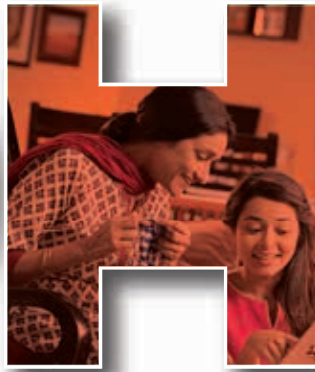


ONE



FULFILLING MULTIPLE ASPIRATIONS

Dewan Housing Finance Corporation Limited  
2015 - 2016 | ANNUAL REPORT

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Built on a strong business foundation, an extensive distribution network, proven industry expertise and a deep understanding of the Indian customer, DHFL is a respected and trusted financial services company in India with a concerted focus towards enabling home ownership to the lower and middle income (LMI) segment

### KEY FINANCIAL HIGHLIGHTS

₹ **729.20** Cr.  
Profit After Tax

₹ **7,311.83** Cr.  
Revenues from Operations

₹ **25.00**  
Earnings per Share (Basic)



View this annual report online <http://www.dhfl.com>



# Aspirations are a positive force responsible for progress.



**They have the power to propel  
people, families, communities and  
nations forward.**



At DHFL, our stated purpose since inception is to help fulfil the aspiration of owning a home. Millions of Indians nurture this dream, and we exist to help them realise it. Our experience and understanding of our customers and aspirations is shaping our emergence as a comprehensive financial services provider. From financing small businesses, to providing insurance, we cover a wide spectrum of products, to ensure that we meet every need of our customers.

Through this, we are not only creating a single platform of convenience and access for our customers, but also leveraging our goodwill to create value for all our partners, employees and stakeholders.



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## **OUR VISION**

To transform the lives of Indian households by enabling access to home ownership.

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The portrait of DHFL's Founder Chairman has been created using signatures of hundreds of customers.



Late Shri Rajesh Kumar Wadhawan

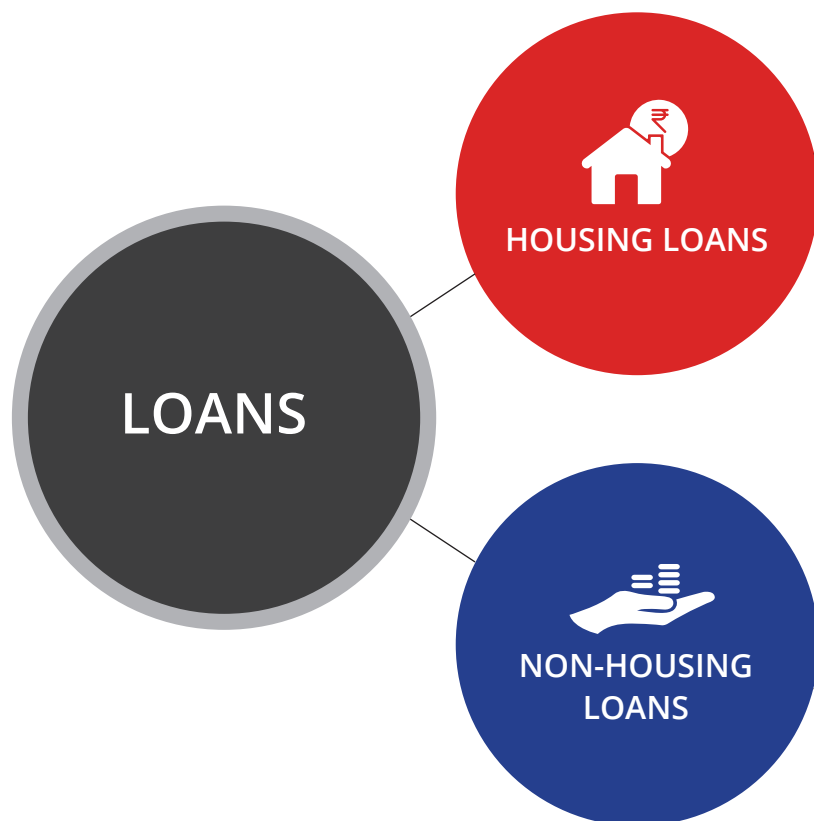


## A positive force for change

In line with the Vision of our Founder, we at DHFL are helping transform the quality of life of the lower and middle income customer segment, by enabling access to home ownership. For over three decades, we have reached out to millions of customers, especially in semi-urban and rural India; and helped fulfil their dreams of owning a home.

Over the years, we have evolved as a financial services company to address various financial requirements of customers across the social spectrum. As a Group, our product offerings also include insurance, mutual funds, education loans to service the incremental needs of our customers.

| KEY NUMBERS                                       |
|---|
| ₹ <b>69,523.86</b> Cr.<br>Assets Under Management |
| <b>16.74%</b><br>Capital Adequacy Ratio           |
| ₹ <b>5,017</b> Cr.<br>Net Worth                   |



## EXTENSIVE FOOTPRINT

We have a strong pan-India presence with a network of 182 branches, 146 service centres, 18 circles/clusters, two disbursement hubs, and one collection centre in India. Additionally, DHFL has its corporate and national offices in Mumbai and overseas representative offices in London and Dubai.



Loans for  
Purchase of New  
Property



Self-construction  
Loans



Extension and  
Improvement  
Loans



Project Loans



Commercial  
Property and Land  
Loans



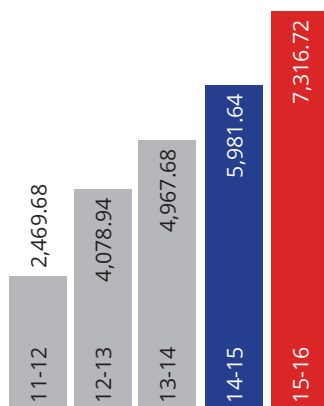
Mortgage Loans



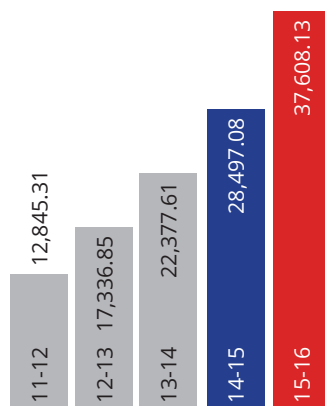
SME Loans

# Financial Performance

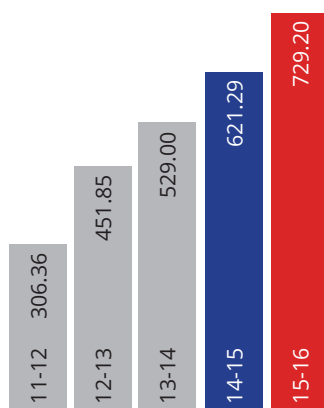
## GROSS REVENUE ₹ in crore



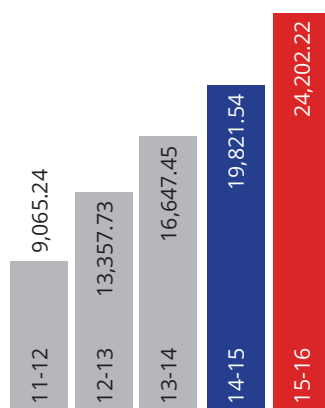
## SANCTIONS ₹ in crore



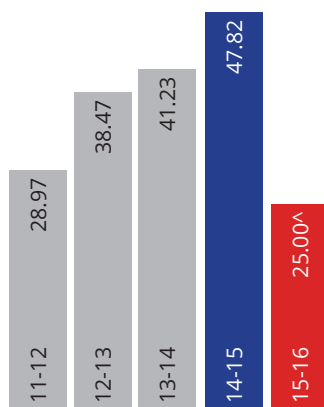
## NET PROFIT ₹ in crore



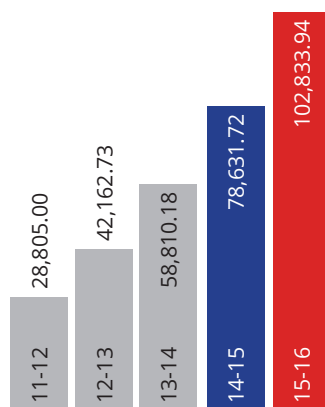
## DISBURSEMENTS ₹ in crore



## EARNINGS PER SHARE (BASIC) ₹ in crore



## CUMULATIVE DISBURSEMENTS ₹ in crore



^ After factoring in Bonus issue of 1:1 in FY 2015-16.



## Financial Performance

# 10-year Financial Highlights (Standalone)

## Key Operational Highlights

(₹ in crore)

|                         | 2006-07  | 2007-08  | 2008-09  | 2009-10   | 2010-11   | 2011-12   | 2012-13   | 2013-14   | 2014-15   | 2015-16    |
|-------------------------|----------|----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
| Sanctions               | 1,502.89 | 2,009.55 | 2,698.18 | 5,273.96  | 8,949.48  | 12,845.31 | 17,336.85 | 22,377.61 | 28,497.08 | 37,608.13  |
| Disbursements           | 1,472.87 | 1,761.53 | 2,266.02 | 3,865.56  | 6,505.54  | 9,065.24  | 13,357.73 | 16,647.45 | 19,821.54 | 24,202.22  |
| Cumulative Disbursement | 5,341.11 | 7,102.64 | 9,368.66 | 13,234.22 | 19,739.76 | 28,805.00 | 42,162.73 | 58,810.18 | 78,631.72 | 102,833.94 |

## Key Financial Highlights

(₹ in crore)

|  | 2006-07  | 2007-08  | 2008-09  | 2009-10  | 2010-11   | 2011-12   | 2012-13   | 2013-14            | 2014-15   | 2015-16             |
|--|----------|----------|----------|----------|-----------|-----------|-----------|--------------------|-----------|---------------------|
| Gross revenues                             | 332.29   | 523.42   | 693.60   | 992.55   | 1,451.24  | 2,469.68  | 4,078.94  | 4,967.68           | 5,981.64  | 7,316.72            |
| Profit After Tax                           | 48.40    | 82.58    | 91.76    | 150.69   | 265.13    | 306.36    | 451.85    | 529.00             | 621.29    | 729.20              |
| Shareholders Funds                         | 365.27   | 445.07   | 513.54   | 873.44   | 1,548.43  | 2,032.72  | 3,237.09  | 3,574.96           | 4,635.78  | 5,017.00            |
| Share Capital                              |          |          |          |          |           |           |           |                    |           |                     |
| Equity                                     | 50.12    | 60.52    | 60.52    | 82.03    | 104.42    | 116.84    | 128.22    | 128.42             | 145.68    | 291.80              |
| Preference                                 | 24.16    | 7.00     | 3.00     | 3.00     | -         | -         | -         | -                  | -         | -                   |
| Others                                     | 2.50     | -        | 56.00    | -        | -         | -         | -         | -                  | -         | 125.00 <sup>#</sup> |
| Reserves and Surplus                       | 288.49   | 377.55   | 394.02   | 788.41   | 1,444.01  | 1,915.88  | 3,108.87  | 3,446.54           | 4,490.10  | 4,600.20            |
| Borrowings from NHB, Banks, FIs and Others | 3,157.66 | 3,922.52 | 5,829.51 | 8,744.63 | 14,292.78 | 18,209.80 | 30,134.68 | 36,891.43          | 45,192.44 | 56,060.99           |
| Deposits                                   | 57.05    | 46.90    | 46.87    | 182.16   | 557.29    | 938.81    | 1,923.72  | 2,595.46           | 3,728.30  | 5,042.67            |
| Housing and Other Loan Outstanding         | 3,301.97 | 4,158.07 | 5,806.62 | 8,758.40 | 14,121.98 | 19,355.38 | 33,901.72 | 40,451.04          | 51,039.65 | 61,775.02           |
| Dividend - Equity (%)                      | 25.00    | 25.00    | 25.00    | 30.00    | 35.00     | 35.00     | 50.00     | 80.00 <sup>*</sup> | 60.00     | 80.00               |
| Book Value per Share (₹) (Equity)          | 56.00    | 59.19    | 70.67    | 102.86   | 148.32    | 174.04    | 252.47    | 278.38             | 318.22    | 171.93 <sup>^</sup> |
| Earnings per Share (₹) (Basic)             | 9.22     | 14.43    | 15.15    | 19.78    | 26.43     | 28.97     | 38.47     | 41.23              | 47.82     | 25.00 <sup>^</sup>  |
| Earnings per Share (₹) (Diluted)           | -        | -        | -        | 19.58    | 26.12     | 28.67     | 38.30     | 41.11              | 47.19     | 23.10 <sup>^</sup>  |

### Notes

<sup>#</sup> Money received against share warrants issued to promoters / promoter entity.

<sup>\*</sup> Includes one time special 30% dividend to mark 30th anniversary.

<sup>^</sup> After factoring in Bonus issue of 1:1 in FY 2015-16.

# Operational Highlights and Competitive Strengths

## Operational Performance

Assets Under Management increased by **22.22%** to **₹ 69,523.86 crore.**

Total Revenue grew by **22.32%** to **₹ 7,316.72 crore.**

Profit Before Tax increased by **16.87%** to **₹ 1,102.17 crore.**

**Gross NPA stood at 0.93% and Net NPA stood at 0.58%, substantially lower than industry benchmarks.**

Net worth increased by **8.22%** to **₹ 5,017.00 crore.**

Capital Adequacy Ratio (CAR) as on **March 31, 2016** was at **16.74%.**

## Distribution Network

The Company's network is grouped into circles and clusters located across the length and breadth of India. **The distribution network in India is mainly spread across Tier II and Tier III cities and towns.**

The Company has presence at **349 locations throughout India, including 182 branches, 146 service centres, 18 circles/cluster offices, 2 disbursement hubs, 1 collection centre.**

## Operational Highlights and Competitive Strengths

### Brand Building



Engaged third-party creative and media marketing providers for conducting specialised activities, which aided the Company's marketing campaigns.

Re-launched the advertising campaign with a fresh message, **'Say no to bahanas. Own your dream home'** with the Company's brand ambassador Shah Rukh Khan.

Initiated activities such as spot sanctions, transit media branding, sponsorship events, mall activations, society activations, hoardings / billboards, business meetings with channel partners and business associates and retail channel tie-ups.

### Competitive Strengths

At DHFL, we have been prominent in the housing finance sector in India since 1984; and remain one of the leading financial services providers. Today, we are an acclaimed brand for a high level of customer service; and respected for ethics, values and corporate governance.

We have developed an attractive suite of products that cater to all customer segments, with our primary focus on the lower and middle income (LMI) groups. There are separate business verticals for housing loans and non-housing loans. This allows each vertical to focus on its core business; and use its expertise in underwriting loans, and to meet such demand with flexible products to suit our customers' needs.

By leveraging our understanding of customers from different economic segments, we are today in a position to extend a range of products and services through our group companies and partners to meet their needs. Thus, we provide one stop facility for our customer needs.

## Board of Directors



### Standing (Left to Right)

Mr. G. P. Kohli - Independent Director, Dr. Rajiv Kumar - Additional (Independent) Director  
 Ms. Vijaya Sampath - Independent Director, Mr. Kapil Wadhawan - Chairman & Managing Director,  
 Mr. Dheeraj Wadhawan - Non-Executive Director, Mr. V. K. Chopra - Independent Director,  
 Mr. Mannil Venugopalan - Independent Director

### Mr. Guru Prasad Kohli

Independent Director

Mr. G. P. Kohli is the former Managing Director of Life Insurance Corporation of India (LIC) and has vast experience in the fields of insurance, housing, human resource development, information technology and marketing, having worked in different positions at LIC. He holds a Masters Degree in English Literature MA. (Hons) and has acquired a Diploma in Labour Laws, Labour Welfare and Personnel Management - LLD. Mr. G. P. Kohli is on the Board of the Company as an Independent Director since May 23, 2001.

**C1 C2 C3 C4 C5**

### Dr. Rajiv Kumar

Additional (Independent) Director

Dr. Rajiv Kumar, senior fellow at Centre for Policy Research (CPR), is an economist and the author of several books on the Indian economy and India's national security.

Dr. Rajiv Kumar is also chancellor of the Gokhale Institute of Economics and Politics in Pune and the founding Director of Pahle India Foundation, a Non-Profit Research Organisation that specialises in policy-oriented research and analysis. Before coming to CPR, he was Secretary General of the Federation of Indian Chambers of Commerce and Industry (FICCI). He has also served as Director & Chief Executive of the Indian Council for Research on International Economic

Relations (ICRIER) and Chief Economist of the Confederation of Indian Industries (CII), as well as in positions with the Asian Development Bank, the Indian Ministry of Industries, and the Ministry of Finance. He presently sits on the boards of several international and national institutions, including the King Abdullah Petroleum Studies and Research Center in Riyadh, the Economic Research Institute for ASEAN and Asia in Jakarta and the Indian Institute of Foreign Trade. He was a member of the Government of India's National Security Advisory Board between 2006 and 2008.

Dr. Kumar holds a DPhil in Economics from Oxford and a PhD from Lucknow University. He joined the Board as an Additional Director (Independent Director) on August 7, 2015.

