Assets		**7,035,866**	**8,613,923**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial Liabilities			
Trade Payables	15		
(i) total outstanding dues of micro enterprises and small enterprises		319	34
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		7,284	12,146
Debt Securities	16	4,557,530	4,542,829
Borrowings (Other than Debt Securities)	17	3,768,591	3,841,077
Deposits	18	529,165	527,889
Subordinated Liabilities	19	129,833	129,430
Other Financial Liabilities	20	98,985	100,442
Total Financial Liabilities		**9,091,707**	**9,153,847**
Non-Financial Liabilities			
Provisions	21	756	753
Other Non-Financial Liabilities	22	7,934	13,937
Total Non-Financial Liabilities		**8,690**	**14,690**
Total liabilities		**9,100,397**	**9,168,537**
EQUITY			
Equity Share Capital	23	31,382	31,382
Other equity	24	(2,095,913)	(585,996)
Total equity		**(2,064,531)**	**(554,614)**
Total Liabilities and Equity		**7,035,866**	**8,613,923**

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

New Delhi, dated the
05th June, 2021

K.K. Mankeshwar & Co. Chartered Accountants

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	**Mr. S N Baheti**	**Mr. S K Bansal**
Chief Executive Officer	**Company Secretary**	**Chief Finance Officer**

Dewan Housing Finance Corporation Ltd. Mumbai (Bandra)

MR. R SUBRAMANIAKUMAR
ADMINISTRATOR APPOINTED UNDER IBC

Place : Chennai
Date: 05 June 2021

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 400051. Email ID for Correspondence dhfladministrator@dhfl.com

Dewan Housing Finance Corporation Limited

Consolidated Statement of Profit and Loss for the year ended 31st March 2021

(₹ in Lakh)

Particulars	Note No.	Year ended 31.03.2021	Year ended 31.03.2020
Revenue from Operations			
a) Interest Income	25	871,900	923,216
b) Fees and commission Income	26	329	283
c) Net gain on fair value changes	27	-	-
d) Net gain on derecognition of financial instruments under amortised cost category	28	(4)	2,397
e) Other operating revenue	29	4,840	29,900
Total Revenue from Operations		**877,065**	**955,796**
Other Income	30	3,214	2,089
Total Income		**880,279**	**957,885**
Expenses			
Finance costs	31	21,849	573,621
Net loss on fair value changes	27	2,599,033	1,503,471
Impairment on financial instruments & write-offs	32	224,477	624,213
Employee benefit expense	33	21,312	28,329
Depreciation, amortisation and impairment	12 & 13	8,083	7,941
Other expenses	34	17,235	26,562
Total expenses		**2,891,989**	**2,764,137**
Profit/(Loss) before Tax		**(2,011,710)**	**(1,806,252)**
Tax expense	35		
- Current tax		9,137	-
- Earlier years adjustments		-	(1,133)
- Deferred tax		(515,730)	(462,434)
Total Tax expense		**(506,593)**	**(463,567)**
Net Profit/(Loss) After Tax before Share of net profits of associates and joint ventures		(1,505,117)	(1,342,685)
Share of net profits/(loss) of associates and joint ventures		-	(2,896)
Net Profit/(Loss) After Tax (Fully attributable to owners of the Parent)		**(1,505,117)**	**(1,345,581)**
Other comprehensive income			
(A) Items that will not be reclassified to profit/(loss)			
(i) Remeasurements of the defined employee benefit plans		(69)	(154)
(ii) Income tax relating to items that will not be reclassified to profit/(loss)		18	39
Subtotal (A)		**(51)**	**(115)**
(B) Items that will be reclassified to profit/(loss)			
(i) Cash flow hedge		-	5,320
(ii) Income tax relating to items that will be reclassified to profit/(loss)		-	(1,488)
Subtotal (B)		-	**3,832**
Other Comprehensive Income(A + B) (Fully attributable to owners of the Parent)		**(51)**	**3,717**
Total comprehensive income (Fully attributable to owners of the Parent)		**(1,505,168)**	**(1,341,864)**
Earnings per equity share			
Basic (₹)		(479.61)	(428.77)
Diluted (₹)		(479.61)	(428.77)

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

New Delhi, dated the
05th June, 2021

K.K. Mankeshwar & Co. Chartered Accountants

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

Dewan Housing Finance Corporation Ltd. Mumbai (Bandra)

MR. R SUBRAMANIAKUMAR
ADMINISTRATOR APPOINTED UNDER IBC

Place : Chennai
Date: 05 June 2021

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 400051. Email ID for Correspondence: dhfladministrator@dhfl.com

Dewan Housing Finance Corporation Limited

Consolidated Cash Flow Statement for the year ended 31st March 2021

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
A. Cash flow from operating activities		
Net (Loss)/Profit before tax	(2,011,710)	(1,806,252)
Adjustments for:		
Depreciation and amortisation expense	8,083	7,941
Share Based Payments to employees	209	(1,791)
Loss/(Profit) on Sale of Property, plant and equipments	155	169
Interest on Income tax refund	(2,537)	-
Interest income from investments	(11,610)	(3,281)
Other interest income	(124)	(3,749)
Net loss/ (gain) on fair value changes	2,599,033	1,503,471
Net loss/ (gain) on derecognition of financial instruments under amortised cost category	4	594
Impairment on financial instruments & written offs	224,477	624,213
Liability written off	-	(23,582)
Gain on Dilution of Investment	-	1,103
Operating profit before working capital changes	**805,980**	**298,836**
Adjustments for:		
(Increase)/Decrease in other bank balances	11	88,548
Decrease/ (Increase) in trade receivables	228	201
(Increase)/Decrease in other financial asset	(3,887)	(73,726)
(Increase)/Decrease in other non financial asset	24,502	20,176
Increase/ (Decrease) in housing and other property loans	(122,244)	805,076
(Increase)/Decrease in trade payable	(4,577)	1,975
Increase/ (Decrease) in other financial liabilities	(1,273)	114,060
(Decrease)/Increase in other non financial liabilities	(6,002)	(2,390)
(Decrease)/Increase in provisions	3	(262)
Cash generated from operations during the year	**692,741**	**1,252,494**
Taxes paid (net)	20,777	5,130
Net Cash (used in) Operating Activities [A]	**713,518**	**1,257,624**
B. Cash flow from investing activities		
Interest Income	10,363	7,368
Sale Proceeds investments (net)	-	25,084
Net movement in Other Investments	(476,064)	51,691
Net movement in PTC	12,791	(17,727)
Capital Expenditure	324	(2,211)
Proceeds from Sale of Fixed Assets	9	150
Net Cash generated from / (used in) Investing Activities [B]	**(452,577)**	**64,355**
C. Cash flow from financing activities		
Repayment of redeemable non convertible debentures	-	(258,526)
(Repayment) of / Proceeds from Commercial Paper	-	(75,000)
Repayment of term loan	-	(442,504)
Proceeds from other borrowings (net)	-	186,739
Public / Other Deposits (repaid)/received (net)	-	(173,762)
Dividend & Dividend Distribution Tax Paid	-	(10)
Net Cash (used in)/ generated from financing activities [C]	**-**	**(763,063)**
Net increase / (decrease) in cash and cash equivalents [A+B+C]	**260,941**	**558,916**
Cash and cash equivalents at the beginning of the year	684,928	126,012
Cash and cash equivalents at the end of the year (refer note 5)	945,869	684,928

Chartered Accountants

DEWAN HOUSING FINANCE CORPN. LTD. MUMBAI (BANDRA)

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

New Delhi, dated the
05th June, 2021

K.K. Mankeshwar & Co. Chartered Accountants

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

Dewan Housing Finance Corpn. Ltd. Mumbai (Bandra)

MR. R SUBRAMANIAKUMAR
ADMINISTRATOR APPOINTED UNDER IBC

Place : Chennai
Date: 05 June 2021

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 400051. Email ID for Correspondence: dhfladministrator@dhfl.com

Dewan Housing Finance Corporation Limited
Consolidated Statement of Changes in Equity for the year 31st March 2021

A. EQUITY SHARE CAPITAL

(₹ in Lakh)

Balance as at March 31, 2020	**31,382**
Changes in equity share capital during the year	-
Balance as at March 31, 2021	**31,382**

B. OTHER EQUITY

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, 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/(loss) 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**	**(1,237,213)**	**126,893**	**183,899**	**2,540**	**-**	**(585,996)**
Profit/(Loss) for the year			(1,505,117)	-	-	-		(1,505,117)
Other comprehensive income/(loss) for the year			(51)	-	-	-		(51)
Creation of deferred tax on embedded derivative				(4,957)	-	-		(4,957)
Employee Stock Options (Net)						209		209
Balance as at March 31, 2021	**220,885**	**117,000**	**(2,742,381)**	**121,936**	**183,899**	**2,749**	**-**	**(2,095,913)**

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

K.K. Mankeshwar & Co. Chartered Accountants

New Delhi, dated the
05[th] June, 2021

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	**Mr. S N Baheti**	**Mr. S K Bansal**
Chief Executive Officer	**Company Secretary**	**Chief Finance Officer**

Dewan Housing Finance Corpn. Ltd. Mumbai (Bandra)

MR. R SUBRAMANIAKUMAR
ADMINISTRATOR APPOINTED UNDER IBC

Place : Chennai
Date: 05 June 2021

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 400051. Email ID for Correspondence: dhfladministrator@dhfl.com

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, 2nd floor, Sir P.M Road, Fort , Mumbai -400001.

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.

Chartered Accountants

MUMBAI (BANDRA)

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.

The preparation of consolidated 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.

These financial statements have been prepared on a going concern basis.

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.

(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.

K.K. Manakshi & Co. Chartered Accountants

Details of Companies Consolidated in these consolidated financial statements

Name of the Company	Type	Country of Incorporation	Holding As at	
			March 31, 2021	March 31, 2020
DHFL Advisory & Investments Pvt. Ltd.	Subsidiary	India	100.00%	100.00%
DHFL Holdings Ltd.	Subsidiary	India	100.00%	100.00%

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.

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.

K.K. Mankeshwar & Co. Chartered Accountants

DEWAN HOUSING FINANCE CORPN. LTD. MUMBAI (BANDRA)

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) has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash Flows".
The financial statements are presented in Indian Rupees (INR) and all values are rounded to the nearest lakh, except when otherwise indicated.

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 and the guidelines issued by the Reserve Bank of India ("RBI") and/or National Housing Bank ("NHB") to the extent applicable.

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 face value and proceeds received, received in excess of the face value are recognised as Securities Premium..

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.

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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

Classification as Debt or Equity 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

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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.

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. 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 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 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. In the past due to certain market conditions, the company has sold financial assets 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 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.

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 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).

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 financial assets is calculated on carrying value (i.e the gross carrying amount less the allowance for expected credit loss (ECLs)).

(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) 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.

(iv) Fees & Commission Income

Fee and commission, other than the fee that forms an integral part of EIR, are accounted on accrual basis.

(v) 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 27), 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 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.

(vi) Other Operating Income

Prepayment charges, additional interest on delayed payment of EMI/PEMI 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.

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 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 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. 20

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.

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.

2.11. 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.

2.12. 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.

2.13. 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 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.

2.14. 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.

2.15. 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

2.16. 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.

2.17. 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.

2.18. 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.

2.19. 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.

2.20. 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.

2.21. 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.

2.22. 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.

2.23. 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 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 40.

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 42 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

4. Other estimates:

These include contingent liabilities, useful lives of tangible and intangible assets etc.

5 CASH AND BANK BALANCE

(₹ in Lakh)

Particulars	As at 31.03.2021	As at 31.03.2020
Cash and cash equivalents		
(i) Cash on hand	910	55
(ii) Balances with banks:		
- In Current Accounts	32,738	30,521
- In Deposit accounts	912,221	654,352
	945,869	**684,928**
Other bank balances		
(i) In other Deposit accounts		
- Other deposit accounts		
-Original Maturity less than 3 months	-	13,061
-Original Maturity more than 3 months but less than 12 months	71,854	33,238
-Original Maturity more than 12 months	14,482	40,590
(ii) Earmarked balances with banks		
- Unclaimed Dividend Account	175	175
	86,511	**87,064**
Total	**1,032,380**	**771,992**

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:-

Particulars	As at 31.03.2021	As at 31.03.2020
SLR Requirement	58,886	58,886
Bank Guarantee	2,580	2,555
Securitisation comforts provided to various trustees/buyers	23,394	23,452
Margin Money	508	486
Total	**85,368**	**85,379**

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DEWAN HOUSING FINANCE CORPN. LTD. MUMBAI (BANDRA)

6 RECEIVABLES

(₹ in Lakh)

Particulars	As at 31.03.2021	As at 31.03.2020
Trade receivables		
Unsecured considered good	47	275
Unsecured - credit impaired	79	79
	126	**354**
Provision for impairment for:		
Receivables - credit impaired	79	79
Total	47	275

6.1 Trade Receivables includes amounts due from the related parties ₹ 21 lakh(₹ 165 Lakh) (Refer note 47)

6.2 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.

6.3 Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

6.4 Trade receivables days past due

	More than 360 days past due	Total
ECL rate	100%	
As at March 31, 2021		
Estimated total gross carrying amount at default	79	79
ECL-Simplified approach	79	79
Net carrying amount	-	-
As at March 31, 2020		
Estimated total gross carrying amount at default	79	79
ECL-Simplified approach	79	79
Net carrying amount	-	-

6.5 Reconciliation of impairment allowance is as under

As at April 1, 2019	79
Add: on addition	-
Less: on deletion	-
As at March 31, 2020	79
Add: on addition	-
Less: on deletion	-
As at March 31, 2021	79

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DEWAN HOUSING FINANCE CORPN. LTD MUMBAI (BANDRA) ★

7 HOUSING AND OTHER LOANS

(₹ in Lakh)

Particulars	As at 31.03.2021	As at 31.03.2020
At Amortised Cost		
Housing and other property loan	3,279,411	3,710,805
Loans to developers	181,248	181,248
Intercorporate deposit (unsecured)	364,169	358,834
Loan to others	811	770
Total gross	**3,825,639**	**4,251,657**
Less: Impairment loss allowance	(922,202)	(704,620)
Total net	**2,903,437**	**3,547,037**
At Fair Value		
Housing and other property loan	358,759	1,029,956
Loans to developers	583,333	2,043,275
Total	**942,092**	**3,073,231**
Total	**3,845,529**	**6,620,268**

7.1 All loans are secured unless otherwise stated and all loans are disbursed in India.

7.2 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.

7.3 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 Reserve Bank of India (RBI) Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated 17th February, 2021. 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 ₹ 6,669 lakh (₹ 8,354 lakh).

Project loan include ₹ 8,23,984 lakh projects (including infrastructure projects) where the collateral being an intangible security i.e. rights, licenses, authorisations, appropriate provision as per fair value has been made as on 31st March 2021.

7.4 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.

7.5 The above include insurance portion amounting to ₹ 67,059 lakhs (₹ 76,332 lakhs) 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.

7.6 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 ₹ 40,244 lakh as at March 31, 2021 (₹ 28,062 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 accounting policy.

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DEWAN HOUSING FINANCE CORPN. LTD. MUMBAI (BANDRA)

7.7 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 ₹ 23,98,841 lakh (₹ 29,31,057 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.

7.8 The company is not granting any loans against gold jewellery as collateral.

7.9 Housing and other property loan includes an amount of ₹ 301,868 Lakh(₹ 301,868 lakh) which could not be mapped to any security against which this amount was disbursed in the past. In the light of the above position and in the absence of any internal confirmation, the Present Managment had, in the previous year, decided as a prudent measure to treat the amount as loss assets as per asset classification norms and also due to non-availablity of any security, the Company had fully provided for this amount under ECL.

7.10 Loans to others include loans to employees which are secured by the hypothecation of respective assets against which these loans have been granted.

7.11 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 ₹ 4,957 lakh (₹ 4,840 lakh) has been amortised out of the General Reserve in terms of the valuation report of the scheme.

7.12 Pursuant to findings of the Transaction Avoidance Auditor's report under Section 66 of the Insolvency and Bankruptcy Code, 2016, covering certain transactions undertaken by the Company in the past has been filed before Hon' NCLT, Mumbai. During the year ended on 31st March 2021, loan transactions amounting ₹ 40,35,470 lakh have been identified and reported by the Company to Stock Exchanges and National Housing Bank (NHB)/Reserve Bank of India (RBI) as fraudulent, undervalued and preferential in nature. The Company has made the provisions of entire amount in respect of all such transactions, as per NHB/RBI guidelines on 'Provisioning Pertaining to Fraud Accounts'

7.13 In addition to above note no 7.12, the Company has also detected frauds amounting to Rs. 90 lakh in respect of cash misappropriation, cheating / breach of trust etc. and has fully provided for provision on the same.

DHFL HOUSING FINANCE CORPN. LTD. MUMBAI (BANDRA)

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8 INVESTMENTS

Particulars	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
	No of Units/Shares		(₹ in Lakh)	
At fair value through profit or loss				
Investments in unquoted equity instruments (other than Subsidiary)				
Investments in unquoted equity instruments (other than Subsidiary)			7,545	6,311
Investment in Venture Capital Fund - unquoted			1,716	1,712
Investment in Security Receipts			65,806	69,486
Investment in Preference Share			2,757	2,714
Investment in Pass Through Certificates			169,719	175,710
Total			**247,543**	**255,933**
At Amortised Cost				
Debentures - (Quoted)			-	240
Investment in Government securities (SLR) - quoted			72,783	73,112
Investment in Treasury Bill (Quoted)			478,824	-
Investment in Pass Through Certificates (Ref. note No 8.4)			45,715	58,766
Total			**597,322**	**132,118**
Grand Total			**844,865**	**388,051**

8.1 All investments are made within India.

8.2 Investment in Government and other SLR Securities aggregating ₹ 71,639 Lakh (₹ 72,128 Lakh) carry a floating charge created in favour of depositors in the Fixed Deposit schemes of the Company (read with Note 18).

8.3 The Company holds 100% of equity share capital of DHFL Investments Limited (DIL), however, based on the agreement with dated March 31, 2017 with Wadhawan Gloabal Capital limited(WGC), the DIL is not considered as a subsidiary company for the purpose of preparation of these Ind AS financial statements.

Further, the Company has appointed all the directors on the board of DIL in February 2020 subsequent to the resignation of all the erstwhile directors and no action taken by WGC for appointment of new directors. The Company has taken all the actions available under law. However, since the matter is sub judice, the Company has maintained the status quo and not considered DIL as subsidiary during the financial year ended on 31st March 2021.

8.4 Impairment loss allowance recognised on Investment in PTC ₹ 210 lakh (₹ 275 lakh) is included in Impairment loss allowance on loans and advances to customers.