## Board of Directors

**Ms. Vijaya Sampath**

Independent Director

Ms. Vijaya Sampath is a reputed senior legal professional with over 30 years of corporate and legal experience. She has worked both as a Partner in a law firm and as an in-house Legal Counsel and Company Secretary for large Indian corporations such as the Bharti Group and Indian Aluminium Company Ltd. She has also served on the Boards of several Companies in the Bharti Group (including Bharti Infratel Ltd.) Bharti AXA General Insurance Co. Ltd. Ms. Sampath currently heads the corporate practice for the law firm Lakshmikumaran Sridharan. She is also the Ombudsperson for the Bharti Group. In her role as the Group General Counsel and Company Secretary at Bharti Enterprises, she played a key role in managing legal matters related to strategic initiatives like international M&As, contracts, litigation, financing and regulatory matters. She has dealt with several large and complex transactions, including the Zain deal, a major complex transaction in the Indian telecom sector. She also managed the legal and compliance elements of all the joint ventures that the Bharti Group got into, including the Bharti-Wal Mart, Vodafone and AXA deals. Ms. Sampath holds degrees in Literature and Law. She is also a fellow member of the Institute of Company Secretaries of India. She has attended the Advanced Management Program at Harvard Business School and the Strategic Alliances Program at Wharton, USA. She joined the Board of the Company as an Independent Director on August 26, 2014.

C4

**Mr. Kapil Wadhawan**

Chairman &amp; Managing Director

Mr. Kapil Wadhawan joined DHFL in September 1996 as a Director and became the Chairman and Managing

Director of the Company in July 2009. He led DHFL into becoming a world-class financial services Company. Under his leadership, the Company commenced its transformational journey, reaching out to customers across the length and breadth of the country. He has been instrumental behind DHFL setting up representative offices globally – at Dubai and London. He spearheaded the acquisition of the housing finance arm of ING Vysya Bank Ltd. in 2003 and that of First Blue Home Finance Ltd. (erstwhile Deutsche Postbank Home Finance Ltd.) in 2011. He also established India's low income segment specific Company, Aadhar Housing Finance Ltd., in association with IFC, a member of the World Bank group. Mr. Kapil Wadhawan also led the foray of DHFL into the education loans sector through Avanse Financial Services Limited in 2013, in life insurance through DHFL Pramerica Life Insurance Company Ltd. in 2014 and in asset management services through DHFL Pramerica Asset Managers Private Limited in 2015-16. Mr. Kapil Wadhawan is an MBA in Finance from Edith Cowan University, Australia.

C2 C3 C5 C6

**Mr. Dheeraj Wadhawan**

Non-Executive Director

Mr. Dheeraj Wadhawan is the Promoter of the Company. He is the son of Late Shri Rajesh Kumar Wadhawan and brother of Mr. Kapil Wadhawan, Chairman & Managing Director. He has graduated in construction management from the University of London. He has over 15 years of experience in the real estate and construction industry. He joined the Board as a Non-Executive Director on May 12, 2008.

C3

**Mr. Vijay Kumar Chopra**

Independent Director

Mr. V. K. Chopra is a Fellow Member of the Institute of Chartered Accountants of India (FCA) by profession.

Mr. V. K. Chopra had a long and illustrious career in banking, having served in the sector for over 38 years in different capacities. He was the Chairman and Managing Director of Corporation Bank and SIDBI and an Executive Director with Oriental Bank of Commerce for a long tenure. His last assignment was with the Securities and Exchange Board of India (SEBI) where he served as a whole-time member for two years until March 2008. He is a Non-Executive and Independent Director on the Board of several listed companies. He joined the Board of the Company as an Independent Director on May 12, 2008.

C1 C4 C5 C6

**Mr. Mannil Venugopalan**

Independent Director

Mr. M. Venugopalan holds a degree in Bachelor of Commerce from Kerala University. He has worked as a Commercial Banker for nearly four and a half decades. He started his career as a Probationary Officer with Bank of India in 1966. In 2000, he joined Union Bank as an Executive Director. In 2003, he returned to Bank of India as its Chairman and Managing Director. In May 2005, he joined Federal Bank as the Managing Director & Chief Executive Officer. He has also been a runner-up for the E & Y Entrepreneur of the Year 2009 award. He joined the Board of the Company as an Independent Director on February 25, 2013.

C1 C6

**Committees of Board of Directors**

- C1 Audit Committee**
- C2 Stakeholders' Relationship Committee**
- C3 Finance Committee**
- C4 Nomination and Remuneration Committee**
- C5 Corporate Social Responsibility Committee**
- C6 Risk Management Committee**

● Chairman ● Member



## Chairman & Managing Director's Foreword



**Kapil Wadhawan**, Chairman & Managing Director

▶ The Company's core offering comprises housing loans, loans to SMEs, mortgage loans and on the liability product side, a range of fixed deposit products.

Since four decades, DHFL has consistently built a forward-looking organisation. Your Company set inclusive growth as part of its business goal at a time when there was no focus on social equilibrium. Having built a foundation on the forward-thinking Vision of our Founder Chairman, Late Shri Rajesh Kumar Wadhawan, today your Company is one of India's leading housing finance companies, and a leading financial group having added various complimentary businesses along our journey. This philosophy will continue to be in focus while embracing new businesses, widening offerings and adding value for customers.



## Chairman & Managing Director's Foreword

### Dear Members,

The year gone by saw the global economy still showing signs of contraction and many countries still reeling under economic stress. In this global gloom, India stands out as an economy that is registering steady growth. With DHFL being focused on serving India and its various micro-markets, your Company will continue to ride on the benefits of this positive growth shoots. In a fast changing and disruptive world, your Company embraced innovation and ideas in evolving itself whilst remaining resilient in its endeavour to provide a roof over the heads of millions of lower and middle income (LMI) customers. The Indian Government's empowering initiatives like "Digital India" and "Make in India", are designed to propel our nation to become a world-class country. It is projected that by 2020, India will become the world's third largest middle-class consumer market led by China and the USA, and your Company will keep evolving to meet the growing consumer needs across segments while cementing its dominance over the LMI customer.

### EXPLORING MULTIPLE ROUTES TO CREATE LARGER SOCIETAL VALUE

DHFL with its home finance franchise and through its strategic additions - asset management through DHFL Pramerica Asset Managers Private Limited and life insurance through DHFL Pramerica Life Insurance Company Limited, is enabling financial credit and protection for the lower and middle income

▶ **72% of your Company's loan portfolio comprises housing loans given for purchase of homes, extension & improvements and self-construction. Going ahead, your Company sees significant contribution also coming from asset management and insurance business, mainly by tapping your Company's customer base with additional offerings.**

customers. Financial Services that compliment business and serve the financial and protection needs of the Indian consumer in a more integrated manner remains of interest to your Company. Thus, your Company offers complementing services that help the discerning Indian consumer earn from his savings (FD) or investments (AMC), avail loans to build assets like homes & small businesses (SME loans) and life protection for family and self (Insurance) in these uncertain times. Today, all the businesses that your Company has acquired has seen significant value creation and synergy with the group.

Your Company's core offering comprises housing loans, SME loans, mortgage loans and on the liability product side, a range of fixed deposit products. 72% of your

Company's loan portfolio comprises housing loans given for purchase of homes, extension & improvements and self-construction. Going ahead, your Company sees significant contribution also coming from asset management and insurance business, mainly by tapping your Company's customer base with additional offerings.

### LEADING THE DEMOCRATISATION OF THE LMI WALLET

Nuclear families are fast becoming the norm with 70% of households comprising just one married couple, triggering a need for new homes. During the previous year, the affordable homes segment received a boost with the tweaking of the Real Estate Bill allowing FDI in this segment. With demand for housing increasing, home loans will register complimentary demand. Your Company with its deeply penetrated network and market leadership is in a good position to capitalise on this opportunity.

Digital marketplaces have been marching forward, and today reality suggests that a click-and-brick business model is essential along with brick-and-mortar. Your Company recognises this need and is geared to build a customer focused formidable digital play. Your Company is engaging with customers digitally, not only to reinforce its offerings and services but also to extend advisory services and assist customers in their home buying decision.

## Chairman & Managing Director's Foreword (Contd.)



**DHFL's vision was set to reach out to the LMI segment at the start of its journey. Today, your Company continues the legacy but with greater resilience, higher performance and far-reaching impact.**

### CREATING AN OUTWARD-ORIENTED PATH TOWARDS FINANCIAL INCLUSION

India needs more than five million homes annually and above 90% of this demand is in the affordable segment — homes priced at less than US\$50,000. The gap between supply and demand is huge, with supply being less than 10% of the demand. Whilst smart cities will be a boon to Indians, they will come with a shift of the Indian populace from villages to Tier I and Tier II cities, increasing the challenge of urbanisation with a shortfall of 20 million homes. 65% of our population is less than 35 years of age making our country vibrant and dynamic. The Indian youth is resourceful, energetic and demands instant gratification. Your Company recognises this inherent consumer need and is reaching out to fulfil the soaring ambitions of this segment.

Your Company is attempting to reach out to the needy, whilst spreading itself deeper across India. With an employee strength of 2,625, today your Company manages an asset base of ₹ 69,523.86 crore. DHFL delivered a robust performance with a 22.32% revenue growth of ₹ 7,316.72 crore for the year ending March 31, 2016. Operational income stood at ₹ 7,311.83 crore, an increase of 22.29% on a Y-o-Y basis. Your Company's outstanding loan portfolio grew by 21% to ₹ 61,775.02 crore as on March 31, 2016. Your Company maintained the highest order of credit rating of CARE AAA (Triple A) by CARE and BWR AAA by Brickwork.

To reach out to the untapped LMI segment, your Company continued to remain focused on its hub-n-spoke model of operations, comprising of branches and micro branches which act as customer touch points. Going ahead, your Company will look at disruptive technology and innovation with a bigger push to reach a larger set of customers. Cross selling to current customers through data analytics, identification of spending behaviour patterns and sharpened credit appraisal norms are being implemented. Technology will be further used to enhance service and decision taking at micro branches and drive customer satisfaction.

### EMPATHY AND EMPOWERMENT FOR EVERY INDIAN

The words of the RBI governor Dr. Raghuram Rajan "We are still a relatively poor economy, to wipe a tear from every eye....." strikes a deep chord within me. I am glad that DHFL has focused on the LMI segment since its formation in 1984 and your Company will maintain that thrust. Led by the fundamentals of integrity, commitment to performance and innovation your Company's faith remains unflinching on financial inclusion from where its Founder started the journey. Your Company's tailor-made credit appraisal system stands in good stead with minimal NPAs and default, growing its balance asset quality with good health and clean recovery records. Your Company will continue to drive innovation in India's housing finance space as it stands firm in its commitment

## Chairman & Managing Director's Foreword

**DHFL is led by a highly experienced and cohesive management team, with an average 20+ years experience in relevant industries. Your Company is a talent focused, merit driven and a profitable organisation that operates in an energetic and multi-cultural environment.**

to build a sustainable business, deliver value to all stakeholders and serve India's vibrant economy. Your Company has been recognised for its good work by various bodies thus receiving multiple awards and acknowledgements.

### TECHNOLOGY & TRANSFORMATION POWERED BY HUMAN INGENUITY

Your Company is led by a highly experienced and cohesive management team, with an average 20+ years experience in relevant industries. Your Company is a talent focused, merit driven and a profitable organisation that operates in an energetic and multi-cultural environment. Your Company in its quest to achieve competitive superiority and scalable growth, empowers its employees with relevant training, updates and behavioural advancements. This is with a single-minded purpose of improving organisational superiority and capability to build leaders of tomorrow.

Your Company is a people-focused and talent conscious enterprise, operating in a competitive business environment. To achieve leadership and scalable growth, your Company has aligned competencies of its human capital with technology enablement. Your Company is making significant investment in its IT infrastructure to advance to the next-generation scalable and flexible technology landscape. Thus, technology will continue to be your Company's growth engine powered by human ingenuity.

### MARCHING FORWARD TO BUILD SHARED PROSPERITY

Your Company's vision was set to reach out to the LMI segment at the start of its journey. Today, your Company continues the legacy but with greater resilience, higher performance and far-reaching impact. Your Company remains committed to deliver economic empowerment to the least supported citizens of our country whilst delivering value to all stakeholders. Your Company is well poised to leverage an innovation and technology-led business model that empowers people, delivers profits and protects the integrity of financial services in our country.

Regards,

**Kapil Wadhawan**

Chairman & Managing Director  
DHFL

**Your Company's tailor-made credit appraisal system stands in good stead with minimal NPAs and default, growing its balance asset quality with good health and clean recovery records.**

## CEO's Message



**Harshil Mehta**, Chief Executive Officer

Today, your Company has a bouquet of loan and deposit products that seek to fulfil every need of its customers. Your Company not only offers housing loans but also mortgage loans, SME loans and developer finance, indicating that your Company's relationships go beyond just financing a house.

During the year, DHFL grew consistently, witnessing a steady increase in revenue and profits every sequential quarter. The overall business growth was characterised by a high-quality loan portfolio and effective resource management.

### Dear Members,

I am delighted to report that your Company registered a strong performance in FY 2015-16. Your Company's continuous thrust on financial inclusion, empowering the lower and middle income segment and focusing on being a trusted partner to customers has helped it stand in good stead.

During the year, your Company grew consistently, witnessing a steady increase in revenue and profits every sequential quarter. The overall business growth was characterised by a high-quality loan portfolio and effective resource management. Your Company's Assets Under Management (AUM) grew consistently.

The most important part of your Company's performance has been its emergence as a comprehensive financial services provider over the years. Your Company has traditionally aligned its business

## CEO's Message

model to best suit the needs of the lower and middle income (LMI) customer segment. Your Company adopted a verticalisation strategy for greater focus, and this ensured that individual businesses (housing and non-housing loans) could focus on their core competencies while leveraging synergies.

Today, your Company has a bouquet of loan and deposit products that seek to fulfil every need of its customers. Your Company not only offers housing loans but also mortgage loans, SME loans and developer finance, indicating that your Company's relationships go beyond just financing a house. Additionally, your Company is meeting the needs of insurance services – both life and general through group companies and partnerships. Further, your Company's joint venture allows it to offer Asset Management as a service, making your Company's offerings complete. Your Company is a deposit taking housing finance company (HFC), and provides excellent returns to its deposit holders. This approach, and portfolio of services is unique in the Indian context and differentiates DHFL.

Your Company continues to focus on maintaining high asset quality and lower-than-benchmark NPAs. Your Company's credit appraisal tools and procedures, ability to estimate income and repayment capabilities, extensive relationship building approach, and deep network ensure that your Company is creating a strong balance sheet, and maintaining its record of value-

creation. In the year under review too, your Company was able to maintain low NPA levels, and better performance.

Your Company's disbursements grew by 22% to ₹ 24,202.22 crore as on March 31, 2016. Your Company's NPAs stood at 0.93%, amongst the lowest in industry.

Your Company is looking ahead at an era of accelerated growth on the back of a technology transformation project, Tech2.0, which is expected to bring in speed, efficiency and superior analytical insights. This will enable better forecasting and understanding of the business, ensure shorter turn-around-times (TAT), enhanced customer satisfaction and better profitability.

Technology interventions notwithstanding, your Company continued to enhance its reach through a robust network of micro branches. Your Company has further fortified its well-balanced operational architecture of centralised and decentralised decision taking, to drive efficiencies and scale.

Your Company's LMI focus is a high opportunity area. Your Company is well prepared to further increase penetration with improved product and service offerings and scale to new levels of market depth, without compromising on the quality of any transaction.

Your Company is also acutely aware of its social responsibility and is taking conscious efforts to design programmes and initiatives that

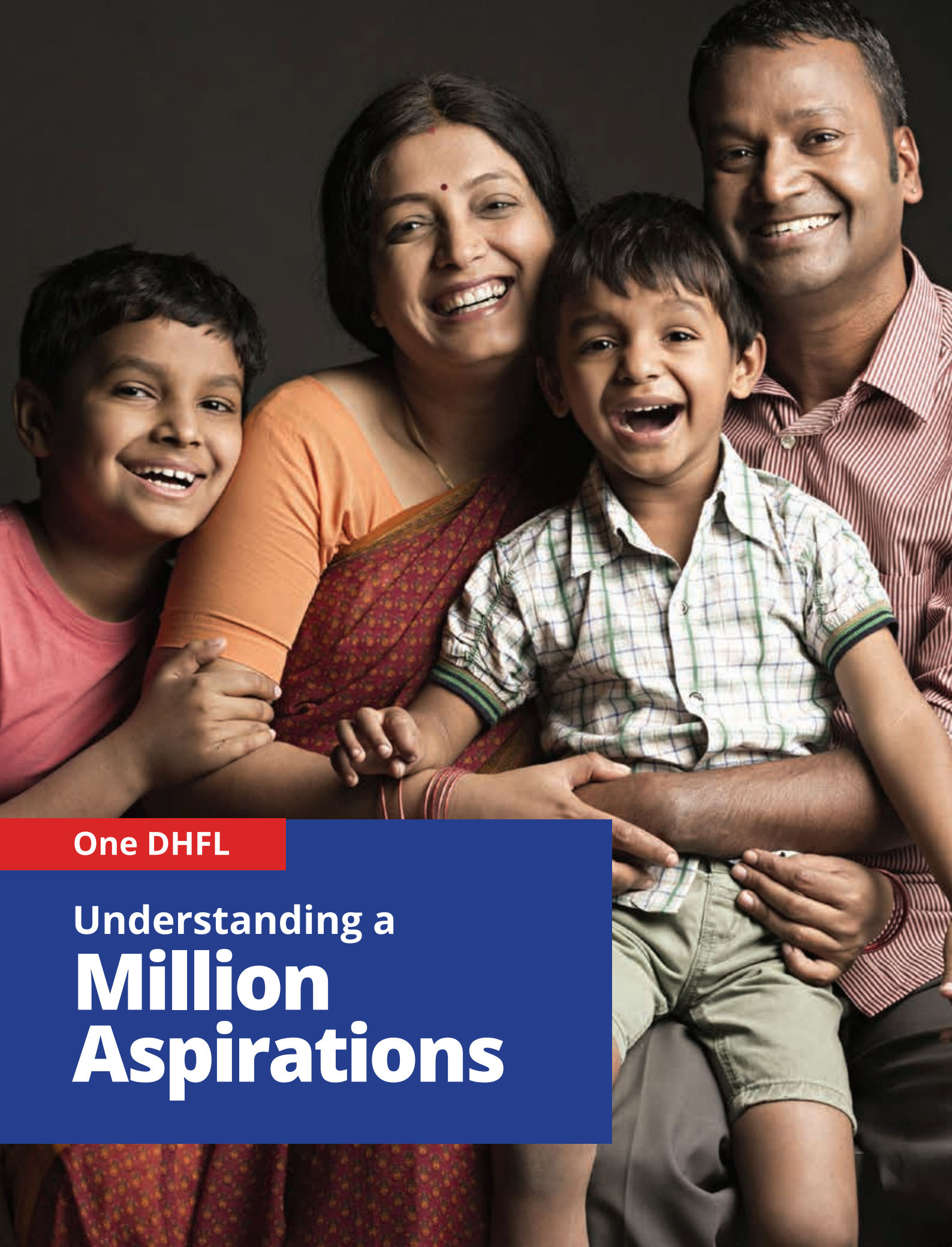
help improve the quality of life of communities. Your Company's intervention is in the critical areas of Education, Skills Development and Rural Development. Your Company believes that for a progressive India, holistic interventions and development is a must.