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DEWAN HOUSING FINANCE CORPN. LTD. MUMBAI (BANDRA)

Dewan Housing Finance Corporation Limited
Consolidated Notes forming part of the financial statements for the year ended 31st March 2021

9 OTHERS FINANCIAL ASSETS (UNSECURED AND CONSIDERED GOOD)

(₹ in Lakh)

Particulars	As at 31.03.2021	As at 31.03.2020
Receivable on assigned loans	80,006	82,245
Security Deposits	2,366	2,920
Receivable from mutual fund	449	449
Amount receivable under securitisation/joint syndication/ settlement transaction	20,076	30,591
Other assets	81,170	63,434
	184,067	**179,639**
Less: Provision for impairment	817	384
Total	**183,250**	**179,255**

9.1 Security Deposits includes amounts due from the related parties ₹ 10 lakh (₹ 39 lakh). (refer note 47)

10 Current Tax Assets (Net)

Particulars	As at 31 March 2021	As at 31 March 2020
Advance Tax (Net of Provision)	5,646	33,023
Total	**5,646**	**33,023**

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DEWAN HOUSING FINANCE CORPN. LTD. MUMBAI (BANDRA)

Dewan Housing Finance Corporation Limited
Consolidated Notes forming part of the financial statements for the year ended 31st March 2021

11 Deferred Tax Assets (Net)

(₹ in Lakh)

Particulars	As at 31.03.2021	As at 31.03.2020
Deferred Tax Liabilities	(377,377)	(259,340)
Deferred Tax Assets	1,397,454	763,670
Total	1,020,077	504,330

11.1 Deferred tax assets and liabilities in relation to:

Particulars	Opening balance as at April 1, 2020	Recognised in Profit and Loss	Recognised in Other Comprehensive Income	Utilisations /Adjustments	Closing balance as at March 31, 2021
Deferred tax liabilities					
On difference between book balance and tax balance of Property, plant & equipment	(19,536)	3,593	-	-	(15,943)
On account of measurement of Financial instrument at amortised cost	(197,529)	(133,091)	-	-	(330,620)
Receivable on assigned loans	(21,076)	574	-	-	(20,502)
Others	(21,199)	10,887			(10,312)
	(259,340)	**(118,037)**	-	-	**(377,377)**
Deferred tax assets					
On account of impairment on financial instruments	184,725	61,185			245,910
On account of provision for employee benefits	193	(17)	18		194
Fair value on Investment	940	419			1,359
Fair value on Employee Stock Options/Employee Stock Appreciation Rights Expenses	575	53			628
Fair Valuation of Loan	483,191	665,728			1,148,919
Lease Accounting	116	328			444
Business Loss	93,930	(93,930)			-
	763,670	**633,766**	**18**	-	**1,397,454**
Net	**504,330**	**515,729**	**18**	-	**1,020,077**

11.2 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 NCLT.

DEWAN HOUSING FINANCE CORPN. LTD MUMBAI (BANDRA)

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Dewan Housing Finance Corporation Limited
Consolidated Notes forming part of the financial statements for the year ended 31st March 2021

12 PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakh)

Description	Gross block				Accumulated depreciation				Net block
	As at April 1, 2020	Additions	Deductions	As at March 31, 2021	As at April 1, 2020	Charge for the year	Deductions	As at March 31, 2021	As at March 31, 2021
Building	57,045			57,045	2,192	939	-	3,131	53,914
Leasehold Improvements	2,961	55	200	2,816	312	455	92	675	2,141
Furniture and Fixtures	2,893	71	5	2,959	917	399	6	1,310	1,649
Vehicles	232	5	-	237	91	64		155	82
Office Equipment	5,804	88	83	5,809	1,724	764	30	2,458	3,351
Leasehold Premises	9,326	-	-	9,326	488	164	-	652	8,674
Computers	5,444	1	7	5,438	2,425	902	6	3,321	2,117
Right to Use Asset	12,302	321	-	12,623	2,497	2,454	-	4,951	7,672
Total	**96,007**	**541**	**295**	**96,253**	**10,646**	**6,141**	**134**	**16,653**	**79,600**

Previous Year

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**

12.1 Pursuant to findings of the Transaction Avoidance Auditor's report under Section 66 of the Code covering certain transactions undertaken by the Company has been filed before Hon'ble NCLT, Mumbai. During the year, a transaction amounting ₹. 33,031 lakh in connection with the excess consideration paid to purchase office building called Napha situated at Santacruz(East), Mumbai has been identified and reported by the Company to Stock Exchanges and National Housing Bank (NHB)/ Reserve Bank of India (RBI) as fraudulent, undervalued and preferential in nature.

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Dewan Housing Finance Corp. Ltd. Mumbai (Bandra)

13 INTANGIBLE ASSETS

(₹ in Lakh)

Description	Gross block				Accumulated amortisation				Net block
	As at April 1, 2020	Additions	Deductions	As at March 31, 2021	As at April 1, 2020	Charge for the year	Deductions	As at March 31, 2021	As at March 31, 2021
Computer (Software)	9,151	3,415	-	12,566	2,483	1,942	-	4,425	8,141
Total	**9,151**	**3,415**	**-**	**12,566**	**2,483**	**1,942**	**-**	**4,425**	**8,141**
Intangible Assets under development (Software)									6,232

Previous Year

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

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DEWAN HOUSING FINANCE CORPN. LTD. MUMBAI (BANDRA)

14 OTHER NON-FINANCIAL ASSETS (UNSECURED AND CONSIDERED GOOD)

(₹ in Lakh)

Particulars	As at 31.03.2021	As at 31.03.2020
Employee Advance	12	19
Advance to Vendors	362	315
Gratuity Fund	240	465
Prepaid Expenses	1,134	4,902
Input tax credit Receivable	8,351	8,481
Total	10,099	14,182

15 TRADE PAYABLES

There are no overdue amounts to Micro, Small and Medium Enterprises as at March 31, 2021 for which disclosure requirements under Micro, Small and Medium Enterprises Development Act, 2006 are applicable.

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	31.03.2021		31.03.2020
a) Amount outstanding but not due as at year end	319		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	319		34

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DEWAN HOUSING FINANCE CORPN. LTD. MUMBAI (BANDRA)

16 DEBT SECURITIES

(₹ in Lakh)

Particulars	As at 31.03.2021	As at 31.03.2020
At Amortised Cost		
Secured		
Redeemable non convertible debentures	4,312,192	4,297,968
Unsecured		
Redeemable non convertible debentures (Subordinated issue)	235,080	234,603
Commercial Papers	10,258	10,258
Total	**4,557,530**	**4,542,829**
Debt Securities in India	4,471,830	4,457,129
Debt Securities outside India	85,700	85,700

16.1 **Terms of repayment and rate of interest in case of Debt Securities.**

As At March 31, 2021	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Secured					
Redeemable non convertible debentures	5.50%-14.63%	3,440,693	343,679	527,820	4,312,192
Unsecured					
Redeemable non convertible debentures (Subordinated issue)	8.80%-11.35%	95,080	-	140,000	235,080
Commercial Papers	6.62% - 9.00%	10,258	-		10,258

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

16.2 Secured Non Convertible Debentures 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 17.3 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.

16.3 Unsecured Redeemable Non Convertible Subordinated Debentures aggregating to ₹ 221,900 Lakh (₹ 221,900 Lakh), outstanding as at March 31, 2021, are subordinated to present and future senior indebtedness of the Company. It qualifies as Tier II capital in accordance with RBI Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated 17th February, 2021 for assessing capital adequacy based on balance term to maturity. These debentures are redeemable at par on maturity on various periods.

16.4 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 DHFL Pramerica Asset Managers Pvt Ltd for ₹. 6,880.03 lakh, DAIPL paid the OCD of ₹ 6,650.00 lakh and the balance of ₹ 15850.00 lakh was waived off. Further, premium of ₹. 7731.67 lakh is waived off after taking a consent from the respective parties and Axis Bank Debenture Trustees.

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17 BORROWINGS (OTHER THAN DEBT SECURITIES)

(₹ in Lakh)

Particulars	As at 31.03.2021	As at 31.03.2020
Secured		
At amortised cost		
Term Loans		
from Banks	2,747,014	2,744,451
from National Housing Bank	243,282	243,102
Term Loans from other parties		
External Commercial Borrowing	301,285	299,739
Cash credit facilities and Working Capital Demand Loan		
Loans repayable on demand	119,053	119,055
Collateralised debt obligations	357,957	434,730
Total(A)	**3,768,591**	**3,841,077**
Borrowings in India	3,467,306	3,541,338
Borrowings outside India	301,285	299,739
Total (B) to tally with (A)	**3,768,591**	**3,841,077**

17.1 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 7.2)

17.2 **Terms of repayment and rate of interest in case of Borrowings:**

As At March 31, 2021	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Secured					
Term loan from Banks	Floating*	2,244,286	342,556	160,172	2,747,014
Term Loan from National Housing Bank	6.12% -9.00%	121,715	45,469	76,098	243,282
Term Loan from External Commercial Borrowing	Floating**	301,285	-	-	301,285

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

* Linked with MCLR/Base Rate of Respective Banks

** Link with LIBOR

17.3 All Secured loans including Cash credit and other credit facilities from UBI Consortium/National Housing Bank (NHB), Other Banks, External Commercial Borrowing and Financial Institutions are secured by way of first pari passu 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. All cash credit facilities are repayable as per the contracted/ roll over term.

In case of ECBs and Masala Bond, all of them are secured by way of first pari passu 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.

Some of the ECBs 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. None of the ECBs and Masala Bond are guaranteed by the promoter directors of the Company.

17.4 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).

17.5 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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HOUSING FINANCE CORPN. LTD. MUMBAI (BANDRA)

18 DEPOSITS

(₹ in Lakh)

Particulars	As at 31.03.2021	As at 31.03.2020
At Amortised Cost		
Public Deposits		
Fixed Deposits	520,357	519,081
Other Deposits	1,267	1,267
Non Public Deposits	7,541	7,541
Total	529,165	527,889

18.1 In terms of RBI Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated 17th February, 2021, 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 42 of RBI Master Direction are secured by floating charge in favour of trustees representing the public deposit holders of the company towards maintenance of Liquid Assets as prescribed by RBI.

18.2 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 4.1.30 of RBI Directions, are secured by floating charge on the Statutory Liquid Assets maintained in terms of RBI Act, 1934.