With all its efforts, your Company intends to prepare itself for the future by maintaining productivity across multiple parameters and maintaining cost competitiveness. Your Company believes that its focus and approach will help it leverage the current opportunities in the Indian Financial Services space, and lead to value-creation for all its stakeholders.

Regards,

**Harshil Mehta**  
Chief Executive Officer  
DHFL





One DHFL

Understanding a  
**Million  
Aspirations**



**Comprehensive range**

We offer a range of home loan products, such as home loan, home extension loan, home improvement loan, plot loan, mortgage loan, SME loan, project loan, non-residential property loan, among others.

**We just don't address needs of an existing market, but foresee future needs of our customers and develop solutions that will help them fulfil their aspirations.**

**Our in-depth understanding of the lower and middle income segment along with our capability to address their aspirations has catalysed our growth.**

For the last 32 years, we have helped millions of Indians mobilise funds to buy or build their own homes. In the process, we have built strong relationships with our customers and have amassed deep customer insights. We have built robust systems for delivering best-in-class customer experience and expertise for assessing credit worthiness, financial protection needs and alternate savings options.

Understanding the need to reach out to customers in the far interiors of the country, we have established a strong network presence of branches and micro-branches which act as customer touch-points for any query and/or assistance on any loan, protection and savings products.

At DHFL, we listen to our customers' aspirations, help assess their capabilities; and devise solutions to meet their needs. This enhances their trust in our brand; and we continue to strengthen the trust our customers place in us.



**One DHFL**

**A full spectrum of  
Financial  
Products**

**We have emerged as a comprehensive financial solutions provider to service the needs of our customers, especially the large population of lower and middle income (LMI) segment.**

**We will continue to innovate and enhance our product value to benefit those who need it most. Our initiatives transform lives and help drive financial inclusion.**

With three decades on journey in building trust and value by offering home loan products, we have understood the needs and aspirations of our customer segment, to meet their financial service requirement. This has made us build our brand value across a range of savings, protection and loan products.

In addition to home loans, we offer home improvement loans, plot loans and composite loans for purchase of plot and self-construction. Extending our understanding from the mortgage industry, we also offer SME loans, Loan Against Property (LAP) and Lease Rental Discounting (LRD), thus supporting the requirements of micro, small and medium enterprises, self-employed and professionals.

To encourage savings, we enriched our deposit products by bringing in specialised offerings to suit different segments, like women, trust and so on. We innovated a product styled 'Wealth2Health' to provide our customers with high liquidity, returns, safety and certain health check benefits during a medical exigency. This product aims to usher in benefits that are beyond deposits,

as the customer can use the unique fixed deposit product for cashless hospitalisation. The product has gained a lot of traction; and has won the Golden Peacock Innovative Product and Service Award.

Protection is a much felt need of every household. It is for this reason; we forayed into life insurance with DHFL Pramerica Life Insurance Company (DPLI), a JV with Prudential Financial, Inc. We offer various life insurance products including mortgage linked term assurance plan which covers the life of the principal borrower during the tenure of the home loan and protects his/her family in case of an unforeseen event.

In 2015-16, we extended the protection concept to our customers by bringing in general insurance benefits to cover the assets as well as health insurance schemes. This is offered as group administrators of Chola MS General Insurance Company Limited.

As a value addition to our savings offerings, we also offer mutual fund products through our Group. We have entered into a joint venture

with PGLH of Delaware, Inc. (indirect wholly owned subsidiary of Prudential Financial Inc.) and hold a 50% stake in each of DHFL Pramerica Asset Managers Private Limited and DHFL Pramerica Trustees Private Limited.

The Group's presence also includes an education loan company Avanse Financial Services Limited, which kindles and supports aspirations of higher education in India and overseas.

Our other group companies include DHFL Vysya Housing Finance Limited and Aadhar Housing Finance Limited. DHFL Vysya caters to the lower and middle income segment in the southern regions of the country. Aadhar Housing Finance Limited, a JV with International Finance Corporation (IFC), a member of the World Bank group, focuses on providing home loans to the needy in the backward regions of the country.

This experience has made us richer in our understanding of the different needs of people. Our ability to increase our value proposition and enhance our customer relationships remains integral to us.



A man with dark hair and glasses, wearing a light blue button-down shirt, is looking towards the camera with a slight smile. He is holding a silver smartphone in his left hand. The background is a blurred office environment. A red rectangular overlay is positioned in the lower-left corner, containing white text. A smaller dark blue rectangle is at the top left of the red area.

**One DHFL**

**Sound**

# **Governance Framework**

**Our systems, processes and functional capabilities are built on the principles of good corporate governance; and are implemented within the framework of proper checks, balances and controls.**

**We are continuously strengthening the capabilities of our team and the overarching governance framework for sustainable growth, resilient to industry cycles and economic crests and troughs.**

#### **ANALYTIC FRAMEWORK**

Our credit evaluation and credit portfolio management methodologies are designed to ensure consistent underwriting standards. The risk management techniques and processes enable early identification of problematic loans. These include early default analysis, product analysis, and probability of default. We work with strong analytic data to leverage areas of opportunity in a highly competitive industry scenario.

#### **EFFICIENT PROCESSES AND COST OPTIMISATION**

We are constantly working towards enhancing efficiencies and eliminating wastages. We leverage technology to speed up processes like central processing of documents; and focus by way of optimising resources. Besides, we put a lot of emphasis on training across hierarchies in line with evolving customer aspirations.

#### **SOUND ASSET QUALITY MANAGEMENT**

We have a strong retail book with a large customer base. Our underwriting skills and our well-built system further reduces our risk. As we source a majority of customers through branches and extensive marketing initiatives, we are able to maintain a high level of customer quality checks. Besides, we have also set up a robust collection machinery, supported by a strong backend for timely action in defending asset quality.

#### **VISIONARY LEADERSHIP**

Our Leadership has the experience and expertise to help DHFL navigate in a dynamic business environment. To make our overall governance more robust, Wadhawan Global Capital, the Promotor entity, has introduced a Group Management Team that monitors the working of each Group company to ensure proper execution of set targets. The performance of each Group company is assessed through an

internal review mechanism using objective data, thereby enabling timely guidance and sound business strategies.

#### **DECENTRALISED DECISION-MAKING**

Our operational architecture is a well-balanced system of centralised and decentralised decision taking process. Our wide distribution network, coupled with insights into local customer needs, has enabled us to provide relevant financial products to customers. The authority to make decisions on loan amount, in-house appraisals, credit analysis in even the smallest locations is distributed in the structure; and is meticulously monitored; bringing in accountability and responsibility at every level.



One DHFL

New

# Technology Horizons



**We are making significant investments in IT infrastructure to leapfrog to the next-generation of a scalable and flexible technology landscape. Such a strategy will help us improve productivity, enhance transparency, reduce cost and sustain growth.**

### BETTER WAYS OF DOING THINGS

Tech2.0 is expected to usher in speed, efficiency in day-to-day operations and superior analytical insights that will help us design products in line with changing customer requirements. It is also expected to future-proof the organisation from technology obsolescence.

The advanced technology architecture will also usher in greater synergy among various verticals; help resolve systemic flaws and reduce physical record keeping; and is likely to ensure greater co-ordination across the organisation.

As a part of the technology transformation, we are also working on the digital landscape (web and mobile apps) to enhance convenience for our customers.

### UNIFORMITY AND LINEARITY

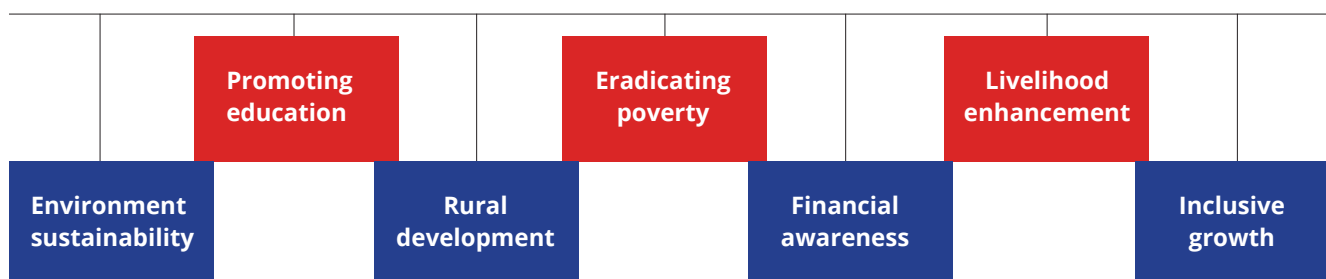
We are working towards integrating our processes and driving efficiencies even at the branch level. We believe technology-driven integration will lead to economies of scale and lead to uniformity. It will also reduce the error rate and save time by making things more streamlined and linear.

| TECHNOLOGY PARADIGMS                   | KEY AREAS ADDRESSED   | EXPECTED BENEFITS   |
|--|---|---|
| Customer Relationship Management (CRM) | Single customer view, lead management, marketing, sales force management, and customer servicing                    | Higher customer satisfaction, better lead conversion, higher returns on marketing spend, and more effective sales force |
| Core System (LOS/LMS/ Collections)     | Loan origination, underwriting and servicing and collections, and NPA management                                    | De-risking technology obsolescence, and ability to serve new products / business lines                                  |
| Workflow / Document Imaging            | Image-based workflows and document storage  | Lower cost of operations; Better TAT  |
| Financial Accounting                   | Accounting, budgeting, forecasting, reporting, and fixed assets register  | Better financial tracking and MIS   |
| Mobility                               | Mobile applications to enable customers, and field force  | Sales force and customer enablement, better reporting, and decision-making  |
| Digital Channels / Portals             | Enabling internet, mobile and social channels, enhancing customer and partner experience, and customer self service | Higher customer and partner satisfaction, and lower cost of sales and service   |
| Business Intelligence                  | Reporting, analytics, cross-sell / up-sell  | Real time information sharing for better decision-making  |
| Property Management                    | Maintaining knowledge of property appraisals and promoting re-use   | Lower cost of origination, and single project view  |

# Corporate Social Responsibility

**Our CSR programmes aim to create sustainable impact on the society by enabling upliftment of the less privileged sections of the population.**

**WE HAVE UNDERTAKEN SEVERAL SPECIFIC PROJECTS THAT MEET THE OBJECTIVES OF OUR CSR STRATEGY.**



We have reached out to and helped improve the lives of many people across the states of Maharashtra, Assam, Tamil Nadu, and Andhra Pradesh.

## CSR VISION

**To actively engage in philanthropic programs in an effort to promote the enrichment of society.**

## EARLY CHILDHOOD CARE AND EDUCATION

We initiated a programme to improve the learning outcomes of children in anganwadis and facilitate easy access to health and nutrition for children and women in the community. We have collaborated with the Department of Women and Child, Government of Maharashtra to adopt and transform 990 anganwadis in Vasai and Palghar taluka of Maharashtra. This programme will impact 5,000 girls, 25,000 women and 30,000+ children. We have partnered

with Grammangal, a pioneering organisation in Early Childhood Education and in building capacity of the people associated with anganwadis.

## EMPOWERING YOUTH THROUGH SKILL DEVELOPMENT

We launched a programme to empower youth from economically weaker sections of the society by training them in employable skills and encouraging livelihood opportunities. Training is provided to build skills and traits for Banking, Financial Services and Insurance (BFSI) sector and the Construction sector among others. We have partnered with SEED (Society for Education Welfare and Economic Development) to deliver trainings to 2,000+ youth. A Training Centre has also been set up in Chandrapur and Kolhapur in the State of Maharashtra, to encourage youth from the region to enhance their employability.

## WATERSHED MANAGEMENT PROGRAMME FOR DROUGHT MITIGATION

In the light of severe drought situations in Maharashtra, we adopted five villages in Aurangabad district to implement a holistic watershed management programme. The programme is expected to impact the lives of over 7,000+ people in the villages of Babhulgaon, Waghola, Chincholi, Nandra and Daregaon. To achieve this objective, we have partnered with Dilasa, an organisation working in watershed management and allied activities to implement the programme.

## PROVIDING QUALITY EDUCATION

We have collaborated with District Institute of Education and Training (DIET) centres to equip pre-service teachers with knowledge, attitude, behaviour, and skills to enable them to perform their tasks effectively. The pre-service teacher-training

## Corporate Social Responsibility

programme is being implemented in partnership with the Department of School and Sports Education, Government of Maharashtra, and targets to reach out to 10 schools, 13 affiliated colleges, 100 faculty and impact over 500 pre-service trainees.

### SUPPORTING EDUCATION INITIATIVES

#### ConnectED

We initiated a project with ConnectED, a technology solution provider and Government of Maharashtra to promote quality of learning with smart classroom solutions like portable projectors and surround-sound systems. We have introduced impactful audio-visual content into rural classrooms to enrich the learning experience. We have transformed 60 classrooms in 10 schools in Palghar Taluka, Maharashtra.

#### Yusuf Meherally Centre

We are supporting Yusuf Meherally Centre to efficiently run three schools in Tara, Raigad district, Maharashtra. We have supported the renovation of tribal girl's hostel and provided salary for non-aided teachers and non-teaching staff in the school. The programme benefits 3 schools, 9 non-teaching staff, 11 teachers, and 800 children.

#### Grammin Adivasi Vidhyalaya

We are working to improve the existing infrastructure of Grammin Adivasi Vidhyalaya, a school at Mira Road, at the outskirts of Mumbai. The renovation of the school block has begun to provide for adequate ventilation and amenities in the school.

#### Padmashali Shikshan Sanstha

We support Padmashali Shikshan Sanstha in Solapur, a school working

towards providing education to the weaker section students. For the last 4 years, we have been providing scholarships to meritorious students of the school so that they can continue their education. We have awarded scholarships to 147 students for the academic year 2015-16.

### SUPPORTING NGOS WORKING FOR COMMUNITY BETTERMENT

#### AIM for Seva

AIM for Seva, a nationwide movement was founded to bring value-based education and healthcare to the least privileged sections of Indian society. In support of the programme, we are also working to provide children from tribal and marginalised group's access to education, health, nutrition, value education, life skills, IT skills, and extracurricular activities. We are currently supporting a total of 104 children from two homes - 54 children from Nandayal, Andhra Pradesh and 50 children from Anaikatti, Tamil Nadu.

#### The Akshaya Patra Foundation

We support The Akshaya Patra Foundation to ensure that every child attends school and tasty, nutritious, wholesome mid-day meal is provided to them. We support the organisation's outreach in Guwahati by catering to 266 schools and providing quality nutritious food to 20,000 plus students on a daily basis.

#### Dr. Mane's Medical Foundation and Research Center

We helped Dr. Mane's Medical Foundation and Research Center by providing them with mobile ambulance to conduct health camps in rural areas in the Ahmednagar district of Maharashtra.



### FINANCIAL LITERACY AND INCLUSIVE GROWTH

#### Sharmaji ke Sawal, Vinodji ke Jawab

This Financial Literacy campaign is aimed at creating awareness among people on savings, security, and loan benefits to improve their living standard and protect their interest. It is delivered through street plays or 'Nukkad Natak' in small towns, worker settlements, and low-income colonies. It is based on two characters Sharmaji and Vinodji, who engage in a conversation to resolve some of the common apprehensions of people in finance - savings and loan related areas. The Programme encourages awareness through handouts, educational helpline and expert advice.

### PROJECT PARTNER TO DELIVER SUSTAINABLE SOLUTIONS

DHFL has entered into an agreement with Samhita Social Ventures, to deliver impactful social initiatives under the identified flagship areas of work. They support us in programme identification, development, partner selection and monitoring.

## Marketing Initiatives

**DHFL has a strong brand equity among its customer base and the public at large. Our strategic branding and marketing initiatives have led to significant new and repeat business. Our marketing campaigns executed during the year received immense customer response and DHFL's brand score tripled during the period.**

### EFFECTIVE MARKETING CAMPAIGN

DHFL brought on board Shah Rukh Khan, one of the world's most famous film actors, as the Company's brand ambassador. After the success of the marketing campaign 'Ghar Jaisa Loan', we launched another campaign this year. To encourage people to buy their own home, we launched the campaign with a fresh message 'Say no to bahanas and yes to DHFL Home Loans'.