19 SUBORDINATED LIABILITIES

(₹ in Lakh)

Particulars	As at 31.03.2021	As at 31.03.2020
Unsecured		
Non-Convertible Debentures (Perpetual)	129,833	129,430
Total	129,833	129,430

19.1 All subordinated liabilities are issued in India

19.2 Terms of repayment and rate of interest in case of Borrowings:

As At March 31, 2021	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Secured					
Non-Convertible Debentures (Perpetual)	9.85%-12.75%	13,763	-	116,070	129,833

As At March 31, 2020	Interest Rate	0-3 Years	3-5 Years	>5 Years	Grand Total
Secured					
Non-Convertible Debentures (Perpetual)	9.85% to 12.75%	13,360	-	116,070	129,430

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DEWAN HOUSING FINANCE CORPN. LTD. MUMBAI (BANDRA)

20 OTHER FINANCIAL LIABILITIES

(₹ in Lakh)

Particulars	As at 31.03.2021	As at 31.03.2020
Unclaimed dividend	175	175
Unclaimed matured deposits and interest accrued thereon	7,683	7,683
Security and other deposits received	302	499
Creditors for Capital Expenditure	236	242
Amounts payable on Securitised Loans	65,492	64,576
Lease liability	9,627	10,630
Others	15,470	16,637
Total	**98,985**	**100,442**

20.1 As required under Section 124 of the Companies Act, 2013, the Company has transferred unclaimed dividend of the year 2011-12 ₹ Nil (₹ 8 Lakh) and towards unclaimed deposits and interest accrued thereon ₹ Nil (₹ 14 Lakh) to Investor Education & Protection Fund (IEPF) during the year.
Further, during the year ₹ 88 Lakh (₹ 59 lakh) unclaimed Deposit & ₹ 25 lakh (₹ 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 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 on going RBI intiated CIRP process against of the Company.

21 PROVISIONS

(₹ in Lakh)

Particulars	As at 31.03.2021	As at 31.03.2020
Provision for Employee Benefits	756	753
Total	**756**	**753**

22 OTHER NON-FINANCIAL LIABILITIES

(₹ in Lakh)

Particulars	As at 31.03.2021	As at 31.03.2020
Advance from Customer	6,961	13,130
Statutory Remittances*	959	621
Deferred income on fair valuation of deposit taken	14	186
Total	**7,934**	**13,937**

*includes statutory dues pertaining to tax deducted at source on interest on NCD's, Public Deposits (Sec 193 and 194A) which have not been regularly deposited in view of the stay order issued by Honourable Bombay High Court.

Dewan Housing Finance Corporation Limited
Consolidated Notes forming part of the financial statements for the year ended 31st March 2021

23 EQUITY SHARE CAPITAL

(₹ in Lakh)

Particulars	As at 31.03.2021		As at 31.03.2020	
	Number	Amount	Number	Amount
AUTHORISED				
Equity Shares of ₹ 10 each	840,390,024	84,039	840,390,024	84,039
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	31.03.2021		31.03.2020	
	Number	Amount	Number	Amount
Equity shares outstanding as at the beginning of the year	313,823,024	31,382	313,823,024	31,382
Shares issued during the year	-	-	-	
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	31.03.2021		31.03.2020	
	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 Rs. 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	Approval Date	No of ESARs	SAR Price (₹)	Vesting Period	Exercise Period
Grant I	21-03-15	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	17-11-16	2,081,545	230.80	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

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Grant III	13-07-17	3,247,100	434.90	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	13-07-17	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	16-10-17	150,800	434.90	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	22-01-18	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	2,619,174
Number of options / ESAR's granted during the year	-
Number of options / ESAR's forfeited / lapsed during the year	342,210
Number of options / ESAR's Vested during the year	552,746
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 Rs.)	-
Number of options outstanding at the end of the year	2,276,964
Number of options exercisable at the end of the year	1,882,764
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	2020-21	2019-20
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 (₹ Nil).

2) Remaining Contractual life for ESAR granted and outstanding as on March 31, 2021.

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	-	1.47
Grant – II	-	1.86
Grant – III	1.29	1.31
Grant – IV	-	-
Grant – V	3.55	1.15
Grant – VI	-	-

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24 OTHER EQUITY

(₹ in Lakh)

Particulars	31.03.2021	31.03.2020
Securities Premium	220,885	220,885
Debenture Redemption Reserve	117,000	117,000
General Reserve	121,936	126,893
Special Reserve	183,899	183,899
Employee Stock Option Outstanding	2,749	2,540
Retained Earnings	(2,742,382)	(1,237,213)
Total	**(2,095,913)**	**(585,996)**

24.1 Movement in Other Equity

Particulars		
SECURITIES PREMIUM		
At the beginning of the year	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	126,893	131,733
Less : Utilised during the year	4,957	4,840
Closing balance	**121,936**	**126,893**
STATUTORY RESERVE (SPECIAL RESERVE)		
(As per Section 29C of The National Housing Bank Act, 1987)		
Opening Balance	**183,899**	**183,899**
EMPLOYEE STOCK OPTION OUTSTANDING		
At the beginning of the year	2,826	6,096
Less: Reduction on account of unvested options lapsed during the year	275	(2,268)
Less: Reduction on account of vested options lapsed during the year	(304)	(1,002)
	2,797	2,826
Less: Deferred employee compensation	(48)	(286)
Closing balance	**2,749**	**2,540**
OTHER COMPREHENSIVE INCOME-CASH FLOW HEDGE RESERVE		
At the beginning of the year	-	(3,832)
Add: Other comprehensive Income	-	3,832
Closing balance	-	-

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RETAINED EARNINGS		
Opening Balance	(12,37,213)	1,08,338
Add: Change in accounting Policy	-	147
Add/(less): Other Comprehensive Income	(51)	(115)
Add:- Profit/(Loss) for the year	(15,05,117)	(13,45,582)
Amount available for appropriations	**(27,42,381)**	**(12,37,213)**
TOTAL	**(20,95,913)**	**(5,85,996)**

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:

(₹ in Lakh)

Particulars	**2020-21**	**2019-20**
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	1,18,575	1,18,575
c) Total	**1,83,899**	**1,83,899**
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	1,18,575	1,18,575
c) Total	**1,83,899**	**1,83,899**

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25 INTEREST INCOME

(₹ in Lakh)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
On Financial Assets measured at Amortised Cost		
Interest on Loans	3,54,996	4,12,386
Interest income from investments	11,610	7,030
Interest on deposits	27,038	17,292
Other interest income	124	9,528
	3,93,768	4,46,236
On Financial Assets measured at Fair Value		
Interest on Loans	4,78,132	4,76,980
	4,78,132	4,76,980
Total	8,71,900	9,23,216

26 FEES AND COMMISSION INCOME

(₹ in Lakh)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Loan processing fee and other charges	205	(144)
Guarantee Commission	-	190
Insurance Commission (Refer Note 26.1)	124	237
Total	329	283

26.1 Insurance Commission income includes amount received from:-

(₹ in Lakh)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Pramerica Life Insurance Limited (formerly known as DHFL Pramerica Life Insurance Company Limited)	181	343
Navi General Insurance Ltd (formerly known as DHFL General Insurance Ltd)	(57)	(106)
Total	124	237

There is no difference between income recognised in Profit and loss account and as per contract.

27 NET GAIN ON FAIR VALUE CHANGES

(₹ in Lakh)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Measured at FVTPL		
Fair Valuation of Loan		
Unrealised	(25,97,456)	(15,59,684)
Fair Valuation of Option in Equity Investment		
Unrealised	-	28,916
Investment in equity measured at FVTPL		
Realised	-	29,876
Unrealised	1,234	(5,325)
	1,234	**24,550**
Investment in Preference shares measured at FVTPL		
Unrealised	43	(842)
	43	**(842)**
Investment in mutual fund measured at FVTPL		
Realised	57	365
	57	**365**
Investment in Security Receipts		
Realised	-	69
Unrealised	(2,934)	433
	(2,934)	**502**
Investment in Venture Capital Fund		
Realised	-	(3)
Unrealised	23	(237)
	23	**(240)**
Derivative Trading		
Realised	-	2,961
Total	(25,99,033)	(15,03,471)

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28 NET GAIN ON DERECOGNITION OF FINANCIAL INSTRUMENTS UNDER AMORTISED COST CATEGORY

(₹ in Lakh)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
On assignment of portfolio		2,991
Sale of Bond and Debenture	(4)	(594)
Total	(4)	2,397

29 OTHER OPERATING REVENUE

(₹ in Lakh)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Others	4,840	29,900
Total	4,840	29,900

30 OTHER INCOME

(₹ in Lakh)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Rent Income	484	1,450
Interest on Income Tax Refund	2,537	-
Miscellaneous Income	193	639
Total	3,214	2,089

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31 FINANCE COSTS (₹ in Lakh)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Interest expenses on financial liabilities measured at amortised cost		
Interest on deposits	-	31,430
Interest on borrowings	179	2,27,098
Interest on debt securities	-	2,78,975
Interest on Subordinated Liabilities	-	8,367
Interest on others	-	61
Finance charges	20,659	26,492
Interest on lease liability	1,011	1,198
Total	**21,849**	**5,73,621**

Refer Note no 57 for interest recognition policy under CIRP.

32 IMPAIRMENT ON FINANCIAL INSTRUMENTS & WRITE OFFS (₹ in Lakh)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
On Financial instruments measured at Amortised Cost		
Loans	2,18,071	5,84,999
Investments	6,250	18,777
Bad debts written off	156	20,437
Total	**2,24,477**	**6,24,213**

33 EMPLOYEE BENEFITS EXPENSES (₹ in Lakh)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Salaries and Bonus	20,000	28,182
Contribution to Provident Fund and other Funds	1,092	1,509
Staff Training and Welfare Expenses	11	430
Share Based Payments to employees	209	(1,792)
Total	**21,312**	**28,329**

34 OTHER EXPENSES (₹ in Lakh)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Rent	809	927
Rates and Taxes	305	135
Travelling and Conveyance	507	828
Printing and Stationery	49	142
Advertising	331	1,882
Training & Conference Expenses	3	16
Business Sourcing Expense	88	83
Insurance Charges	628	725
Legal & Professional Charges	1,360	9,486
CIRP Expense	3,666	880
Communication Expense	864	1,290
Repairs and Maintenance - Other than Buildings	5,492	5,482
Electricity Charges	477	763
Directors' Fees and Commission	-	26
Loss on Sale of Property, plant and equipments	155	169
Expenditure on corporate social responsibilty (CSR) under section 135 of the Companies Act, 2013 (Refer Note 34.1)	-	6
Office Maintenance	943	1,413
Recovery Expense	1,211	1,806
General Office Expenses	347	503
Total	**17,235**	**26,562**

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34.1 Details of CSR Expenses:-

(₹ in Lakh)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Gross amount required to be spent by the Company during the year	232	2,857
Amount Spend During the year in Cash		
Financial Literacy	-	6
Total	-	6
Amount Spend During the year yet to be paid in Cash	Nil	Nil

34.2 Legal and professional fees include fees payable to auditor of ₹ 202 lakh (₹ 254 lakh)

(₹ in Lakh)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Audit Fees	180	180
Certification and Other Matters	6	29
Out of Pocket Expenses	-	25
GST	16	20
Total	202	254

Disclosure for the financial year 2019-20 include ₹ 18 lakh paid to predecessor statutory auditors of the company in their capacity as statutory auditors.