### CREATING FINANCIAL AWARENESS

In line with our Vision of 'transforming lives through financial inclusion', we launched a one of its kind consumer education initiative. Short infomercials were showcased across all digital mediums to impart knowledge on home loans and equip prospective home buyers with the capability to make well-informed decisions.

### STRENGTHENING CUSTOMER CONNECT THROUGH DIRECT MARKETING

To further enhance our consumer connect we have increased focus on direct marketing activities like event sponsorship, mall activations, society activations, hoardings and billboard advertisements. Collaboration with online sourcing platforms and channel partners, builder tie-ups and retail channel tie-ups have helped us increase our relevance at the point of purchase and has led to increased sales.

### ENHANCED DIGITAL PRESENCE

We are leveraging the power of social media and have created a strong presence across Facebook, Twitter, LinkedIn, and YouTube. Our call centre continued to play an important role in business generation for home loans, SME loans, mortgage loans, and deposit products on the liability side.

### SOCIAL MEDIA IMPRESSIONS



**28,79,557**

visits in FY 2015-16



**2,42,774**

likes as at March 31, 2016



**40,49,874**

views as at March 31, 2016



## Awards and Accolades

**During FY 2015-16,  
your Company  
won the following  
prestigious industry  
awards**

Gold in the Asian Customer Engagement Awards for the Ghar Jaisa Loan Campaign.

The Best Corporate Brand Award 2015 by Economic Times.

India's 50 Biggest Financial Companies by Business World.

The most creative Ad on TV in the Banking, Financial Services and Insurance Sector by INDY's. It was presented by 94.3 My FM and Start Group endorsed by CMO Asia, for DHFL's "Bahana Campaign".

The Best Housing Finance Company by BFSI awards presented by ABP News and World HRD Congress and endorsed by Star Group.

India's Most Trusted Brand Award 2015 in the housing finance category.

DHFL ranked 194th in the ET 500 Listing.

The 6th CMO Asia Award for excellence in Branding and Marketing.

The 'Top 50 Dream Companies to Work For' by Times Ascent & World HRD Congress.

The Brand Trust Report India Study 2015 ranked DHFL as India's Most Trusted Housing Finance Brand in a study covering 19,000 brands across 16 cities.

Golden Peacock 'Innovative Product/Service award' for DHFL Wealth2Health Fixed Deposit Product.



# Management Discussion & Analysis

The Indian housing finance industry is growing fast. Mortgage lending is a strong driver of growth for both housing demand and construction of houses in the country.





## Management Discussion & Analysis

### OVERVIEW OF THE INDIAN ECONOMY

India today (worth over US\$2 trillion) is one of the most attractive economies of the world. At a time when the global economy is grappling with turbulence and volatility, India demonstrates stability and firm macro-economic fundamentals. The country has manageable inflation, low current account deficit and forex reserves are at an all-time high. The government is implementing key reforms to encourage domestic entrepreneurship, bolster infrastructure creation, strengthen rural income, attract FDI and enhance the ease of doing business in India. These measures cumulatively augur well for the economy, going forward.

During the Financial Year 2015-16, the GDP grew by 7.6%. The economy benefited from low oil prices and relatively limited exposure to global financial turmoil. The Union Budget 2016 revealed the government's intentions and plans. Despite global uncertainties, the Government is sticking to its fiscal deficit target, while pursuing the growth agenda. The Government has targeted to narrow the fiscal deficit to 3.5% in 2016-17, after securely maintaining its 3.9% target for 2015-16.

On the external front, while a decline in commodity prices helped India control inflation and rein in its twin deficits (fiscal and current account), the on-going global slowdown has hurt its exports. Some of the big-ticket structural

reforms as Goods and Services Tax were delayed and diluted, subduing sentiment further.

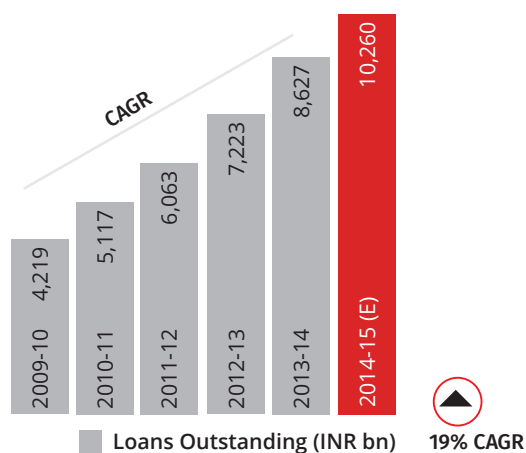
Global recovery, after the financial crisis of 2008-09, was largely uneven and fraught with risks. The financial year 2015 was no different, with world output growth slowing to 3.1% from 3.4% in financial year 2014. Economic activity was marked by a modest improvement in advanced economies and slower growth in emerging and developing economies. While Europe and Japan stepped up monetary easing to preserve growth, improved outlook for the US prompted the Federal Reserve to raise interest rates by 0.25 percentage points towards the end of financial year 2015.

### INDIAN HOUSING FINANCE INDUSTRY

The Indian housing finance industry is growing fast. Mortgage lending is a strong driver of growth for both housing demand and construction of houses in the country. Consequently, the Housing Finance Companies (HFCs) have witnessed an increase in total outstanding loans with a CAGR of 26% between financial year 2009-2010 and 2014-2015. During the same period, the growth in total loans outstanding in the industry (i.e. Banks and HFCs) was 19%-20%.

The following graph illustrates the growth of India's outstanding housing finance loans from the financial year 2009-10 to 2014-2015:

### TREND IN OUTSTANDING HOUSING FINANCE LOANS



(Source: CRISIL Research - NBFC Report, August 2015)

## 7.6%

During FY 2015-16 GDP of India grew by 7.6%.

Despite global uncertainties, the Government is sticking to its fiscal deficit target, while pursuing the growth agenda.

## 19% CAGR

Outstanding Housing Finance Loans.

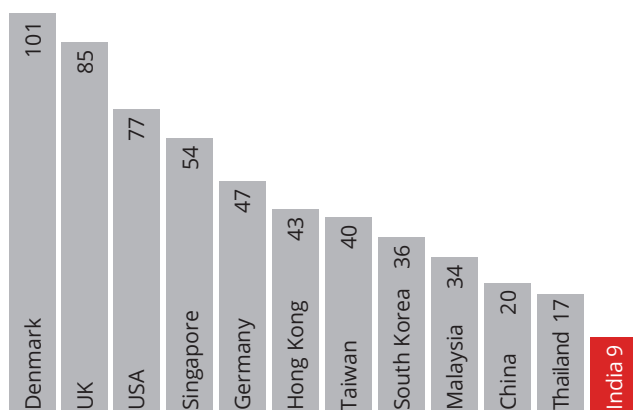
## Management Discussion & Analysis (Contd.)

### Long Term housing finance growth on a strong footing

Despite strong growth in outstanding housing loans in India in recent years, India's housing finance sector remains relatively underpenetrated compared to other advanced economies, as is evident by its low mortgage-to-GDP ratio, which stood at approximately 9% as on March 2015. In sharp contrast, some developed economies like Denmark have mortgage markets that are almost 100% of GDP. Similarly, the US and UK have an average of around 80% to GDP ratio.

The following graph shows the mortgage-to-GDP ratio for certain countries in the financial year 2014-15:

#### MORTGAGE-TO-GDP RATIO OF CERTAIN COUNTRIES IN 2015 (%)



The mortgage penetration in India is estimated to be 9-11 years behind the regional emerging markets e.g. China, Thailand and so on.

(Source: CRISIL Research - NBFC Report, August 2015)

### Housing Finance Companies

Housing Finance Companies (HFCs) have been at the forefront in catering to the financial needs of the section of the society that struggles to get loan from banks and other loan providers. This is true for both rural and semi-urban areas. Over the years, Housing Finance Companies, being specialised lending institutions for housing, have gained a significant market share at the expense of banks and have emerged as one of the major players in the mortgage market in India. Despite banks showing healthy growth in their lending portfolios, HFCs are able to gain market share due to their strong origination skills,

focused approach, niche marketing, customer service orientation and diverse channels of sourcing business. HFCs are expected to maintain a robust position in the Indian housing finance market in the near future.

### Interest rates scenario

The Reserve Bank of India has done well by setting a target for the Consumer Price Index (CPI), which was a landmark change in its monetary policy. CPI has been easing since November 2015 and has registered below par numbers. The decline in inflation and subdued commodity prices provided enough headroom for the Reserve Bank of India (RBI) to cut interest rates two times in financial year 2015-16. India's corporate and industry sector has been calling for rate cuts to ease the cost of borrowing and stimulate the economy. Home loan rates settled below 10% for general borrowers in the Financial Year 2015-16, down from over 10% in Financial Year 2014-15. A further easing of interest rates would spur housing loan demand and drive the end-user market.

### Key Growth Drivers

India's housing sector has a strong growth potential in the coming decade. The growth is expected on the back of India's significant development cycle and socio-economic transformation. Some of these growth drivers are discussed below:

### Rising disposable Income

Housing demand is correlated with increase in household income. During the past years, there has been an increasing movement of households into higher income categories. The number of households with annual income less than



## Management Discussion & Analysis

₹ 1 lakh was approximately 53% of total population in financial year 2013-14, compared to approximately 63% in 2008-09.

The number of households with an annual income between ₹ 2 lakh and ₹ 5 lakh has increased by a CAGR of 9% between financial year 2008-09 and financial year 2013-14. In addition, the number of households with annual income exceeding ₹ 5 lakh has increased by a CAGR of 8% in the same period.

(Source: CRISIL Research, NBFC Report, August 2015)

### Population Growth

India's population grew at a CAGR of 1.6% between the years 2001 to 2011. Although population growth is expected to slow down to approximately 1.2% in the current decade, any increase in population has a direct bearing on the housing requirement of the country.

Factors such as change in age mix, growing number of nuclear families, continuous urbanisation, and growing penetration of finance are likely to increase the total number of households in the country. India currently has a large section of young working population, which will again lead to an accentuated demand for housing.

(Source: CRISIL Research, NBFC Report, August 2015)

### Tax Benefits

For individual borrowers, tax deductions are available for home loans interest and principal payment. The tax deduction limit on interest on housing loans for self-occupied constructed property had been increased from ₹ 1.5 lakh to ₹ 2 lakh in union budget 2014-15. In addition, the tax exemption limit under section 80C of the Indian Income Tax Act was also increased from ₹ 1 lakh to ₹ 1.5 lakh for principal repayment in the union budget 2014-15.

### Increasing Urbanisation

Despite a flourishing housing industry, India still faces huge shortage of houses, especially in urban areas. The proportion of the Indian population living in urban areas has been increasing steadily; from approximately 28.8% in 2004 to approximately 31.8% in 2014. The CAGR growth rate from 2001 to 2011 for the urban population was 2.8% compared to 1.6% for the overall population in India. Urbanisation is expected to accelerate at a CAGR of 2.0-2.5% between 2015 and 2021, compared to the overall population growth of 1.2% during the

**Despite a flourishing housing industry, India still faces huge shortage of houses, especially in urban areas.**

**Access to financial services to the rural areas increased to 8.6% in FY 2014-15.**

same period. It is expected that by 2030, approximately 40% of India's population will reside in urban areas.

(Source: CRISIL Research, NBFC Report, August 2015, NHB Report on Trend and Progress of Housing in India 2014)

### Housing Shortages

The Indian economy is going through a phase of rapid urbanisation. Although a large section of the population is likely to still remain in villages, the percentage of people residing in urban areas is rising. India's urban population is likely to grow from 285.3 million in 2001 to 533 million in 2025, as per the projections based on past trends.

The Ministry of Housing and Urban Poverty Alleviation has estimated the housing shortage in urban India at 18.78 million units, of which nearly 95% are related to the economically weaker sections and low income group of the urban population in 2012. Besides urban areas, there is also a looming housing shortage in rural India. The Working Group on Rural Housing Shortage estimated the rural housing shortage at 43.67 million units in 2012, of which more than 90% of the housing shortage lies with the lower income and marginalised groups.

(Source: NHB, Report on Trend and Progress of Housing in India 2014).

### Increasing Finance Penetration

Increased finance penetration has been a major growth driver for the housing finance industry in India. Access to financial services in urban areas increased from approximately 39.0% in the financial year 2011-12 to approximately 42.2% in financial year 2014-15 while finance penetration in rural areas increased from approximately 8.2% in the financial year 2011-12 to approximately 8.6% in the financial year 2014-15.

(Source: CRISIL Research, NBFC Report, August 2015)

## Management Discussion & Analysis (Contd.)

The numbers clearly indicate that housing finance in rural India is still underpenetrated in comparison to urban areas, thus showing significant growth potential for the housing finance sector in rural areas.

### Higher income growth and lower inflation to improve affordability of houses in Tier-I cities

In the recent years, slower economic growth along with high costs of living (due to rising inflation, property prices and housing loan interest rates) have impacted the demand for real estate in India, particularly in Tier-I cities.

However, demand is expected to improve, with aggregate absorptions (new home sales) in the top cities, like Ahmedabad, Delhi-National Capital Region, Bengaluru and Chandigarh, etc. likely to increase in 2015 and 2016 as opposed to a decline in 2014.

Absorption will increase with the imminent likelihood of the investment cycle kicking in, expected moderation in consumer price index (CPI) inflation, and lower interest rates. Overall, positive indications on the economic front and overall revival of the real estate sector will improve affordability in Tier-I and metro cities.

*(Source: CRISIL Research, NBFC Report, August 2015)*



### Tier-II and Tier-III cities to support growth in housing finance

With property prices remaining at unaffordable levels in Tier-I cities and metros, Tier-II and Tier-III cities have emerged as new avenues for growth. Employment opportunities, affordable property prices, and availability of finance have emerged as strong drivers for an increasing number of people to migrate from smaller towns and rural areas to Tier-II and Tier-III cities.

With strong presence in Tier-II and Tier-III cities and superior client servicing resulting in quicker turnaround time, HFCs are expected to witness faster growth than banks in these segments. HFCs have shown strong growth in disbursements in non-metro cities.

*(Source: CRISIL Research, NBFC Report, August 2015)*

### Government Initiatives

The Government has been at the forefront in encouraging India's housing sector. Many new initiatives and policies focused on lending for housing were introduced in recent past. The biggest highlight was the inclusion of housing loans of up to ₹ 50 lakh under affordable housing in six main cities and ₹ 40 lakh in other cities and bringing loans up to ₹ 28 lakh in metros and ₹ 20 lakh in other centres under priority sector lending. The decision of the RBI to increase loan-to-value (LTV) ratio to 90% for loans up to ₹ 30 lakh is another positive step, which will enable housing finance companies to lend more to Lower Middle Income customers. Government should now consider extending a part of ₹ 2.30 lakh interest subsidy (on the home loans up to ₹ 6 lakh for Low Income Group customers) towards capital subsidy, so that they can meet the 10% capital requirement. This will empower a large section of Low Income Group customers who struggle to arrange minimum capital requirement of 10% to avail home loans.

The launch of 'Housing-For-All by 2022' scheme in financial year 2015-16 heralds a new era in the housing finance sector. It will provide the much-needed boost to the real estate and housing finance industry by creating an enabling and supportive environment for expanding credit flow and increasing home ownership.

The Real Estate (Regulation and Development) Act, 2016 is expected to enhance transparency in the real estate sector and boost the confidence of home buyers. It will also bolster domestic and foreign investment in the



## Management Discussion & Analysis

real estate sector and help achieve the Government's objective to provide 'Housing for All' by enhanced private participation.

### Key Challenges

Some of the key challenges faced by HFCs are availability of long-term bulk finance at competitive rates, low absorption of debt market and interest rate risk associated with long term lending. Investment in technology and maintaining cost effective delivery model in customer acquisition particularly in LMI segment are other important challenges. From a demand for home loan point of view, promoting supply of affordable homes construction through appropriate Public Private Partnership is the need of the hour. The legal process for enforcement of mortgaged securities, land records and registration of documents continue to pose hurdles in rapid growth of mortgage finance industry.

### Threats

Primary threat to housing finance companies arises from the economic downturn and a slowdown in employment opportunities. Infrastructural bottle necks slowing down progression of urbanisation in newer centres will be another.

The demand for home loan being rate sensitive, can negatively impact demand if the rates are increased. It may also impact repayment commitment of existing loans. HFCs could be faced with inability to pass on the increase in rate fully, leading to squeezing of margins and threat to sustainability of growth and profitability.

Adverse developments in the real estate sector causing delay and default in completion of projects may cause a set-back to the new and existing loans. Likewise, growing cost of houses act as a barrier to end user affordability and demand resistance may trigger inventory build-up and overall slowdown in the housing sector.

Spurt in competition, coupled with an intense fight for market share between HFCs and Commercial Banks within the same space can heighten the risk element with aggressive underwriting standards. Over reliance on takeover of loans as an easier option to build size, price war, and squeezing margins to undesirable levels are other areas of possible threats.

Housing Finance companies in India have witnessed an increase in the number of fraud cases over the last couple of years. Many HFCs are increasingly realising the extent of profit erosion due to these frauds. This is expected to pose certain challenges for HFCs and many may be forced to re-visit their business model and to invest in upgrading their systems and processes. It also calls for being adept with advanced tools to prevent as well as detect frauds by effectively using technology in process and monitoring mechanism.

## BUSINESS & OPERATIONAL OVERVIEW OF THE COMPANY

### Business Overview

Your Company has established a strong foundation and has been active in the housing finance sector in India since 1984. Your Company is a deposit-taking housing finance company registered with the National Housing Bank and is focused on providing financing products to the lower and middle income (LMI) segments in India, primarily in Tier II and Tier III cities and towns. The high level of customer service, our ethics and values in dealing with customers and the corporate governance principles have significantly contributed towards making DHFL a leading financial service provider.

Your Company has aligned its business strategies to better identify the needs of customers in the LMI segment and accurately estimate their income and repayment capabilities. Your Company has developed a highly differentiated suite of products with major focus on the LMI segment across various geographical territories of India. Moreover, your Company has created separate business verticals for housing loans and non-housing loans. This allows each vertical to focus on its core

**90%**

increase in the Loan-to-Value ratio  
by RBI.

Demand is expected to improve, with  
aggregate absorptions in the top cities.

## Management Discussion & Analysis (Contd.)

business and use its expertise to offer flexible products that suit its customers' needs.

Your Company has built strong customer awareness and brand loyalty over the years. The branding and marketing activity have contributed to new and repeat business, and has led to the establishment of a uniform brand identity across a broad spectrum of consumer touch points.

### Performance Review, 2015-16

During financial year ending March 31, 2016, your Company witnessed a steady increase in profits every sequential quarter. The year gone witnessed growth in the overall performance of the company characterised by quality loan portfolio and prudent resource management. The Loan Assets under Management grew steadily, while your Company continued its focus on the asset quality.

Following is the Company's performance snapshot during the financial year 2015-16:

- Assets Under Management increased by 22.22% to ₹ 69,523.86 crore
- Total Revenue grew by 22.32% to ₹ 7,316.72 crore
- Profit Before Tax increased by 16.87% to ₹ 1,102.17 crore
- Gross NPA stood at 0.93% and Net NPA stood at 0.58%, substantially lower than industry benchmarks
- Net worth increased by 8.22% to ₹ 5,017.00 crore
- Capital Adequacy Ratio (CAR) as on March 31, 2016 was at 16.74%

### Competitive Strengths

#### Strong Pan India Presence

Your Company's distribution network is designed to reach out to the LMI segment and tap a growing potential customer base throughout India. Your Company maintains a pan-India marketing and distribution network with a presence at 349 locations throughout India, including 182 branches, 146 service centres, 18 circles/cluster offices, 2 disbursement hubs, and 1 collection centre, as at March 31, 2016. Your Company's network is grouped into circles and clusters located across the length and breadth of

India. Your Company's distribution network in India is spread mainly across Tier-II and Tier-III cities and towns.

In addition to the network within India, your Company has international representative offices located in London and Dubai. To broaden the client base and penetrate further geographically, your Company has entered into tie-ups with select public and private sector banks.

### Effective Business Model

The business model of your Company allows it to ensure quick turnaround time and improve customer satisfaction while maintaining asset quality. A well coordinated set up across Sales & Marketing, Credit, Operations, Risk Management, Internal Audit, Collections and Recovery; form an overall chain of command in ensuring that the business is sourced and nurtured in a profitable and productive manner.

The sales network includes direct selling teams who work under supervision of your Company's sales supervisors and receive a combination of fixed fee and variable commission based on the disbursement of loans sourced by them. Majority of the loans are sourced through the direct selling teams. DSAs and other business referral partners make up for the remaining field force for mobilising business.

Sourcing of leads through digital media, visitors to the Company's web site, call centre contacts are valuable additions gaining-in importance for reaching out to



## Management Discussion & Analysis

potential home buyers. Your Company has prominent presence in all these sources.

### Marketing and Branding

Your Company has been working relentlessly towards achieving its Vision of 'ensuring home ownership to every Indian' through its strategic marketing and product innovation initiatives undertaken by its in-house marketing and product team.

In its spirit of financial inclusion, your Company launched a consumer education initiative towards educating customers about the various benefits of a home loan, significance of AML & KYC, and so on. The initiative allowed the customers to learn about the entire process of a home loan and how simple and convenient it was, thereby enabling well-informed decisions when buying their dream home. The infomercials' target lower to middle-income customers in Tier II and Tier III cities in India. The same was replicated on ground in the form of 'Nukkad Natak' to reach out to our core audience residing in Tier-II and Tier-III cities, as a part of the CSR initiatives of the Company to generate financial awareness. This strategic move is in line with the Indian government's objectives for inclusive growth and Housing for all. The activity received immense amount of traction, both in terms of video views on digital platform as well as customer participation during on-ground activity.

To further empower customers with the dual advantage of improved affordability and longer repayment period your Company tied up with Indian Mortgage Guarantee Corporation Private Limited (IMGC) to offer a mortgage-guaranteed home loan product, during the year.

Your Company also engages with specialized third-party agencies for various marketing activities like production of advertisement, research, PR, digital, media, on ground activities, etc., which aid the Company's overall marketing initiatives. Your Company creates visibility and customer awareness through various sources like DSAs, online sourcing platform providers, direct sourcing, channel partners, builder tie-ups and advertisements with the objective of brand building, increasing sales and creating relevance at point of purchase and emerge as the preferred choice for a customer.

To this extent, in the year 2015, your Company got Mr. Shah Rukh Khan, an Indian film Superstar who cuts across regions and profiles, on board as your Company's brand ambassador and launched an integrated media campaign, 'Ghar Jaisa Loan'. In year 2016, your Company re-launched this campaign with a fresh message, 'Say No to Bhanas and Own Your Dream Home'. Apart from these, to further enhance its consumer connect, your Company initiated activities like event sponsorship, mall activations, society activations, hoardings & billboards, business meetings with channel partner and business associates, and retail channel tie-ups. Your Company enhanced its social media presence by increasing its engagement with customers via Facebook, Twitter, LinkedIn, YouTube, Pinterest, Flickr and Google+ and also provided a live chat service on the website. Your Company's call centre also plays an important role in further enhancing consumer connect. Your Company and its top management also got extensive PR coverage across leading news channels and newspapers during the year.

Your Company's marketing and product initiatives have received a significant response which has led to tripling of brand. In addition to this, your Company also received various awards and accolades.

### Credit and Operational Strengths

Your Company's credit evaluation and credit portfolio management methodologies are designed to ensure consistent underwriting and early identification of problematic loans using techniques such as early default analysis, product analysis, and probability of default. The Company has established 18 circle/cluster offices as of March 31, 2016 to bring uniformity and minimise local subjectivities in the credit appraisal and credit delivery

**₹ 7,316.72 crore**  
Total Revenue grew by 22.32%

**₹ 5,017.00 crore**  
Net worth increased by 8.22%

## Management Discussion & Analysis (Contd.)



processes. The Company's branches act as a sourcing point while the circle/cluster offices each act as a centralised operations centre for a set of branches.

Your Company has developed internal legal and technical evaluation teams with independent functions to make credit decisions more robust and in line to manage collateral risk. Under the Company's end-to-end business model, your Company's employees are involved throughout the loan process and are able to consult with customers from loan origination until disbursement. Your Company's in-house operations team conducts a credit check and verification procedure on each customer, ensuring consistent quality standards in an effort to minimise future losses. Your Company's independent internal audit team conducts a regular review of credit files on a sample basis to ensure adherence to policies and processes, and its dedicated collection and recovery team manages lifecycle of transactions and monitors the credit quality.

### Effective Recovery Procedures

Your Company has established a robust collection machinery with a strong commitment for timely action. A structured early warning system and analytical tools based on past trends and experiences has helped your Company to develop a strong intervention to minimise default and respond with quick recovery action. Robust internal process controls are set up whereby information

on cheque bounces and returns are received real-time. Your Company is further streamlining this process through a centralised framework to ensure a unified approach and control on recovery.

Your Company has implemented the provisions of the SARFAESI Act to its advantage for recovery of NPAs. Your Company also engages outsourced collection agencies in a few markets. The branch managers and staff of your Company interacts closely with customers at the time of loan disbursal. Their involvement extends to the collection process, thus ensuring higher collection efficiency and stronger relationships. The stringent recovery procedures help your Company to ensure good collections and low NPAs. As on March 31, 2016, the NPA amount stood at ₹ 573.07 crore. Your Company has adopted a three-pronged approach that includes:

- (i) effective monitoring of all standard accounts to capture early alert/signals and to recover overdue instalments;
- (ii) persuasion with all NPA borrowers through personal contacts for recovery of the overdue amount, to upgrade the account to standard category; and
- (iii) within one to two months of the account turning NPA, initiation of the process under the SARFAESI Act to recover the outstanding amounts. This approach has helped to upgrade a large number of accounts.



## Management Discussion & Analysis

### Product Portfolio – adding to the competitive strength

Your Company offers a range of home-related loans to the customers depending on their demand and needs. Product differentiation is the most competitive edge of your Company. Through a diverse base of products and domain expertise, your Company understands the credit worthiness of its customers and offers customised products as per their requirements. Your Company constantly builds strategies to widen its portfolio and expand the customer base by leveraging on its experience across a range of mortgage-backed loans.

Loans given by the Company are secured by equitable mortgages, registered mortgages of the property and assets financed, assignments of life insurance policies, personal guarantees etc. to create a security and/or by way of hypothecation of assets.

#### Housing Loans

Home loan products of your Company are tailored to suit borrowing capabilities across different class of borrowers namely salaried class, professionals, self employed and entrepreneurs with repayment options ranging up to 30 years. Housing loans include finance for purchase of ready or under-construction housing units, home renovation/extension, self-construction, purchase of plots and composite loan for purchase of plot and self-construction. Special care is taken to enable home loan access to LMI segment while designing the product and processes.

In meeting the needs of housing loan for weaker section, your Company actively participate in various schemes of NHB like Golden Jubilee Rural Housing Refinance scheme,

Pradhan Mantri Awas Yojna and integrates them with its product offerings.

#### Project Loans

Your Company offers loans to developers for construction and development of predominantly residential and mixed-use projects. The disbursements in project loans are linked to a schedule of construction progress. The primary security is a registered mortgage on the project land along with construction thereon and hypothecation of receivables from the project along with personal guarantee/collaterals from the developers.

The Project Loan vertical provides valuable support to the growth of retail loans under the approved project route; where in projects financed by your Company are tied up with the developers for funding the buyers under retail home loan. This strategy provides an inventory of low risk and well-developed properties already financed, for onward selling to retail customers with simple procedures and faster processes. Through such linkages, your company provides a complete and holistic solution to the developer thus creating business synergies on one side and mitigating the project risk on the other.

#### Mortgage Loans/Loan Against Property

Your Company offers a range of loans backed by mortgage of residential or commercial properties to small & medium enterprises, business units, professionals and self employed for working capital, business expansion, purchase of commercial property or similar purposes. Lease Rental Discounting is yet another product under this category enabling loan by discounting future rent receivables and mortgage of leased property.

#### SME Funding

With the strategic intent of enabling financial inclusion for the micro, small and medium enterprises (MSMEs), your Company launched the SME funding vertical in the financial year 2014-15. During the financial year 2015-16, your Company continued to extend loans backed by property or revenue generating equipments for the purpose of growth capital to MSMEs with turnover of less than ₹ 200 crore. The average LTV (Loan to Value) ratio at origination is sub 45% and your Company's emphasis is to on-board significant portion under Priority Sector Lending Assets (PSL).

₹ **573.07 crore**  
NPA as on March 31, 2016

Average LTV (Loan to Value) ratio at origination is sub 45% for SME funding.

## Management Discussion & Analysis (Contd.)



Your Company remains focused towards prudent risk management practices and maintains high underwriting standards. For sourcing, your Company focuses sharply on pre-defined selective target industries and segments. Your Company also undertakes key initiatives to grow the business by way of building existing and new channels such as signing of MOUs with leading Equipment manufacturers, OEMs and Distribution Agents.

### Deposits

DHFL is amongst the select housing finance companies that have a Certificate of Registration (COR) with permission to accept public deposits under Section 29A of the National Housing Bank Act, 1987. Your Company has been striving to offer best-in-class deposit products that encourage savings amongst the household.

Last year, your Company launched an innovative new product - DHFL Wealth2Health Deposit, which not only gives the customers all the benefits of a normal fixed deposit but also provides for liquidity in case of any health emergency, along with a host of other, related benefits. The product has won the prestigious 'Golden Peacock Innovative Product/Service award' for the year 2016. Golden Peacock awards were established by the Institute of Directors in 1991. This prestigious award validates

your Company's efforts to foment innovation in the retail liability space and is testimony to the strong customer understanding it has gained over the past three decades by enabling access to home ownership.

### Other Products and Services

Your Company also operates in fee-based verticals that complement the Company's core business. By cross-selling various products like insurance, to the Company's customers, your Company is able to retain its present customer base and generate additional fee-based income resulting in higher returns.

#### Life insurance services

In the financial year 2013-14, your Company entered into a joint venture with Prudential Financial Inc and acquired 50.00% equity stake in DHFL Pramerica Life Insurance Co Ltd, (erstwhile DLF Pramerica Life Insurance Company Ltd.) a registered life insurance company in India regulated by the IRDA, thus foraying into Life Insurance Business as part of the strategy to become one stop Financial services provider.

Through this joint venture, your Company provides insurance services leveraging on its pan-India distribution network. Life Insurance services and Home Loans complement each other as they provide the convenience of mortgage and life coverage to borrowers linked to the loan outstanding for the entire term. It gives great relief to dependents in the unfortunate event of death of the borrower and mitigates the risk for the Company at the same time.

#### General Insurance services

Further, during the financial year 2015-16, your Company has entered into a memorandum of understanding with Chola MS General Insurance where it serves as a group administrator and manager for group health and/or personnel accident insurance policy. To ensure adequate insurance coverage for the properties financed during the tenure of the loan, your Company also advises its customers in relation to insurance products suitable for them.

#### Asset Management Services

During the financial year 2014-15, your Company entered into definitive agreements in respect of the joint venture with PGLH of Delaware, Inc., an indirect wholly owned

## Management Discussion & Analysis

subsidiary of Prudential Financial, Inc. Post receipt of the regulatory approvals during the financial year 2015-16, your Company acquired a 50% equity stake in each of DHFL Pramerica Asset Managers Private Limited (DPAMPL, erstwhile Pramerica Asset Managers Private Limited), DHFL Pramerica Trustees Private Limited (DPTPL, erstwhile Pramerica Trustees Private Limited), respectively, being the Asset Management Company and Trustee Company of DHFL Pramerica Mutual Fund (erstwhile Pramerica Mutual Fund). DPAMPL develops, manages, markets and operates an asset management business headquartered in Mumbai with a presence in 19 cities across India.

During the financial year 2015-16 DPAMPL acquired Deutsche Asset Management (India) Private Limited, Deutsche Trustee Services (India) Private Limited, the asset Management Company and Trustee Company of Deutsche Mutual Fund (DBMF) and Deutsche India Holdings Private Limited, sponsor of DBMF, thus enhancing its assets under management, its client base and management strength.

Your Company believes that DPAMPL and DPTPL will help the Company to extend its philosophy of financial inclusion; by increasing product offerings to the LMI segment that your Company has profitably served over the years.

### RISK MANAGEMENT

As a lending entity, your Company is exposed to various risks such as credit risk, market risk, liquidity risk, legal risks, interest rate risk and operational risk. Your Company is conscious of these factors and places emphasis on risk management practices to ensure an appropriate balance between risks and returns. Your Company has put in place a comprehensive risk management policy

and framework to identify, assess and monitor various risks. Risk management is driven by the Board with the overall responsibility assigned to the Risk Management Committee of the Board of Directors. At the operational level, your Company has set up an independent risk management function that is led by the Chief Risk Officer.

#### Liquidity Risk Management and measures for mitigation

Your Company may face an asset-liability mismatch caused by difference in maturity profile of its assets and liabilities. This risk may arise from the unexpected increase in the cost of funding an asset portfolio at the appropriate maturity and the risk of being unable to liquidate a position in a timely manner at a reasonable price.

Your Company actively monitors its liquidity position to ensure it can meet all borrowers and lenders related funds requirement. The Asset Liability Management Committee (ALCO) comprising of senior management lays down policies and quantitative limits and appraises the Audit Committee/Board periodically on the asset-liability mismatch and liquidity issues. Your Company constantly looks to diversify sources of funding to facilitate flexibility in meeting funding requirements and minimise risk.

While lending operations are principally funded by borrowings from Banks and Financial Institutions, drawing strength from a stable short-term and long-term credit ratings, your Company gains access to fund raising opportunities in the capital markets. Due to the composition of the credit portfolio, which also qualifies for priority sector lending, your Company is one of the leading participants in the securitisation market. Your Company assigns pool of housing and non-housing loans and manage servicing of such loan accounts under the securitisation /assignment agreements with buyers/ investors.

#### Interest Rate Risk Management and measures for mitigation

HFCs leverage on their capital and largely depend on resources raised from the banking system and market instruments to carry on their operations. They are therefore significantly vulnerable to interest rate movements in the market and have to closely align with the directions of key benchmark rates.

**DHFL Wealth2Health Deposit won the Golden Peacock Innovative Product/Service award for the year 2016.**

**DHFL entered into a joint venture with PGLH of Delaware, indirect wholly owned subsidiary of Prudential Financial Inc. and acquired 50.00% equity stake in DHFL Pramerica Asset Managers Pvt. Ltd.**

## Management Discussion & Analysis (Contd.)

Your Company, based on its standing and performance has been able to optimise its borrowing profile between short term loans and long term loans. Its lending and borrowing are largely on floating rate basis, minimising the repricing risk. The funding strategies adopted by the Company ensures diversified resources raising options to minimise cost and maximise stability of funds. ALCO periodically reviews treasury operations and pricing of products to align with cost and market conditions. Interest Rate Sensitivity Report is periodically prepared for assessment of interest rate risk and is also submitted to the Regulator.