34.3 Remuneration of Non Executive Directiors consist of ₹ Nil (₹ 26 lakh)

35 Taxes

a) Income tax expenses

The major components of income tax expenses

i) Profit and Loss section

(₹ in Lakh)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Current tax expenses	9,137	-
Prior Period adjustments	-	(1,133)
Deferred tax	(515,730)	(462,434)
Total	(506,593)	(463,567)

ii) Other comprehensive income section

(₹ in Lakh)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
Deferred tax	(18)	1,449
Total	(18)	1,449

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b) Reconciliation of effective tax rate

(₹ in Lakh)

Particulars	For the year ended 31.03.2021	For the year ended 31.03.2020
(Loss)/ Profit before tax	(2,011,710)	(1,806,252)
Enacted tax rate in India (including surcharge and cess)	25.630%	25.630%
Expected tax expenses	(515,601)	(462,942)
Others	8,990	824
Total	(506,611)	(462,118)
Tax expense recognised in profit and loss	(506,593)	(463,567)
Tax expense recognised in other comprehensive income	(18)	1,449
Total	(506,611)	(462,118)

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36 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 31.03.2021	For the year ended 31.03.2020
Net Profit/(Loss) after tax attributable to equity shareholders (₹. In Lakh)	(1,505,117)	(1,345,581)
Weighted average number of equity shares outstanding during the year (Nos)	313,823,024	313,823,024
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	313,823,024
Face value per equity share (₹.)	10.00	10.00
Basic earnings per equity share (₹.)	(479.61)	(428.77)
Diluted earnings per equity share (₹.)	(479.61)	(428.77)

* not considered when anti-dilutive

37 CONTINGENT LIABILITIES

(₹ in Lakh)

Particulars	As at 31.03.2021	As at 31.03.2020
1) Guarantees provided by bank on behalf of Company for Securitisation transactions and to erstwhile associate company as per share purchase agreement.	5,567	5,567
2) Claims against the Company not acknowledged as debts	1,561	1,150
3) Disputed liabilities in respect of		
a) Income Tax Demand	4,292	850
b) Income Tax Penalty	39,656	10,168
c) ESIC Demand	1	-
4) The Company has written put option to Wadhawan Global Capital Private Limited (WGC) in connection with Investment made by WGC in Compulsary Convertibe Debentures issued by DHFL Investments Limited.	172,732	158,813
5) 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, 2021. The outflows would arise in the event of short collection, in the Cash inflows of the pool of securtised receivable.	53,597	50,028

37.1 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 have 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.

37.2 (i) As per Rule 5(b)(1) of FSP Rules, the moratorium under Section 14 of the IBC commences from the date of the filing of the Petition by the financial sector regulator i.e. Reserve Bank of India before the Hon'ble NCLT. The Hon'ble NCLT by its Order dated 3rd December 2019 inter alia, pronounced commencement of moratorium u/s 14 of the IBC, from the date of the filing of the Petition by Reserve Bank of India i.e. 29th November 2019.

(ii) Further, the 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.

(iii) Upon commencement of moratorium, institution of suits or continuation of pending suits or proceedings against the Company including execution of any judgment, decree or order in any court of law, tribunal, arbitration panel or other authority is prohibited, under accordance with the provisions of Section 14 of the Insolvency and Bankruptcy Code.

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(iv) The continuity or quashing of existing legal suits (pre CIRP) also gets decided as part of the Resolution Plan approved by Hon'ble NCLT and the successful Resolution Applicant as new owner of DHFL is absolved of any such future obligations on the pre CIRP legal cases filed against DHFL, under the provisions of Section 32 A of IBC.

38 COMMITMENTS

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for as at March 31, 2021 ₹ 25 Lakh (₹ 95 Lakh).

39 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 (ROU) assets recognised and the movements during the year:

(₹ in Lakh)

Particulars	As at March 31, 2021
As at 1st April, 2020	9,805
Addition	321
Deletion	-
Depreciation	2,454
As at March 31, 2021	7,672

Set out below are the carrying amounts of lease liability and the movements during the year:

(₹ in Lakh)

Particulars	As at March 31, 2021
As at 1st April, 2020	10,630
Addition	275
Accretion of interest	975
Payments	2,253
As at 31st March, 2021	9,627

The Maturity analysis of lease liabilities is as under:

(₹ in Lakh)

Particulars	As at March 31, 2021		
	Within 12 months	After 12 months	Total
Lease Liabilities	2,066	7,561	9,627

Contractual maturities of lease liability at 31st March 2021 on an undiscounted basis

(₹ in Lakh)

Particulars	As at March 31, 2021
Within one year	2,877
After one year but not longer than five years	6,862
More than five years	1,270

The following are the amounts recognised in statement of profit/(loss):

(₹ in Lakh)

Particulars	As at March 31, 2021
Depreciation expense of right-of-use assets	2,454
Interest expense on lease liabilities	975
Expense relating to short-term leases	95
Expense relating to leases of low-value assets	41
Total amount recognised in profit/(loss)	3,565

The Company had total cash outflows for leases of ₹ 2,253 lakh (P.Y.₹ 2,982 lakh)

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.

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40 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.

ii Accounting classifications and fair values

(₹ In Lakh)

As at March 31, 2021

Particulars	Measured at FVTPL				Measured at Amortised cost	Others	Total
	Level 1	Level 2	Level 3	Total			
Financial assets							
Cash and cash equivalents	-	-	-	-	945,869	-	945,869
Bank Balances other than Above	-	-	-	-	86,511	-	86,511
Receivables	-	-	-	-	47	-	47
Housing and other loans	-	-	942,092	942,092	2,903,437	-	3,845,529
Investments	-	-	247,543	247,543	597,322	-	844,865
Other financial assets	-	-	-	-	183,250	-	183,250
Total Financial Assets	-	-	1,189,635	1,189,635	4,716,436	-	5,906,071
Financial Liabilities							
Trade Payables	-	-	-	-	7,603	-	7,603
Debt Securities	-	-	-	-	4,557,530	-	4,557,530
Borrowings (Other than Debt Securities)	-	-	-	-	3,768,591	-	3,768,591
Deposits	-	-	-	-	529,165	-	529,165
Subordinated Liabilities	-	-	-	-	129,833	-	129,833
Other financial liabilities	-	-	-	-	98,985	-	98,985
Total Financial Liabilities	-	-	-	-	9,091,707	-	9,091,707

(₹ In Lakh)

As at March 31, 2020

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
Other bank Balances	-	-	-	-	87,064	-	87,064
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	-	-	-	-	179,255	-	179,255
Total Financial Assets	-	-	3,329,164	3,329,164	4,630,677	-	7,959,841
Financial Liabilities							
Trade Payables	-	-	-	-	12,180	-	12,180
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	-	-	-	-	100,442	-	100,442
Total Financial Liabilities	-	-	-	-	9,153,847	-	9,153,847

iii Fair value of the financial assets that are measured at amortised cost

(₹ In Lakh)

As at March 31, 2021

Particulars	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets					
Investments	597,322	566,826		45,715	612,541
Total Financial Assets	597,322	566,826	-	45,715	612,541
Financial Liabilities					
Debt Securities	4,557,530	-	-	4,557,530	4,557,530
Borrowings (Other than Debt Securities)	3,768,591	-	-	3,768,591	3,768,591
Deposits	529,165	-	-	529,165	529,165
Subordinated Liabilities	129,833	-	-	129,833	129,833
Total Financial Liabilities	8,985,119	-	-	8,985,119	8,985,119

(₹ In Lakh)

As at March 31, 2020

Particulars	Carrying value	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets					
Investments	132,118	87,814	-	58,766	146,579
Total Financial Assets	132,118	87,814	-	58,766	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

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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. 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.

b. 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.

d. 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.

e. 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.

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, 2021 and March 31, 2020:

(₹. 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, 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**	-
Acquisitions			-	-	-	-
Disposal			(746)	(19)	-	-
Reclassified from amortised cost category to FVTPL	466,317		-	-	-	-
Gains / (Losses) recognized in profit or loss	(2,597,456)	(5,991)	(2,934)	23	1,277	-
As at March 31, 2021	**942,092**	169,719	65,806	**1,716**	**10,302**	-

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, 2021	As at March 31, 2020
Housing and property loans measured at FVTPL	942,092	3,073,231
Pass through certificate	169,719	175,710
Security receipts	65,806	69,486
Venture capital fund	1,716	1,712
Unquoted equity / preference investments	10,302	9,025

(₹. In Lakh)

Particulars	Significant unobservable inputs (refer notes below)	Impact on Fair value			
		As at March 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2020
		Increase in FV	Decrease in FV	Increase in FV	Decrease in FV
Housing and property loans measured at FVTPL (Refer Note d)	a	NA*	NA*	11,791	11,333
Pass through certificate	a	1,697	(1,697)	1,757	(1,757)
Security receipts	b	6,581	(6,581)	6,949	(6,949)
Venture capital fund	b	172	(172)	171	(171)
Unquoted equity / preference investments	c	558	(472)	448	(454)

* Current fair valuation on FVTPL loans have been taken basis valuation done for the purpose of CIRP and hence no sensitivity analysis was performed

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.