### Credit Risk Management and measures for mitigation

Credit risk is a risk of loss due to failure of a borrower/ counter-party to meet the contractual obligation of repaying debt as per agreed terms.

Credit risk is managed by using a set of credit norms and policies, as approved by the Board. Your Company has a structured and standardised credit approval process including customer selection criteria, comprehensive credit risk assessment, which encompasses analysis of relevant quantitative and qualitative information to ascertain the credit worthiness of the borrower.

### Operational Risk Management and measures for mitigation

Operational risk can result from a variety of factors, including failure to obtain proper internal authorisations, improperly documented transactions, failure of operational and information security procedures, failure of computer systems, software or equipment, fraud, inadequate training and employee errors.

Operational risk is mitigated by maintaining a comprehensive system of internal controls. Additionally, establishing systems and procedures to monitor transactions, maintain key back-up procedures, by undertaking regular contingency planning and providing employees with continuous training. Your Company has also recently introduced a new programme to support its growth, improve operational efficiency and optimise costs through the use of technology. The programme will establish a scalable and flexible technology landscape, align it with your Company's business needs, improve customer centricity and bring the technology platform to a new level. The technology platform aims at providing back-up support to set up a disaster recovery site. This will help in retrieval of data to operating units in case of an eventuality or system failure as part of business continuity plan. A Data Centre has been set up in Bengaluru, as a disaster recovery mechanism to ensure business continuity, in case of a natural disaster.





## Management Discussion & Analysis

### FINANCIAL REVIEW

#### Balance Sheet Movement

The summary of balance sheet of the Company (Standalone Basis) as at March 31, 2016 is as under :

(₹ in crore)

| Particulars                                      | March 2016       | March 2015       | Variance (%) |
|--|------------------|------------------|--------------|
| <b>Equity and Liabilities</b>                    |                  |                  |              |
| Share Capital                                    | 291.80           | 145.68           | 100.30       |
| Reserves and Surplus                             | 4,600.20         | 4,490.10         | 2.45         |
| Money received against share warrants            | 125.00           | -                | 100.00       |
| Long Term Borrowings                             | 45,119.47        | 36,871.98        | 22.37        |
| Deferred Tax Liabilities (Net)                   | 91.49            | 65.79            | 39.06        |
| Other Long Term Liabilities                      | -                | 1.44             | (100.00)     |
| Long Term Provisions                             | 583.02           | 430.15           | 35.54        |
| Short Term Borrowings                            | 6,436.60         | 3,636.94         | 76.98        |
| Trade Payables                                   | 3.99             | 7.47             | (46.59)      |
| Other Current Liabilities                        | 10,530.25        | 8,929.49         | 17.93        |
| Short Term Provisions                            | 71.31            | 35.77            | 99.36        |
| <b>Total Liabilities</b>                         | <b>67,853.13</b> | <b>54,614.81</b> | <b>24.24</b> |
| <b>Assets</b>                                    |                  |                  |              |
| Fixed Assets                                     | 780.52           | 984.60           | (20.73)      |
| Non-Current Investments                          | 719.75           | 610.53           | 17.89        |
| Long term Housing and Property Loans             | 58,426.29        | 48,694.68        | 19.98        |
| Other Long Term Loans and Advances               | 266.52           | 282.79           | (5.75)       |
| Other Non-Current Assets                         | 213.77           | 201.63           | 6.02         |
| Current Investments                              | 173.46           | 395.69           | (56.16)      |
| Trade Receivables                                | 200.92           | 191.92           | 4.69         |
| Cash and Bank Balances                           | 3,408.34         | 676.44           | 403.86       |
| Short term portion of Housing and Property Loans | 3,348.73         | 2,344.97         | 42.80        |
| Other Short Term Loans and Advances              | 253.52           | 188.46           | 34.52        |
| Other Current Assets                             | 61.32            | 43.10            | 42.27        |
| <b>Total Assets</b>                              | <b>67,853.13</b> | <b>54,614.81</b> | <b>24.24</b> |

#### Authorised Share Capital

The Authorised Share Capital of the Company stood at ₹ 8,28,00,00,000 (divided into 74,80,00,000 Equity shares of ₹ 10/- each, 7,50,00,000 Redeemable Non-Convertible Preference Shares of ₹ 10/- each and 5,00,000 Redeemable Non-Convertible Preference Shares of ₹ 100/- each).

#### Changes in Capital Structure

Your Company's paid up share capital was at ₹ 291.80 crore as at March 31, 2016 as compared to ₹ 145.68 crore as at March 31, 2015. The increase was mainly on account of issuance and allotment of following equity shares:

#### 1) Bonus Shares

During the year, 14,58,56,530 fully paid up equity shares of ₹ 10/- each were issued as bonus shares. The existing permissible reserves of the Company was capitalised for issue of bonus shares in the proportion of one equity share for every one equity share held by the equity shareholders of the Company.

#### 2) Shares allotted under Employees Stock Option Plans

During the year, your Company allotted in tranches 2,64,716 equity shares of ₹ 10/- each, upon exercise

## Management Discussion & Analysis (Contd.)

**Reserves and Surplus as at March 31, 2016 for your Company increased to ₹ 4,600.20 crore.**

**DHFL has substantially reduced the cost of borrowings from banks and financial institutions.**

**DHFL's Long Term Borrowings enjoys a credit rating of AAA.**

of stock options to the eligible employees of the Company under the Employee Stock Option Schemes – 2008 and 2009 (Plan II and III). Out of 2,64,716 equity shares, 1,79,788 equity shares were allotted prior to bonus issue and 84,928 equity shares were allotted post bonus issue.

### Reserves and Surplus

Reserves and Surplus as at March 31, 2016 for your Company increased marginally by 2.45% to ₹ 4,600.20 crore from ₹ 4,490.10 crore in the previous year. Your Company has transferred ₹ 180.00 crore to Statutory Reserve [in terms of Section 36(1)(viii) of the Income Tax Act, 1961 read with Section 29C of the National Housing Bank Act, 1987] and an amount of ₹ 200.00 crore to General Reserve. During the year your Company has utilised ₹ 145.86 crore by capitalising a part of the reserves for issue of bonus shares.

### Money received against Share Warrants

Pursuant to the special resolution passed by the Members of the Company on February 26, 2016, the Allotment Committee of the Board of Directors of the Company approved the allotment of 2,12,30,070 Warrants at the 'Issue Price' of ₹ 235.515 per Warrant. The warrants were allotted upon receipt of 25% of total issue consideration, to M/s. Wadhawan Global Capital Private Limited (WGCP), promoter entity of the Company. These warrants are convertible into equivalent number of equity shares of ₹ 10 each, which would be allotted within 18 (eighteen) months

from the date of allotment in one or more tranches, upon receipt of balance 75% of the issue consideration.

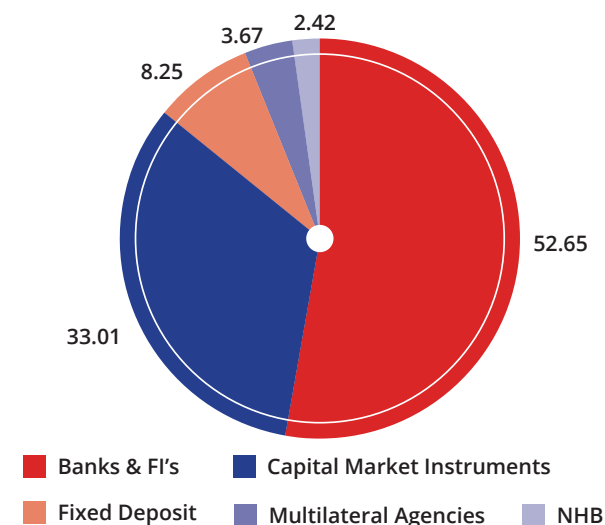
### Funding Sources

Your Company strives to maintain diverse sources of funds in order to reduce the funding costs, maintain adequate interest margins and achieve its liquidity goals. The year witnessed some of the most challenging times for fund raising at competitive costs. Reserve Bank of India (RBI) took various monetary measures to address some of the macroeconomic concerns facing the industry.

Reducing the cost of funds is a continuous endeavour for the Company. Over the last three years, your Company has substantially reduced the cost of borrowings from banks and financial institutions. During the financial year 2015-16, your Company had made further significant progress in reducing the cost of funds by diversifying its sources of funds through increasing the market borrowings by leveraging on up gradation in ratings.

As of March 31, 2016, [52.65%] of your Company's sources of funds include banks & FIs, capital market instruments [33.01%], fixed deposits [8.25%], loans from multinational agencies [3.67%] and re-financing from NHB [2.42%] of the total borrowings of the Company.

### BORROWINGS PROFILE (%)



## Management Discussion & Analysis



### Term Loans from Banks and Financial Institutions

During the financial year 2015-16 your Company raised ₹ 6,905.00 crore through term loans from banks and financial institutions. The said loans are secured by first ranking pari-passu charge by way of mortgages on the Company's immovable properties and hypothecation of the Company's present and future movable properties, including book debts, in favour of lenders (excluding the floating charge on the specific assets as per the provisions of section 29B of the National Housing Bank Act, from time to time).

Your Company has 37 banks in its lending consortium as of March 31, 2016, with Union Bank of India as the lead bank of the consortium for credit facilities aggregating to ₹ 32,173.28 crore.

### External Commercial Borrowings (ECBs)

During the financial year, your Company had availed an ECB of US\$110 million from offshore banks amounting to ₹ 721.82 crore.

The ECBs were availed from the following banks:

- (i) The Bank of Baroda – Kingdom of Bahrain in the aggregate principal amount of US\$10 million (₹ 65.62 crore),
- (ii) Barclays Bank Plc., London in the aggregate principal amount of US\$10 million (₹ 65.62 crore) further of which ₹ 32.81 crore loan was transferred from Barclays Bank Plc., London to Chang Hwa Commercial Bank Ltd., Singapore

and ₹ 32.81 crore loan was transferred from Barclays Bank Plc., London to Mega International Commercial Bank Co. Ltd. respectively, with effect from November 17, 2015, (iii) CTBC Bank Co. Ltd. Singapore in the aggregate amount of US\$5 million (₹ 32.81 crore), (iv) KDB Ireland Ltd. – Ireland in the aggregate principal amount of US\$5 million (₹ 32.81 crore), (v) The Korea Development Bank – Korea in the aggregate principal amount of US\$15 million (₹ 98.43 crore), (vi) The State Bank of India South Africa in the aggregate principal amount of US\$55 million (₹ 360.91 crore), and (vii) The Taiwan Co-operative Bank, Offshore Banking Bank, Taiwan in the aggregate principal amount of US\$10 million (₹ 65.62 crore), for onward lending in segment of low cost affordable housing projects 'approval route' pursuant to the terms of RBI guidelines dated December 17, 2012.

The ECB borrowings have a maturity of five years. According to the terms of the RBI guidelines, these borrowings have been swapped into rupees for the entire maturity by way of principal only swaps. The borrowings are secured on first pari-passu basis by way of hypothecation of book debts, housing loans including instalments and/or other receivables with consortium banks and/or debenture trustees/NHB and other secured lenders (excluding the floating charge on the specific assets as per the provisions of Section 29B of the National Housing Bank Act, from time to time).

As part of Assets Liability Management and also to reduce the overall cost of borrowings, during the year, your Company has entered into interest rate swaps wherein it converted its variable LIBOR rate of US\$ 175 millions into fixed rate. As on March 31, 2016, your Company's foreign currency borrowing stood at US\$ 355 million, equivalent to ₹ 2,235.66 crore.

### Refinancing from NHB

During the year under review, your Company has been granted fresh refinance amount of ₹ 500 crore under the NHB refinance scheme for HFCs. The cumulative NHB borrowings as on March 31, 2016 were ₹ 1,480.89 crore at the overall cost of borrowings of 7.59% per annum as on March 31, 2016.

### Non-Convertible Debentures (NCDs)

During the year under review your Company raised

## Management Discussion & Analysis (Contd.)



₹ 6,600.50 crore through secured redeemable NCDs on a private placement basis. The NCDs are secured by a first pari-passu charge over the Company's immovable and movable properties, including book debts (excluding the floating charge on the specific assets as per the provisions of Section 29B of the National Housing Bank Act, from time to time). As at March 31, 2016, the outstanding NCDs stood at ₹ 14,144.96 crore (including premium accrued on Zero Coupon NCDs).

### Commercial paper

Your Company issued commercial paper in tranches and placed them with investors' at competitive rates of interest. The outstanding amount for Commercial Papers as at March 31, 2016, stood at ₹ 4,649.00 crore.

### Deposits

Your Company sees retail liability as a major source of funding and plans to have a significant proportion of it in its diversified liability portfolio. To further drive growth on this front, the Company took several initiatives during the year to extend its reach by expanding network and connecting with customers. There were projects undertaken during the year, which aimed at enhancing the productivity of branches and upgrading customer service levels including automation of few processes. These initiatives helped reduce turnaround time.

During the year under review your Company mobilised/ renewed deposits of ₹ 3,736.37 crore, and repaid deposits of ₹ 2,422.02 crore. As on March 31, 2016, total outstanding deposit stood at ₹ 5,042.66 crore as compared to ₹ 3,728.31 crore in the previous year. Your Company effected revision in interest rate on deposit during the year in line with the market conditions. Deposits accepted by the Company are secured by a floating charge on the statutory liquid assets created by way of a deed of trust as per the NHB's guidelines. The fixed 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.

### Fixed Assets

The Company's investments in tangible assets represent cost of building, leasehold improvements, computers, officer equipment, furniture & fixtures and vehicles. During the year under review, your Company's gross block decreased by 17.94% over the previous year. The additions on fixed assets were at ₹ 71.58 crore, as given below:

- Building amounting to ₹ 25.84 crore,
- Furniture and fixtures amounting to ₹ 4.34 crore,
- Office equipment amounting to ₹ 2.40 crore,
- Computer systems amounting to ₹ 4.53 crore,
- Software amounting to ₹ 1.81 crore,
- Intangible Assets under Development amounted to ₹ 32.66 crore

### Housing Loan Portfolio / Lending Operations

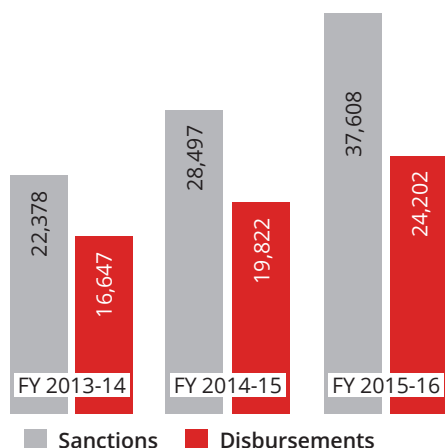
Your Company's focus is on providing low-risk, affordable housing loans. Your Company's reliance on external channels of sourcing and operations is minimal with majority of the loans sourced through in-house channels and 100% of the loans being underwritten by in-house credit managers. Your Company has effectively leveraged technology to boost operational productivity and efficiency. The Company's loan disbursements grew by 22.10% during the financial year 2015-16 due to focused sales and marketing efforts.



## Management Discussion & Analysis

### SANCTIONS & DISBURSEMENTS

(₹ in crore)



### AUM GROWTH

(₹ in crore)



The Sanctions and Disbursements of housing/other property loans, during the financial year ended March 31, 2016 were ₹ 37,608.13 crore and ₹ 24,202.22 crore respectively, as against ₹ 28,497.08 crore and ₹ 19,821.53 crore, respectively, in the previous financial year. The cumulative loan disbursement of the Company since inception was ₹ 1,02,833.94 crore. The loan book grew 21.03% primarily because the Company deepened its reach into existing markets and continued to focus on under-penetrated markets and segments. The Company's Asset Under Management (AUM) were ₹ 69,523.86 crore in the current financial year as against ₹ 56,884.00 crore in the previous financial year with 22.22% growth.



### Sale / Assignment of Loans

During the financial year 2015-16, your Company has sold/ assigned a pool of housing loans aggregating to ₹ 3,066.37 crore, and other non-housing loans totalling to ₹ 534.82 crore.

As on March 31, 2016, the securitised assets and assignments aggregated to ₹ 7,748.86 crore, as against ₹ 5,844.76 crore in the financial year 2014-15. 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 securitisation/assignment agreements, the Company pays to buyer/investor on a monthly basis the prorate collection amount as per individual agreement terms.

### Investments and Treasury

Your Company continues to maintain an adequate amount of liquidity/treasury to meet strategic and growth objectives. The Company has ensured a balance between earning adequate returns on liquidity/treasury assets; and the need to cover financial and business risks. It actively monitors its treasury portfolio and has a policy in place for investing surplus funds. Appropriate limits and controls are in place to ensure that investments are made as per policy.

## Management Discussion & Analysis (Contd.)

The investment/disinvestment decisions are in line with the limits as set out by the Board. As on March 31, 2016, the investment portfolio stood at ₹ 893.21 crore as against ₹ 1,006.22 crore in the previous year.

Housing Finance Companies (HFCs) are required to maintain a Statutory Liquidity Ratio (SLR) in respect of public deposits raised. Currently the SLR requirement is 12.50% of public deposits. As on March 31, 2016, your Company has invested ₹ 322.85 crore in bank deposits and ₹ 296.52 crore in approved securities (book value-gross) which includes both government securities and government guaranteed bonds.

### Investment in Subsidiary / Joint Ventures

During the year under review, your Company had invested an amount of ₹ 37.70 crore by way of subscription to 15,61,36,360 equity shares of ₹ 10 each in DHFL Pramerica Asset Managers Private Limited (erstwhile Pramerica Asset Managers Private Limited) and ₹ 0.05 crore by way of subscription to 50,000 equity shares of ₹ 10/- each in DHFL Pramerica Trustees Private Limited (erstwhile Pramerica Trustees Private Limited).