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Consolidated Notes forming part of the financial statements for the year ended 31st March 2021

41 **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, 2021			March 31, 2020		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	945,869		945,869	684,928	-	684,928
Other bank Balances	86,511	-	86,511	87,064	-	87,064
Receivables	47		47	275	-	275
Housing and Other loans	626,368	3,219,161	3,845,529	1,172,038	5,448,231	6,620,268
Investments	478,824	366,041	844,865	240	387,811	388,051
Other financial assets	183,250		183,250	179,255	-	179,255
Total Financial Assets	**2,320,869**	**3,585,202**	**5,906,071**	**2,123,800**	**5,836,042**	**7,959,842**
Non-Financial assets						
Current Tax Assets (Net)		5,646	5,646	-	33,023	33,023
Deferred tax assets	-	1,020,077	1,020,077	-	504,330	504,330
Property, plant and equipment	-	79,600	79,600	-	85,361	85,361
Intangible assets under development		6,232	6,232	-	10,517	10,517
Other intangible assets		8,141	8,141	-	6,669	6,669
Other non-financial assets	10,099	-	10,099	14,182	-	14,182
Total Non-Financial Assets	**10,099**	**1,119,696**	**1,129,795**	**14,182**	**639,900**	**654,082**
Total Assets	**2,330,968**	**4,704,898**	**7,035,866**	**2,137,982**	**6,475,942**	**8,613,924**
LIABILITIES						
Financial Liabilities						
Derivative financial instruments	-	-	-	-	-	-
Trade Payables	7,603	-	7,603	12,180	-	12,180
Debt Securities	2,540,821	2,016,709	4,557,530	1,156,766	3,386,062	4,542,829
Borrowings (Other than Debt Securities)	1,934,834	1,833,757	3,768,591	1,248,693	2,592,385	3,841,077
Deposits	481,401	47,764	529,165	378,257	149,632	527,889
Subordinated Liabilities	13,763	116,070	129,833	13,360	116,070	129,430
Other financial liabilities	98,985	-	98,985	100,442	-	100,442
Total Financial Liabilities	**5,077,407**	**4,014,300**	**9,091,707**	**2,909,698**	**6,244,149**	**9,153,847**
Non-Financial Liabilities						
Provisions	756	-	756	753	-	753
Other non-financial liabilities	7,934	-	7,934	13,937	-	13,937
Total Non-Financial Liabilities	**8,690**	-	**8,690**	**14,690**	-	**14,690**
Total Liabilities	**5,086,097**	**4,014,300**	**9,100,397**	**2,924,388**	**6,244,149**	**9,168,537**

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.

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42 **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, 2021

(₹. 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	545,869	545,869	-	-	-
Other bank Balances	86,511	86,511	-	-	-
Receivables	47	47	-	-	-
Housing and Other loans	3,845,529	626,344	537,435	1,296,993	1,384,757
Investments	844,866	478,824	12,020	-	354,022
Other financial assets	583,249	583,248	-	-	-
Total	5,906,071	2,320,843	549,455	1,296,993	1,738,779
Financial Liabilities					
Trade Payables	7,603	7,603	-	-	-
Debt Securities	4,557,530	2,540,821	1,005,211	343,679	667,819
Borrowings (Other than Debt Securities)	3,768,591	1,934,834	1,209,460	388,025	236,272
Deposits	529,165	481,401	34,377	5,495	7,892
Subordinated Liabilities	129,833	13,763	-	-	116,070
Other financial liabilities	98,985	98,985	-	-	-
Total	9,091,707	5,077,407	2,249,048	737,199	1,028,051
Net	(3,185,636)	(2,756,564)	(1,699,593)	559,794	710,728

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	684,528	684,528	-	-	-
Other bank Balances	87,064	87,064	-	-	-
Receivables	275	275	-	-	-
Housing and Other loans	6,620,528	1,172,298	1,787,896	3,365,313	295,021
Investments	388,191	380	10,737	-	377,074
Other financial assets	179,255	179,255	-	-	-
Total	7,959,842	2,123,800	1,798,633	3,365,313	672,095
Financial Liabilities					
Trade Payables	12,180	12,180	-	-	-
Debt Securities	4,542,829	1,156,756	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	517,889	178,257	126,198	12,678	10,756
Subordinated Liabilities	129,830	13,160	-	-	116,670
Other financial liabilities	100,847	100,443	-	-	-
Total	9,153,847	2,909,699	3,270,489	1,521,332	1,452,328
Net	(1,194,005)	(785,899)	(1,471,856)	1,843,980	(780,232)

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 repricing 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 characteristics 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.

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, 2021	As at March 31, 2020
Loans (Gross)		
Fixed rate instruments	964,164	1,066,555
Floating rate instruments	2,861,330	3,185,102
Total	3,825,494	4,251,657
Borrowings		
Fixed rate instruments	5,550,386	5,610,599
Floating rate instruments	3,434,731	3,430,626
Total	8,985,117	9,041,225

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, 2021	For the year ended March 31, 2020
Increase by basis points	50	(2,132)	(913)
Decrease by basis points	(50)	(2,132)	(913)

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.

As at	₹ in Lakh
March 31, 2021	301,285
March 31, 2020	298,739

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.

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.

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.

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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.

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 analyse 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, 2021				March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	2,777,528	172,891	760,386	3,710,805	5,644,698	122,322	267,053	6,034,073
New assets added during the year	16,576		-	16,576	30,063	12	17	30,092
Assets derecognised under direct assignment			-	-	(421,383)	49	49	(421,285)
Repayment of Loans (excluding write offs)	(482,120)	(7,327)	(11,874)	(501,321)	(1,395,541)	93,112	(28,173)	(1,330,602)
Transfers to / from Stage 1	54,998	(23,370)	(5,475)	26,153	109,833	(26,704)	(5,770)	77,359
Transfers to / from Stage 2	(196,953)	204,195	(6,430)	812	(128,716)	137,654	(8,938)	-
Transfers to / from Stage 3	(125,860)	(71,865)	223,961	26,230	(858,765)	(152,313)	2,321,163	1,310,085
Considered at Fair Value			-	-	(208,217)	(3,500)	(1,796,715)	(2,008,432)
Amounts written off		60	96	156	3,506	2,259	11,700	19,515
Gross carrying amount closing balance	2,044,163	274,584	960,664	3,279,411	2,777,528	172,891	760,386	3,710,805

Reconciliation of ECL balance is given below:

(₹. in Lakh)

Particulars	March 31, 2021				March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance	22,098	3,774	452,807	478,679	20,015	925	95,572	116,512
ECL remeasurements due to changes in EAD/ assumptions (net)	5,699	(196)	(3,957)	1,546	1,298	5,248	(20,352)	(13,806)
Transfers to / from Stage 1	(673)	(626)	(1,824)	(3,123)	(80)	(1,504)	(4,178)	(5,762)
Transfers to / from Stage 2	2,411	5,469	(2,143)	5,737	94	7,753	(6,472)	1,375
Transfers to / from Stage 3	1,541	(1,925)	74,626	74,242	624	(8,578)	1,680,808	1,672,854
on considered at Fair Value			-	-	151	(197)	(1,301,043)	(1,301,089)
on amounts written off		2	32	34	(4)	127	8,472	8,595
Closing balance	31,076	6,498	519,541	557,115	22,098	3,774	452,807	478,679

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 ₹ 479 Lakh (₹ 898 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, 2021				March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	176,098	1	5,149	181,248	147,612	1	5,249	152,862
New assets added during the year				-				
Assets derecognised under direct assignment			-	-	30,000			30,000
Repayment of Loans (excluding write offs)					(1,514)		(100)	(1,614)
Transfers to / from Stage 1			-	-	-		-	-
Transfers to / from Stage 2								
Transfers to / from Stage 3			-	-	-			
Considered at Fair Value								
Amounts written off								
Gross carrying amount closing balance	176,098	1	5,149	181,248	176,098	1	5,149	181,248

Reconciliation of ECL balance is given below

(₹ in Lakh)

Particulars	March 31, 2021				March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance	-		815	815	-	-	686	686
ECL remeasurements due to changes in EAD/ assumptions (net)	-			-	-	-	129	129
Transfers to / from Stage 1					-	-		

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Particulars	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Transfers to / from Stage 2	-	-	-	-	-	-	-	-
Transfers to / from Stage 3	-	-	-	-	-	-	-	-
on considered at Fair Value	-	-	-	-	-	-	-	-
on amounts written off	-	-	-	-	-	-	-	-
Closing balance	-	-	815	815	-	-	815	815

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 (₹ Nil)

c **Inter Corporate Deposits**

Reconciliation of Inter Corporate loan balances is given below:

(₹ in Lakh)

Particulars	March 31, 2021				March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount opening balance	-	-	358,834	358,834	11,054	28,286	525,929	565,269
New assets added during the year	-	-	5,385	5,385	64	-	17,997	18,061
Repayment of Loans	-	-	(50)	(50)	(3,080)	-	(221,416)	(224,496)
Transfers to / from Stage 1	-	-	-	-	-	-	-	-
Transfers to / from Stage 2	-	-	-	-	-	(28,286)	28,286	-
Transfers to / from Stage 3	-	-	-	-	(8,038)	-	8,038	-
Gross carrying amount closing balance	-	-	364,169	364,169	-	-	358,834	358,834

Reconciliation of ECL balance is given below:

(₹ in Lakh)

Particulars	March 31, 2021				March 31, 2020			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Opening balance	-	-	225,032	225,032	372	863	1,447	2,682
ECL remeasurements due to changes in EAD/ assumptions (net)	-		139,137	139,137	-		222,350	222,350
Transfers to / from Stage 1	-	-	-	-	-	-	-	-
Transfers to / from Stage 2	-	-	-	-	-	(863)	863	-
Transfers to / from Stage 3	-	-	-	-	(372)	-	372	-
Closing balance	-	-	364,169	364,169	-	-	225,032	225,032

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, 2019	19
Add: on addition	75
Less: on deletion	-
As at March 31, 2020	94
Add: on addition	11
Less: on deletion	-
As at March 31, 2021	105

e Concentration of Loans & Advances

Particulars	As at 31-03-2021	As at 31-03-2020
Total Exposure to twenty largest borrowers/customers* (₹ in Lakh)	2,882,711	1,680,615
Percentage of Exposures to twenty largest borrowers /Customers to total Exposure on Borrowers /Customers	39.83%	22.00%

* Includes loans which are fair valued as at 31 March 2021

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43 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.