During the year, your Company incorporated a wholly-owned subsidiary, DHFL Advisory and Investments Private Limited and invested an amount of ₹ 75.01 crore, by way of subscription to its 7,50,01,000 equity shares of ₹ 10/- each.

## PROFIT AND LOSS STATEMENT

The Profit and Loss Statement (Standalone) for the Financial Year 2015-16 is given below:

| (₹ in crore)                              |                 |                 |              |
|---|-----------------|-----------------|--------------|
| Particulars                               | F Y 2015-16     | F Y 2014-15     | Variance (%) |
| <b>Income</b>                             |                 |                 |              |
| Revenue from Operations                   | 7,311.83        | 5,978.96        | 22.29        |
| Other Income                              | 4.89            | 2.68            | 82.46        |
| <b>Total Revenue</b>                      | <b>7,316.72</b> | <b>5,981.64</b> | <b>22.31</b> |
| <b>Expenses</b>                           |                 |                 |              |
| Interest & Finance Cost                   | 5,490.03        | 4,459.59        | 23.11        |
| Employees Remuneration & Benefits         | 227.64          | 196.33          | 15.95        |
| Administrative & Other Expenses including | 297.58          | 252.16          | 18.01        |
| Depreciation & Amortisation               | 24.30           | 25.52           | (4.78)       |
| Provision for Contingencies               | 175.00          | 105.00          | 66.67        |
| <b>Total Expenses</b>                     | <b>6,214.55</b> | <b>5,038.60</b> | <b>23.34</b> |
| <b>Profit Before Tax</b>                  | <b>1,102.17</b> | <b>943.04</b>   | <b>16.87</b> |
| Tax Expense (including Deferred Tax)      | 372.97          | 321.75          | 15.92        |
| <b>Profit For the Year</b>                | <b>729.20</b>   | <b>621.29</b>   | <b>17.37</b> |

### Income from Operations

Your Company registered a robust growth in the total revenue from operations, which mainly includes interest on loan disbursed to the customers. This was primarily due to an increase in loan disbursements through deeper penetration into the existing markets and geographical expansion.

Income from operations increased from ₹ 5,978.96 crore in the financial year ended March 31, 2015 to ₹ 7,311.83 crore for the financial year ended March 31, 2016, registering a growth of 22.29%. The increase in income from operations

was mainly supported by a spurt in disbursement by 22% along with the improved average returns on the loan book. Your Company has also generated revenue from other miscellaneous receipts. Other revenues constitute ₹ 4.89 crore during the financial year 2016, as against ₹ 2.68 crore during the financial year 2015.

### Operating Expenses

Your Company continued to make substantial investments in human capital and information technology to meet its growth targets. As a result, operating expenses increased

## Management Discussion & Analysis



by 17.11% from ₹ 448.49 crore for the financial year ended March 31, 2015 to ₹ 525.22 crore for the financial year ended March 31, 2016. Employee costs increased by 15.95 % from ₹ 196.33 crore for the financial year ended March 31, 2015 to ₹ 227.64 crore for the financial year ended March 31, 2016, primarily due to the increase in head count from 2,375 to 2,625 to meet the business requirements on account of expansion in terms of geography and business volumes. Employee costs accounted for 43.34% of the entire operating expenses for the financial year ended March 31, 2016, which is slightly less compared to 43.78% for the financial year ended March 31, 2015.

### Interest and other Charges

Interest expenses increased by 23.11% from ₹ 4,459.59 crore in the financial year 2015 to ₹ 5,490.03 crore for the financial year ended March 31, 2016. The increase in interest expenses is due to the rising borrowings required to fund the disbursements.

### Depreciation & Amortisation

Depreciation charged on fixed assets was ₹ 24.30 crore in the financial year 2015-16 vis-à-vis ₹ 25.52 crore during the financial year 2014-15. Depreciation on fixed assets is provided on straight-line method by considering revised useful lives as specified in part 'C' of schedule II to the Companies Act, 2013.

### Provision for Taxation

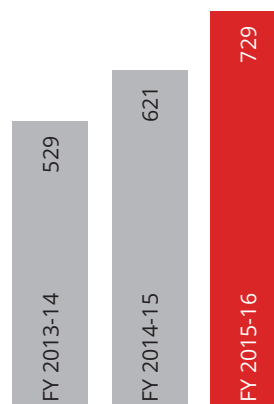
During the financial year 2015-16, your Company has provided ₹ 372.97 crore i.e. 5.10% of total income for taxation (including deferred taxation) vis-à-vis ₹ 321.75 crore i.e. 5.38% of total income in the financial year 2014-15. The above tax provisions include ₹ 62.97 crore deferred tax charge towards creation of DTL on Special Reserve as per Section 36(1)(viii) of the Income Tax Act, 1961 read with Section 29C of the National Housing Bank (NHB) Act, 1987, as directed by NHB vide its circular no. NHB(ND)/DRS/ Policy Circular 65/2014-15 dated August 22, 2014.

### Net Profit

The operating profit before charging depreciation and tax amounted to ₹ 1,126.47 crore as against ₹ 968.56 crore in the previous year, showcasing a rise of 16.30%. The Profit Before Tax (PBT) for the year under review, increased by 16.87% from ₹ 943.04 crore in the previous financial year to ₹ 1,102.17 crore during the financial year 2015-16. Profit After Tax (PAT) in the current financial year went up by 17.37% to ₹ 729.20 crore from ₹ 621.29 crore in the previous financial year.

### NET PROFIT

(₹ in crore)



## Management Discussion & Analysis (Contd.)

### Contribution and Expenses towards Corporate Social Responsibility (CSR)

Your Company as a responsible Corporate Citizen is committed to work on causes which are socially inclusive and help improve the lives of those who form the vulnerable section of the society. Taking this commitment forward, your company has embarked on well structured programs under four major projects for investing its annual CSR spent. These projects broadly cover Integrated Child Development Programme, Teachers Training for greater impact on education, Skills Development in certain potential fields and Programmes for holistic intervention in drought mitigation. During the financial year 2015-16, your Company contributed ₹ 7.03 crore under these programs and are committed to take them to sustainable

levels over the next 18 to 24 months in the current project locations by investing further from existing and future accruals to the CSR spent.

Your Company has also supported well established Social impact organisations in supporting their programs in areas of education & healthcare and in responding to disaster relief measures like the Chennai Floods.

### CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of your Company, its associates, joint ventures and the subsidiary have been prepared as per the applicable provisions of Companies Act, 2013 and Accounting Standards. The same forms part of this Annual Report.

A brief summary of the consolidated audited financial results for the year ended March 31, 2016 is as under:

| (₹ in crore)  |   |   |
|---|---|---|
| Particulars   | The financial year ended March 31, 2016 | The financial year ended March 31, 2015 |
| Total Revenue   | 7,856.65                                | 6,422.33                                |
| Profit After Tax attributable to the Company                            | 749.30                                  | 642.46                                  |
| Equity Share Capital  | 291.80                                  | 145.68                                  |
| Reserves as shown in the Balance Sheet                                  | 4,972.99                                | 4,835.75                                |
| Earnings per share (before extraordinary items of ₹ 10/- each) (Basic)  | 25.69                                   | # 24.72                                 |
| Earnings per share (after extraordinary items of ₹ 10/- each) (Diluted) | 23.73                                   | # 24.40                                 |

#The Earning per share (EPS) for the earlier period has been recalculated based on enlarged capital post bonus issue.

### HUMAN RESOURCES

Your Company today is a valued employer brand and has a compelling employee value proposition. With the robust talent acquisition and talent retention mechanism, your Company is geared towards attracting the best talent, retaining them and ensuring sustainable growth. The initiatives of your Company are aligned with its overall mission and strategy. Embracing new technology and progressive employee centric policies and practices have enabled your Company to strike a balance between business needs and individual aspirations. In recognition of the same, your Company ranked 45th in the Dream Companies to work for by Times Ascent and World HRD Congress.

Your Company significantly invests in professional development and providing career development opportunities for its employees. A robust training and development framework, which has a blend of classroom,

on-line and on the job training, is aligned to the business needs and career path of individuals and provides talent with opportunities to help them excel in their work and be well equipped for future roles.

Majority of the senior leaders have grown within the organisation. The leadership competency framework enables your Company to identify potential leaders, and ensures that your Company has ready talent pool to take up next level leadership roles.

In order to meet its ever growing need for talent especially in Tier-II and Tier-III cities, your Company has also tied up with leading academic institutions to offer skill development programmes and employment opportunities for deserving candidates with the Company. While this initiative provides your Company with good talent, it also helps it to give back to society in the form of generating more employment.



## Management Discussion & Analysis



Your Company recognises people as its most valuable asset and in order to nurture the Human Capital it has in place an open, transparent and meritocratic culture that helps talent perform, grow and stay with the organisation. RACE, which is the Employee Recognition and Reward Program, recognises outstanding contributions of the employees through a combination of both monetary and non- monetary rewards.

Your Company ensures gender diversity through Forums like WOW, which rolls out various initiatives for Women employees to help them excel in their area of work, identify and nurture new talents and skills, create awareness and responsibility towards societal issues and provide an environment that is safe and secure.

As of March 31, 2016 the workforce strength of your Company was 2,625. The growth of the employee headcount is in line with your Company strategy of growing its operations and expanding its geographical reach, especially in Tier-II and Tier-III cities.

In an on-going effort to being one of the most preferred employers in the financial services space, your Company will continue to significantly invest in employee engagement, talent & leadership development, and best in class processes and policies that foster a culture of excellence within the organisation.

### Internal Control Systems

Your Company has adequate system of internal controls for business processes, with regard to operations, financial reporting, fraud control, compliance with applicable laws and regulations, etc. These internal control and systems are devised as a part of the principles of good governance and are accordingly implemented within the framework of proper check and balances. Your Company ensures that a reasonably effective internal control framework operates throughout the organisation, which provides assurance with regard to safeguarding the assets, reliability of financial and operational information, compliance with applicable statutes, execution of the transactions as per the authorisation and compliance with the internal policies of the Company.

The internal audit adopts a risk based audit approach and conducts regular audits of all the branches/offices of the Company and evaluates on a continuous basis, the adequacy and effectiveness of the internal control mechanism, adherence to the policies and procedures of the Company as well as the regulatory and legal requirements. The internal audit department places its findings before the Audit Committee of Board of Directors at regular intervals. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems and suggests improvement for strengthening the control systems according to the changing business needs from time to time.

### Outlook of the Company

The Government's initiative under "Housing For All by 2022" has heralded a new era in the housing sector. It is expected to deliver the much-needed boost to the real estate and housing finance industry by creating an

**DHFL significantly invests in professional development and providing career development opportunities for its employees.**

**2,625**  
workforce strength as on March 31, 2016

## Management Discussion & Analysis (Contd.)

enabling and supportive environment for expanding credit flow and increasing home ownership. Bringing Real Estate Act is yet another significant measure which will also streamline the business practices in the sector paving way for greater customer friendly approach and resultant positive impact on demand.

Related developments which your company sees as positive to spur growth particularly for lower and middle income people – the common man as is normally referred to, will come from programmes like Make in India and Skills India which are expected to provide additional employment opportunities. A favourable monsoon predicted for the 2016 Season will be a major factor to uplift the rural economy and will see overall market sentiment turning positive

With strong measures to keep inflation under check having paved positive results, the benefit of transmitting the gains in respect of interest rate is expected to gather momentum going forward. Interest rates are thus expected to maintain a south ward bias in its movement, benefiting the retail borrower category, which is the most attractive and growing market for lenders.

Changing socio-demographic factors (nuclearisation, urbanisation and young working population) will drive the underlying asset demand and lead to growth in the housing finance market. Housing being one of the low risk asset classes, for lenders, it would continue to be the major contributor to their retail lending portfolio. Moreover, a higher proportion of floating rate loans, which helps lenders manage interest rate risk, would bolster disbursements. DHFL expects a robust loan growth keeping its focus primarily on Tier-II and Tier III locations where housing demand is expected to be more pronounced.

The measures taken by your Company to strengthen and broad base its resource raising capability, aided by a AAA credit rating from CARE and Brickwork, will continue to make your Company, well positioned to increase its share in the emerging market opportunities and to grow a healthy loan book.

### Cautionary Statement

Statements made in the Management Discussion & Analysis describing the Company's objectives, projections,

estimates, expectations may be "Forward-looking statements" within the meaning of applicable securities laws & regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand supply and price conditions in the domestic & overseas markets in which the Company operates, changes in the government regulations, tax laws & other statutes and other incidental factors.



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# Board's Report

Dear Members,

The Board of Directors of your Company take pleasure in presenting the Standalone and Consolidated Report on the operational and business performance, along with the Audited Financial Statements for the financial year ended March 31, 2016.

## KEY FINANCIALS

The Company's financial performance for the financial year ended March 31, 2016, is summarized below: -

| Particulars   | (₹ in crore)    |                 |                 |                 |
|---|-----------------|-----------------|-----------------|-----------------|
|   | Standalone      |                 | Consolidated    |                 |
|   | 2015-16         | 2014-15         | 2015-16         | 2014-15         |
| <b>Gross Income</b>   | 7,316.72        | 5,981.64        | 7,856.65        | 6,422.34        |
| Less : Interest   | 5,490.03        | 4,459.59        | 5,491.95        | 4,460.24        |
| Overheads   | 700.22          | 553.49          | 1,213.96        | 969.06          |
| Depreciation  | 24.30           | 25.52           | 29.84           | 27.07           |
| <b>Profit before Tax</b>  | <b>1,102.17</b> | <b>943.04</b>   | <b>1,120.90</b> | <b>965.96</b>   |
| Less : Provision for taxation   | 372.97          | 321.75          | 376.75          | 324.70          |
| <b>Profit after tax</b>   | <b>729.20</b>   | <b>621.29</b>   | <b>744.15</b>   | <b>641.26</b>   |
| Add : Net share of profit from Associates   | -               | -               | 5.15            | 1.20            |
| Add : Balance b/d from the previous year  | 575.56          | 411.08          | 639.74          | 454.09          |
| <b>Surplus available for appropriations</b>   | <b>1,304.76</b> | <b>1,032.37</b> | <b>1,389.04</b> | <b>1,096.55</b> |
| <b>Appropriations</b>   |                 |                 |                 |                 |
| Transferred to Statutory Reserve under Section 36(1)(viii) of the Income Tax Act, 1961 read with Section 29C of National Housing Bank Act, 1987 | 180.00          | 160.00          | 180.00          | 160.00          |
| Transferred to General Reserve  | 200.00          | 200.00          | 200.00          | 200.00          |
| Dividend for Earlier Year   | 0.02            | 0.09            | 0.02            | 0.09            |
| Interim Dividends   | 175.07          | 51.46           | 175.07          | 51.46           |
| Proposed Equity Dividend  | 58.36           | 29.14           | 58.36           | 29.14           |
| Tax on Dividends  | 47.63           | 16.12           | 47.63           | 16.12           |
| Balance carried over to Balance Sheet   | 643.68          | 575.56          | 727.96          | 639.74          |
| <b>Total</b>  | <b>1,304.76</b> | <b>1,032.37</b> | <b>1,389.04</b> | <b>1,096.55</b> |
| <b>Earnings Per Share:</b>  |                 |                 |                 |                 |
| Basic   | 25.00           | 23.91           | 25.69           | 24.72           |
| Diluted   | 23.10           | 23.59           | 23.73           | 24.40           |

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

## Transfer to Reserves

During the year under review, your Company transferred ₹ 200 crore to the General Reserve and ₹ 180 crore to the Statutory Reserve under Section 36(1)(viii) of the Income Tax Act, 1961 read with Section 29C of National Housing Bank (NHB) Act, 1987 out of the amount available for appropriation and an amount of ₹ 643.68 crore is proposed to be retained in the Profit and Loss Account.

DHFL continues to remain focused towards the lower and middle income (LMI) customer and provide financial solutions to meet multiple aspirations.



## Board's Report

National Housing Bank vide Circular No. NHB(ND)/DRS/Policy Circular 65/2014-15 dated August 22, 2014 has clarified that deferred tax liability (contingent upon Company's withdrawal of Section 36(1)(viii) Reserves leading to tax liability) in respect of opening balance under special reserve as at April 1, 2014 may be adjusted from free opening reserves of the Company over a period of 3 years in the ratio of 25:25:50, respectively. Accordingly, the Company has proportionately adjusted its opening reserves as at April 1, 2014 with an amount of ₹ 41.62 crore as contingent deferred tax liability and unamortised amount against the same is ₹ 83.23 crore. Deferred tax liability on current year special reserve has been appropriated to statement of profit & loss amounting to ₹ 62.97 crore.

## PERFORMANCE

### Standalone

Your Company was founded with a vision of providing affordable housing finance to the country's underserved sections, primarily belonging to lower and middle-income groups. Even after 32 years of its operations, your Company continues to be driven by the same vision and aims to contribute to the country's 'financially inclusive' growth.

Your Company has encouraged hundreds of thousands of people to fulfil their dreams by simplifying financial access to their dream homes. Your Company's target customer group will be largely benefited by the government's 'Housing for All' policy. Your Company also offers to its customers insurance products, both life and general, of third parties to help them de-risk themselves and their families in case of any eventualities or disasters. Being one of the few housing finance companies eligible to mobilise fixed deposits from public, your Company also provides unique fixed deposit schemes. These tailor-made schemes suit the needs of society's different segments.