44 **Capital Management**

The Company's objectives when managing capital are to

- Safeguard the ability to continue as a going concern
- Maintain an optimal capital structure to reduce the cost of capital and meet regulatory requirements
- Cover risks inherent in the business

Consistent with others in the industry, the Company monitors capital on the basis of the Net Debt to Equity Ratio. Net Debt (total borrowings net of cash and cash equivalents and Liquid investments) is divided by Total 'Equity' (as shown in the balance sheet) to derive Net Debt to Equity Ratio.

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 and thereby continues to operate as a going concern.

Particulars	Amount
Total borrowings net of cash and cash equivalents (₹ in Lakh)	8,039,250
Total Equity (₹ in Lakh)	(2,064,531)
Debt Equity Ratio	

45 **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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46 a Employee benefits

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, 2021	For the year ended March 31, 2020
Contribution to provident fund	580	811
Contribution to pension fund	291	418

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.

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, 2021	For the year ended March 31, 2020
Liability at the beginning of the year	1,893	1,823
Current Service Cost	212	255
Interest cost	131	138
Benefits paid	(211)	(463)
Actuarial (gain) /losses	56	140
Liability at the end of the year	**2,081**	**1,893**

ii Changes in Fair Value of Plan Assets

(₹. In Lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Fair Value of Plan Assets at the beginning of the year	2,360	2,506
Expected Return on Plan Assets	161	190
Contributions	6	67
Benefits Paid	(193)	(389)
Actuarial (loss)	(13)	(14)
Fair Value of Plan Assets at the end of the year	**2,321**	**2,360**

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Dewan Housing Finance Corp. Ltd. Mumbai Bandra iii Reconciliation of Fair Value of Assets and Obligations

(₹. In Lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Fair value of Plan Assets	2,321	2,360
Present Value of Obligation	2,081	1,894
Net Asset / (Liability) recognized in the Balance Sheet	**240**	**466**

iv Expenses recognized in Statement of Profit/(Loss)

(₹. In Lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Current Service Cost	212	255
Net interest on net defined benefit assets	131	138
Past Service Cost	-	-
Expected Return on Plan Assets	(161)	(190)
Expenses recognized in the statement of profit and loss under employee benefits expenses	**182**	**203**

v Expenses recognized in Other Comprehensive Income

(₹. In Lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Actuarial (Gain)/Loss on Obligation for the year	56	140
Return on Plan Assets, Excluding Interest Income	13	14
(Income) / Expenses recognized in the other comprehensive income	**69**	**154**

vi Expected benefit payments

(₹. In Lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
1st Following Year	87	120
2nd Following Year	101	70
3rd Following Year	134	103
4thFollowing Year	96	124
5thFollowing Year	121	88
Sum of Year 6 to 10	893	772

vii **Actuarial Assumptions**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Mortality Table (LIC)	2006-08	2006-08
Discount Rate (P. A.)	6.80%	6.82%
Expected rate of return on plan asset (per annum)	6.80%	6.82%
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, 2021 is 12 years (2019-20 12 years)

Effect of change in assumptions

(₹. In Lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Projected Benefit Obligation on Current Assumptions	2,081	1,894
Delta Effect of +1% Change in Rate of Discounting	(190)	(175)
Delta Effect of -1% Change in Rate of Discounting	221	204
Delta Effect of +1% Change in Rate of Salary Increase	199	183
Delta Effect of -1% Change in Rate of Salary Increase	(181)	(165)
Delta Effect of +1% Change in Rate of Employee Turnover	13	12
Delta Effect of -1% Change in Rate of Employee Turnover	(15)	(14)

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viii Amount recognised in current year and previous year

Gratuity :

(₹. In Lakh)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Defined benefit obligation	(2,081)	(1,894)
Fair value of plan asset	2,321	2,360
Surplus in the plan	240	466
Actuarial (gain)/loss on plan obligation	56	140
Actuarial gain/(loss) on plan asset	(13)	(14)

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Housing Finance Corpn. Ltd Mumbai (Bandra)

Dewan Housing Finance Corporation Limited

Consolidated Notes forming part of the financial statements for the year ended 31st March 2021

Note 47 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) (through DIL, being a WoS of the Company) Wadhawan Global Capital Limited DHFL Changing Lives Foundation
4	Investing party and its Group Companies	a. PGIH of Delaware Inc (upto 31.07.2019) b. PGIM India Mutual Fund (upto 31.07.2019)
5	Key Management Personnel	Kapil Wadhawan (Chairman & Managing Director - upto 20.11.2019) Dheeraj Wadhawan (Non Executive Director - upto 20.11.2019) Srinath Sridharan (Non -executive Director - upto 20.11.2019) Suniay 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 Baheti (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)

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MUMBAI (BANDRA) DEWAN HOUSING FINANCE CORPN. LTD.

(₹ in lakh)

Nature of Transactions	Joint Ventures		Associate Companies/Others*		Investing Party and its Group Companies		Key Management Personnel	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
B) Details of transactions :								
1] Investments								
Investments Made				-				-
Investments Sold		1,613	-	48,390				-
2] Loans, Advances, Deposits and other assets								
Given				-				
Returned/Written Off		-	32	3,114				
3] Borrowings, Security Deposits and other liabilities								
Received								-
Repayment/Adjusted								-
4] Income(Net)								
Commission		4	181	435				
Trademark Licence Fees			-	143				
Interest			-	301				
Rent & Maintenance			12	127				
Servicing Fees			-	9				-
Miscellaneous income			-	860				
5] Expenditure								
Remuneration			-	-			284	299
Rent Expenses			-	322				-
Insurance Charges			27	591				-
Canteen Expenses			-	92				-
Directors Sitting Fees							-	24

Details of Transactions	Joint Ventures		Associate Companies/Others*		Investing Party and its Group Companies		Key Management Personnel	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
INCOME RECEIVED FROM :								
1] Commission								
Pramerica Life Insurance Limited (Formerly DHFL Pramerica Life Insurance Company Limited)			181	343				
PGIM India Asset Managers Pvt. Ltd. (formerly DHFL Pramerica Asset Managers Pvt. Ltd.)		4		-				
Navi General Insurance Ltd (formerly DHFL General Insurance Ltd)				(98)				
Wadhawan Global Capital Limited				190				
2] Trademark Licence Fees								
Navi General Insurance Ltd (formerly DHFL General Insurance Ltd)				143				
3] Interest								
Wadhawan Holding Pvt Ltd				237				
Wadhawan Global Capital Ltd				64				
4] Rent & Maintenance Charges								
Aadhar Housing Finance Ltd (Formerly DHFL Vysya)				41				
Avanse Financial Services Ltd				74				
Pramerica Life Insurance Limited (Formerly DHFL Pramerica Life Insurance Company Limited)			12	12				
5] Service Charges								
Aadhar Housing Finance Ltd				9				
6] Miscellaneous Income								
Avanse Financial Services Pvt Ltd				91				
Aadhar Housing Finance Ltd				769				
EXPENDITURE :								
1] Rent, Rates & Taxes								
Wadhawan Holdings Private Limited				173				
Essential Hospitality Private Limited				149				
2] Remuneration								
Mr. Kapil Wadhawan				-			-	188
Mr. Vaijnath M Gavarshetty							95	46
Mr. Sonil Kumar Bansal							37	33
Mr. Satya Narayan Baheti							57	33
Professional Fees								
R Subramaniakumar							96	15
3] Directors Sitting Fees								
Mr. Dheeraj Wadhawan							-	0
Mr. Alok Kumar Misra							-	12
Ms. Depali Pant Rajeev Joshi							-	5
Mr. Sanjay Joshi							-	8
4] Insurance Charges								
Pramerica Life Insurance Limited (Formerly DHFL Pramerica Life Insurance Company Limited)			27	70				
Navi General Insurance Ltd (formerly DHFL General Insurance Ltd)				522				
5] Canteen Expenses								
Dash Hospitality Private Limited				92				

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Dewan Housing Finance Corp. Ltd. Mumbai (Bandra)

ASSETS \ LIABILITIES								
1) Investments Made				-				
2) Investments Sold								
PGIM India Asset Managers Pvt. Ltd. (formerly DHFL Pramerica Asset Managers Pvt. Ltd.)		5,581						
PGIM India Trustees Pvt. Ltd. (Formerly DHFL Pramerica Trustees Pvt. Ltd.)		32						
Avanse Financial Services Ltd				28,716				
Aadhar Housing Finance Ltd				15,679				
3) Loans & Advances Received Back / Written Off								
Wadhawan Global Capital Limited				3,000				
Pramerica Life Insurance Limited (Formerly DHFL Pramerica Life Insurance Company Limited)			32					
4) Security Deposit Received								
Navi General Insurance Ltd (formerly DHFL General Insurance Ltd)				114				

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DEWAN HOUSING FINANCE CORPN. LTD. MUMBAI (BANDRA)

B) Details of transactions

(₹ in lakh)

Nature of Transactions	Joint Ventures		Associate Companies/Others*		Investing Party and its Group Companies		Key Management Personnel	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
CLOSING BALANCES								
4) Loans, Advances, Deposits ,trade receivables (net) and other assets			31	206			-	-
CLOSING BALANCES								
1) Loans, Advances, Deposits and other assets								
Pramerica Life Insurance Limited (Formerly known as DHFL Pramerica Life Insurance Company Limited)		-	38	79				-
2) Trade Receivable and other assets								
Aadhar Housing Finance Limited (Refer Note 3)								-
Pramerica Life Insurance Limited (Formerly known DHFL Pramerica Life Insurance Company Limited)		-	21	165				-
PGIM India Asset Managers Pvt. Ltd. (formerly known as DHFL Pramerica Asset Managers Pvt. Ltd.)								

*Other includes Enterprises over which KMP are able to exercise significant influence

Notes :

1. Related party relationship is as identified by the Company.
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 47.3
11. Zero denotes amount less than ₹ 50,000

48 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 Adjudicating 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. It is 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 Statement for the year ended 31st March, 2021 have been prepared on going concern assumptions.

49 The Administrator following 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 have ensured that the Company continues to operate as a "Going Concern" in line with the objective of the Code and requirements thereunder.

50 The Administrator and the Advisory Committee members along with the KMPs, upon their taking charge have taken various efforts to improve the operational, financial and managerial efficiency of the Company with the support of the employees of the company. In this regard, various initiatives to strengthen the financial/lending policies and processes, functioning of the IT system, legal audit of material loan documents, establishing risk management framework, updating internal financial controls and updating risk controls matrices, strengthening internal audit control through in-house resources and engagement of external professional experts/consultants have been undertaken. Various actions to ensure comprehensive compliance with various applicable rules and regulations during this period have also been undertaken. While substantial progress has been made by concluding some of the initiatives including legal audit as well, some of these could not be fully concluded and implemented by 31st March, 2021 due to the ongoing pandemic and therefore, various activities continue to be ongoing.

51 The Administrator, Advisors and KMPs have taken charge with effect from 21st November 2019 and have relied on information, data, clarifications and views provided by the existing staff of the Company for the purposes of the consolidated financial statements. The Company has initiated appropriate actions on the basis of reports submitted by Transaction Auditor such as filing of application with NCLT and submission of Fraud Monitoring Reporting(FMRs) to National Housing Bank(NHB)/RBI and filing of complaint with appropriate authorities. The Company has also taken into consideration the fair value of wholesale loan portfolio as per cash flows which are part of the valuation reports submitted by valuer appointed under IBC while calculating the fair value of wholesale loan portfolio during the year ended on 31st March, 2021. The Administrator and the KMPs have signed the standalone financial statements solely for the purpose of compliance and discharging their duties during CIRP period of the Company and in accordance with the provisions of the Code, 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.

52 In certain instances, the amount of the claim admitted under CIRP may differ from the amount reflecting in the books of accounts of the Company. The above audited financial statements are drawn on the basis of figures appearing in the books of accounts of the Company as on March 31st 2021. The Administrator, Advisors, and KMPs believe that these figures may be interpreted solely for the purpose of satisfying the regulatory requirement for preparing yearly consolidated financial statements and that these figures could change during the CIRP or thereafter depending upon the findings.

53 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 (ED) has also initiated investigation in connection with the loans given by the Company to certain borrowers. Central Bureau of Investigation (CBI) has also initiated investigation in connection with certain loan granted by the Company. Apart from this, CBI is also investigating into the matter of amounts invested by an Uttar Pradesh State Government entity – Provident Fund in the Fixed Deposits of the Company and few other cases. The Company is fully co-operating with all the investigating agencies and providing the necessary information/data as and when the same is sought.

54 The Administrator has filed an application under Section 30(6) of the IBC Code for submission of resolution plan of Piramal Capital & Housing Finance Limited (PCHFL) as approved by the Committee of Creditors, with the Adjudicating Authority i.e. Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench on 24th February 2021 post receipt of No objection from Reserve Bank of India as per Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019.

55 Consequent to the outbreak of the COVID-19 pandemic, the Central Government in India had declared a national lockdown in March, 2020. Subsequently, the national lockdown was lifted by the central government, but regional lockdowns continue to be implemented in areas with a significant number of COVID-19 cases. However, with various working measures, the Company has been making efforts to restore its normal operations. The extent to which the COVID- 19 pandemic, including the current "second wave" that has significantly increased the number of cases in India, will impact the operation of the company, will depend on the ongoing as well as future developments, which is not precisely predictable.

56 The Company has a balance of ₹ 10,20,077 lakh as deferred tax asset created as per Ind AS – 'Income Taxes' as on 31st March 2021. The Company is running as a going concern as per the provisions of the Code, which requires that the value of the company is preserved and maintained it as a going concern.

57 The Company has not made any provision for interest on borrowings amounting to ₹ 7,65,155 lakh for the 31st March 2021 year ended, in view of the Company's current CIR process. 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. Had the interest was accrued on borrowings and provided for, loss for the year ended 31st March,2021 would have been higher by ₹ 5,69,046 lakh (net of tax).

58 The investments/ advance by way of unsecured Inter Corporate Deposit (ICD) including interest receivable aggregating ₹ 4,10,924 lakh are outstanding as at 31st March 2021. The provision for the entire loan amount has been made due to lack of security.

59 The total wholesale loan portfolio, including interest receivable aggregating ₹ 54,24,862 lakh (pursuant to classification of this portfolio to "held for sale" in the year ended 31st March 2019), has been "fair valued" as at 31st March 2021 at ₹ 9,42,093 lakh, with the resulting fair value loss aggregating ₹ 44,82,769 lakh. Out of this, fair value loss aggregating ₹ 18,85,313 lakh has been accounted up to 31st March,2020 and balance loss of ₹ 25,97,456 lakh has been charged to the Statement of Profit and Loss for the year ended 31st March 2021.

60 The Company having a default rating does not fulfil the credit rating criteria and hence does not meet the definition of a 'Large Corporate' as per criteria under SEBI circular SEBI/HO/DDHS/CIR/P/2018/144 dated 26th November, 2018. Necessary disclosure has been made to the stock exchanges in this regard.

61 The Honourable Supreme Court of India, in a public interest litigation (PIL) filed by Gajendra Sharma vs. Union of India & Anr, vide an interim order dated September 3, 2020 ("Interim Order"), had directed that accounts which were not declared NPA till August 31, 2020 shall not be classified as NPA till further order. Basis the said interim order, even accounts that would have otherwise been classified as NPA post August 31, 2020 were not classified as NPA. However, during such period the Company has classified such accounts as stage 3 for financial reporting and provisioning purpose.

The interim order granted to not declare accounts as NPA stood vacated on March 23, 2021 vide the judgement of the Hon'ble Supreme Court. In accordance with the instructions in paragraph 5 of the RBI circular dated April 07, 2021 issued in this connection, the Company has classified the accounts as NPA as on 31st March 2021 as per the extant RBI instructions / IRAC norms.

62 a) In accordance with RBI circular dated April 07, 2021, the Company shall refund / adjust 'interest on interest' to all borrowers including those who had availed of working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed. Pursuant to these instructions, the methodology for calculation of the amount of such 'interest on interest' has been recently circulated by the Indian Banks Association (IBA). The Company is in the process of suitably implementing this methodology and has created a liability of ₹ 1,957 Lakh towards estimated amount of interest on interest collected/charged and reduced the same from the interest income for the year ended March 31, 2021.

b) The Government of India, Ministry of Finance, vide its notification dated October 23, 2020, had announced COVID-19 Relief Scheme for grant of ex-gratia payment of difference between compound interest and simple interest for six months to borrowers in specified loan accounts (Scheme), as per the eligibility criteria and other aspects specified therein and irrespective of whether the moratorium was availed or not. The Corporation has implemented the Scheme and credited an amount to the eligible borrowers loan account as per the Scheme.

63 Disclosure 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	As at March 31, 2021	As at March 31, 2020
(i) Respective amounts in SMA/overdue categories, where the moratorium/deferment was extended, in terms of paragraph 2 and 3 of above circular	484,171	963,018
(ii) Respective amount where asset classification benefits is extended	340,129	105,418

(iii) Provisions made in terms of paragraph 5 of above circular	34,012	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 loan, as per the circular	34,012	5,271
(vi) Total provision on such loan as per books of Account (ECL/ Fair Value)	162,742	5,882

64 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, 2021)

(₹. In Lakh)

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. (net off eliminations)	100.00%	[illegible]	100.00%	(1,505,112)	100%	(51)	100.00%	[illegible]
	Subsidiaries - Indian								
1	DHFL Advisory & Investment Pvt. Ltd	0.00%	[illegible]	0.00%	[illegible]	0.00%		0.00%	[illegible]
2	DHFL Holding Limited	0.00%	[illegible]	0.00%	[illegible]	0.00%		0.00%	[illegible]
		100%	(2,064,541)	100%	(1,505,112)	100%	(51)	100%	(1,505,164)

65 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.

66 DHFL is undergoing CIRP pursuant to the orders passed by the Hon'ble NCLT, Mumbai Bench on December 03, 2019 and all dues to creditors are frozen as on CIRP commencement date (December 03, 2019). The company has represented to RBI and has been permitted forbearance from meeting various regulatory requirements as the company is currently under CIRP. As the freeze on contractual outflows to creditors was applicable during the entire financial year ending 31 Mar 2021, the company has not reported the Liquidity Coverage Ratio (LCR) as required to be disclosed as per Master Direction-NBFC-HFC (Reserve Bank) Directions, 2021 issued on 17 Feb 2021.

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 consolidated financial statements.

K.K. Mankeshwar & Co. Chartered Accountants

Dewan Housing Finance Corpn. Ltd. Mumbai (Bandra)

69. APPROVAL OF CONSOLIDATED 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

New Delhi, dated the
05th June, 2021

K.K. Mankeshwar & Co. Chartered Accountants

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

Dewan Housing Finance Corpn. Ltd. Mumbai (Bandra)

MR. R SUBRAMANIAKUMAR
ADMINISTRATOR APPOINTED UNDER IBC

Place : Chennai
Date: 05 June 2021

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 400051 Email ID for Correspondence: dhfladministrator@dhfl.com