Your Company strives continually to reach out to its customers through its extensive network spread across the length and breadth of the country. The majority of its customers belong to tier II and tier III towns and outskirts of other major cities. During the financial year 2015-16, the verticalisation of home loan and non-home loan businesses introduced last year has achieved the desired objective of strengthening your Company's reach and underwriting expertise in the respective business segments.

The small and medium enterprise (SME) business continues to achieve desired penetration in medical equipment loans, plant & machinery loans and property term loans for the SME clients.

During the financial year ended March 31, 2016 and financial year ended March 31, 2015, your Company made total loan disbursements of ₹ 24,202.22 crore and ₹ 19,821.53 crore, respectively. As at March 31, 2016 and March 31, 2015, the Gross NPAs as a percentage of the outstanding loans were 0.93% and 0.95%, respectively. The net NPAs as a percentage of the outstanding loans were 0.58% and 0.68%, respectively, which are both substantially lower than industry benchmarks.

Your Company's strong marketing and distribution network has its presence across 349 locations throughout India as at March 31, 2016. Besides, your Company has international representative offices in London and Dubai. To broaden its customer base and to deepen its penetration into geographies, your Company has entered into tie-ups with public and private sector banks. Some significant tie-ups were with the United Bank of India for eastern India and Dhanlaxmi Bank and Yes Bank Ltd. for pan-India.

This year's total income was ₹ 7,316.72 crore as against ₹ 5,981.64 crore during the previous financial year and total expenditure was ₹ 6,214.55 crore, compared to ₹ 5,038.60 crore during the previous financial year. Your Company's Asset under Management (AUM) stood at ₹ 69,523.86 crore as at March 31, 2016, as against ₹ 56,884.00 crore in the previous financial year.

During the year under review, your Company maintained its good performance, in all major businesses and on all operational parameters. Its Profit Before Tax stood at ₹ 1,102.17 crore as against ₹ 943.04 crore in the previous financial year. Besides, the Profit After Tax touched ₹ 729.20 crore as against ₹ 621.29 crore in the previous financial year.

### Consolidated

During the financial year, your Company's total revenue on consolidated basis stood at ₹ 7,856.65 crore, 22.33% higher than ₹ 6,422.34 crore in the previous financial year. The overall operational expenses for the year under review was ₹ 6,735.75 crore, against ₹ 5,456.37 crore in the previous year. Operating profit before tax improved to

## Board's Report (Contd.)

₹ 1,120.90 crore, compared to ₹ 965.96 crore, in the previous year. The year's Profit after Tax attributable to the Company was ₹ 749.30 crore, higher by 17% over ₹ 642.46 crore, in the previous financial year.

### Material Changes and Commitments affecting the Financial Position of the Company

There are no material changes and commitments, affecting the financial position of your Company, which have occurred between the end of the financial year of the Company, i.e. March 31, 2016 and the date of this Board's report i.e. May 4, 2016.

### DIVIDEND

Your Directors in their meeting held on October 20, 2015 had declared the first interim dividend for the financial year 2015-16 of ₹ 3 per equity share, on the 29,17,67,060 fully paid up equity shares of ₹ 10/- each of the Company. Your Directors have also on March 9, 2016 declared a second interim dividend for the financial year 2015-16 of ₹ 3 per equity share, on 29,17,97,988 fully-paid up equity shares of ₹ 10/- each of the Company. Moreover, the Board of Directors in their meeting held on May 4, 2016 has recommended a final dividend of ₹ 2 per equity share for the Financial Year ended March 31, 2016. Therefore, the total dividend for the financial year 2015-16 aggregates to ₹ 8 per equity share.

The final dividend payable shall be subject to the approval of the Members of the Company at the ensuing Annual General Meeting. The total outgo on account of dividend (including dividend distribution tax) will be ₹ 281.08 crore, for the current financial year 2015-16, as against ₹ 96.81 crore in the previous financial year.

### TRANSFER OF AMOUNTS TO INVESTOR EDUCATION & PROTECTION FUND (IEPF)

Pursuant to the provisions of Section 205A (5) and Section 205C of Companies Act, 1956, (which are still applicable, as the relevant Sections under the Companies Act, 2013 are yet to be notified) the amounts pertaining to dividends/deposits that remained unclaimed and unpaid for a period of seven years from the date it became first due for payment, have been transferred from time to time, to respective Investor Education and Protection Fund (IEPF) on the due dates, by the Company and no claims in this respect shall lie against the Company.

Your Company has been intimating the members/depositors to lodge their claim for payments due, if any, from time to time. Such information is also being mentioned in the annual report, every year. Such claims, as and when received have been settled. Despite constant and sincere efforts to pay the unclaimed dividend / deposits and interest thereon to such members / depositors, certain amount still remains unclaimed.

### Unpaid /Unclaimed Dividend

During the financial year 2015-16, your Company has transferred unclaimed final dividend of ₹ 0.03 crore pertaining to the financial year ended 2007-08 to the IEPF established by the Central Government.

### Unclaimed Deposit

During the financial year 2015-16, an amount of ₹ 0.39 crore was transferred to IEPF being the amount of deposits along with interest thereon, that remained unclaimed and unpaid for a period of seven years from the date it became first due for payment.

Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, your Company has uploaded the details of unpaid and unclaimed dividend / fixed deposit amounts (including interest thereon) lying with the Company as at July 23, 2015 (i.e. the date of 31st Annual General Meeting) on the Company's website and has also filed the same with the Ministry of Corporate Affairs. Members / depositors who have not yet claimed the previous year(s) dividend / fixed deposit amount may write to the Company or to the Registrar and Share Transfer Agent.

### LENDING OPERATIONS

The sanctions and disbursements of housing / other loans, during the financial year ended March 31, 2016, were ₹ 37,608.13 crore and ₹ 24,202.22 crore respectively, as against ₹ 28,497.08 crore and ₹ 19,821.53 crore, respectively, in the previous financial year. The Company's cumulative loan disbursement since inception was ₹ 1,02,833.94 crore.

### Sale/ Assignment of Loans

During the year under review, the Company has sold/ assigned a pool of housing loans aggregating to ₹ 3,066.37

## Board's Report

crore and other non-housing loans aggregating to ₹ 534.82 crore. These constitute 90% of the actual pools sold/assigned, with the balance 10% being retained by the Company, in keeping with its Minimum Retention Requirement (MRR) commitments, as per the extant guidelines on securitization and assignment, prescribed by Reserve Bank of India.

The Company will, however, continue to collect the interest and EMI payments on these loans on behalf of the acquirer of these loans and remit the same after retaining its portion in terms of the individual agreements, with the individual acquirers.

### Loan Book

As at March 31, 2016, the loan book stood at ₹ 61,775.02 crore, as against ₹ 51,039.65 crore in the previous year.

## SHARE CAPITAL

### (A) Authorised Share Capital

The Company's authorised share capital stands at ₹ 828,00,00,000 (divided into 74,80,00,000 equity shares of ₹ 10/- each, 7,50,00,000 redeemable non convertible preference shares of ₹ 10/- each and 5,00,000 redeemable non convertible preference shares of ₹ 100/- each). During the year, there has been no change in the Company's authorised share capital.

### (B) Issued and Paid-up Share Capital

#### (1) Equity

During the year under review, pursuant to the approval of the Members of the Company, as per the provisions of the Companies Act, 2013, and in terms of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ('SEBI ICDR Regulations'), as amended, your Company issued and allotted 14,58,56,530 Bonus Equity Shares in the ratio of 1:1 (i.e. one bonus equity share of ₹ 10/- each for every one fully paid up Equity Share of ₹ 10/- each held), to the eligible equity shareholders, by capitalising the existing permissible reserves. The Bonus Equity Shares rank pari passu with the existing equity shares in all respects including dividend.

During the year, your Company also allotted from time to time, the following Equity Shares:

- (i) Prior to issue of bonus shares, 1,79,788 equity shares of ₹ 10/- each, upon exercise of stock options to the eligible employees of the Company under the Employee Stock Option Schemes - 2009 (Plan II and Plan III);
- (ii) Post issue of bonus shares, 84,928 equity shares of ₹ 10/- each, upon exercise of stock options to the eligible employees of the Company under the Employee Stock Option Schemes - 2008 and 2009 (Plan II and Plan III).

As at March 31, 2016, the paid up equity share capital of your Company was ₹ 291,79,79,880 divided into 29,17,97,988 equity shares of ₹ 10/- each.

#### (2) Preference Share Capital

During the year under review, the Company has not issued preference share capital.

#### (3) Issue of Warrants on Preferential Basis

During the year under review, pursuant to approval of the Company's Members and as per the applicable provisions of the Companies Act, 2013, and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, your Company issued and allotted 2,12,30,070 warrants (convertible into equivalent number of equity shares of ₹ 10/- each, within 18 months from the date of allotment of said warrants, in one or more tranches) at the issue price of ₹ 235.515 per warrant i.e. at a premium of 5% (amounting to ₹ 11.215 per warrant) to the Minimum Price calculated in accordance with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 to a Promoter Group Entity i.e. Wadhawan Global Capital Private Limited.

## Board's Report (Contd.)

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

### RESOURCE MOBILISATION

Your Company's borrowing policy is under the control of the Board. The Company has vide special resolution passed by means of postal ballot on June 12, 2014, under Section 180(1)(c) of the Companies Act, 2013, authorised the Board of Directors to borrow money upon such terms and conditions as the Board may think fit in excess of aggregate of paid up share capital and free reserves of the Company up to an amount of ₹ 1,00,000 crore and the total amount so borrowed shall be within the limits as prescribed under the Housing Finance Companies (NHB) Directions, 2010.

Your Company continued to use a variety of funding sources to optimise funding costs, protect interest margins and maintain a diverse funding portfolio which further strengthened its funding stability and liquidity needs. Your Company continued to keep tight control over the cost of borrowings through negotiations with lenders and thus, raised resources at competitive rates from its lenders while ensuring proper asset liability match. The weighted average borrowing cost as at March 31, 2016 was 9.67% as against 10.28% in the previous year. As at March 31, 2016, your Company's sources of funding were primarily from banks and financial institutions (52.65%), followed by non-convertible debentures (23.15%), public (fixed) deposits (8.25%), commercial papers (7.61%), multilateral agencies (3.67%), refinancing from NHB (2.42%), subordinated debt (1.95%) and perpetual debt (0.30%).

Your Company continues to gradually reduce its reliance on the borrowings from banks and financial institutions and focus on capital market instruments with lower funding costs. During the year under review, your Company has continued to diversify its resources profile by accessing funds from multilateral agencies such as ₹ 721.82 crore by way of External Commercial Borrowings route.

Your Company's total borrowings amounted to ₹ 61,103.67 crore as at March 31, 2016, as against ₹ 48,920.74 crore in the previous year. The Company's Asset-Liability Management Committee (ALCO), set-up in line with the guidelines issued by NHB, monitors asset-liability profile to ensure that there are no high

mismatches or excessive concentrations between the two sides of the Balance Sheet. The ALCO lays down policies and quantitative limits based on assessment of various types of risks and shifts in assets and liabilities to manage such risks and ensures that the liquidity and interest-rate risks are contained within the limits laid down by the Board. Your Company continued to tap opportunities for raising longer tenor borrowings in the financial year 2015-16. Another strategy adopted to keep a balanced ALM was to enter into strategic partnership with banks that are keen on good-quality assets and assign long-tenor receivables to them at mutually beneficial terms.

### Loans from Banks

As part of its liability management, your Company endeavours to diversify the sources of its resource base in order to achieve an appropriate maturity structure and minimise the weighted average cost of borrowed funds.

Your Company continued to leverage on its long term relationship with banks and thus tied up fund based working capital limit amounting to ₹ 2,159 crore as at the end of financial year. Your Company also raised additional term loans from banks to the extent of ₹ 6,905 crore during the year at competitive rates available in the market.

### Refinance from National Housing Bank (NHB)

During the year under review, your Company has been granted sanctions amounting to ₹ 2,000 crore under the NHB's refinancing schemes for HFCs. During the year under review, your Company has availed ₹ 500 crore out of the refinance limit sanctioned by NHB.

### Non-Convertible Debentures (NCDs)

Your Company continues to issue fully Secured Redeemable Non-Convertible Debentures on private placement basis. Pursuant to the Special resolution passed by the Members of the Company at the 31st Annual General Meeting held on July 23, 2015 and the Board approved Policy for private placement of Non-Convertible Debentures (NCDs) formulated as per the guidelines issued by National Housing Bank, your Company issued Secured Redeemable Non-Convertible Debentures (the 'Debentures') amounting to ₹ 6,600.50 crore to various investors, including banks, mutual funds and financial institutions by way of issue of NCDs and Zero Coupon NCDs (ZCDs), during the year under review. The outstanding balance of Debentures including accrued



## Board's Report

premium on ZCDs as on March 31, 2016 amounts to ₹ 14,144.97 crore. The proceeds of the aforesaid issue were utilised for making disbursement to meet the housing finance requirements of the borrowers of the Company, as well as for general corporate purposes.

Debenture Trust Agreement(s) in favour of GDA Trusteeship Limited and IDBI Trusteeship Services Limited for the aforesaid issues were executed.

Your Company has duly paid the interest due on the aforesaid Debentures on time. The Company's NCDs have been assigned the rating of "CARE AAA" by Credit Analysis and Research Limited (CARE) and "BWR AAA" by Brickwork Ratings India Private Limited (Brickwork).

Your Company being Housing Finance Company is exempted from the requirement of creating Debenture Redemption Reserve (DRR) in case of privately placed debentures. Since the Debenture issues of the Company till date are through private placement, no DRR has been created.

### Subordinated Debts

Your Company did not raise money through subordinate debt during the year. As at March 31, 2016, your Company's outstanding subordinated debts were ₹ 1,191.5 crore. The debt is subordinated to present and future senior indebtedness of your Company. Based on the balance term to maturity, as at March 31, 2016, ₹ 825.72 crore being the discounted book value of subordinated debt is considered as Tier II under the guidelines issued by the National Housing Bank (NHB) for the purpose of capital adequacy computation. The subordinated debt have been assigned 'CARE AA+' credit rating from CARE and a credit rating of 'BWR AAA' (Stable) from Brickwork.

### Perpetual Debt Instrument

During the year under review, your Company did not issue any Innovative Perpetual Debt Instruments ('IPDI'). The outstanding as at March 31, 2016, amounts to ₹ 185.70 crore.

### Disclosure under Housing Finance Companies issuance of Non-Convertible Debentures on Private Placement Basis (NHB) Directions, 2014

During the year under review, the non-convertible debentures were paid / redeemed by the Company

on their respective due dates and there were no such instances of any non-convertible debentures which have not been claimed by the investors or not paid by the Company after the date on which the non-convertible debentures became due for redemption.

### Commercial Paper

The Commercial Paper (CP) programme of your Company have been assigned the rating of CRISIL A1+ (A One Plus) by Credit Rating and Information Services of India Limited (CRISIL) and [ICRA] A1+ by ICRA Limited. As at March 31, 2016, Commercial Papers outstanding amount stood at ₹ 4,649.00 crore.

### External Commercial Borrowings (ECB)

During the year under review, your Company has availed an ECB of ₹ 721.82 crore from offshore banks including (i) from the Bank of Baroda – Kingdom of Bahrain for an aggregate principal amount of ₹ 65.62 crore, (ii) from Barclays Bank Plc., London for an aggregate principal amount of ₹ 65.62 crore, further of which ₹ 32.81 crore loan was transferred from Barclays Bank Plc., London to Chang Hwa Commercial Bank Ltd., Singapore and ₹ 32.81 crore loan was transferred from Barclays Bank Plc., London to Mega International Commercial Bank Co. Ltd. respectively, with effect from November 17, 2015 (iii) from CTBC Bank Co. Ltd., Singapore for an aggregate principal amount of ₹ 32.81 crore, (iv) from KDB Ireland Ltd. – Ireland for an aggregate principal amount of ₹ 32.81 crore, (v) from the Korea Development Bank – Korea for an aggregate principal amount of ₹ 98.43 crore, (vi) from the State Bank of India, South Africa for an aggregate principal amount of ₹ 360.91 crore, and (vii) from Taiwan Co-operative Bank, Offshore Banking Bank, Taiwan for an aggregate principal amount of ₹ 65.62 crore, for onward lending in segment of low cost affordable housing projects pursuant to the provisions of RBI guidelines dated December 17, 2012. The subject ECB borrowing has a maturity of five years. According to the provisions of the RBI guidelines, these borrowings have been swapped into rupees for the entire maturity by way of principal only swaps.

In terms of ECB Master Circular guidelines issued by RBI, the proceeds have to be utilised for financing the prospective owners of low cost affordable housing units. Low cost affordable housing units have been defined as units where the property cost is up to ₹ 30 lakh, the loan amount is capped at ₹ 25 lakh and the carpet area does not exceed 60 square metres.

## Board's Report (Contd.)

During the financial year 2015-16, the principal amount for all the ECB loans availed by your Company has been fully hedged, in accordance with the guidelines prescribed by Reserve Bank of India. Additionally, LIBOR has been hedged for ECB Loans availed in financial year 2014-15.

### Security Coverage for the Borrowings

The security details of the aforesaid secured borrowings made by the Company are mentioned at Note No. 6 in the Notes to accounts forming part of the audited (standalone) financial statements for the year ended March 31, 2016.

### Deposits

Your Company being a deposit accepting housing finance company, registered with National Housing Bank, is governed by the provisions of the Housing Finance Companies (NHB) Directions, 2010, as amended.

Retail deposits form an integral source of funding for your Company, and your Company has taken several initiatives to increase the reach and penetration to mobilise these deposits from across the country. This is reflected in the robust growth seen in the Company's fixed deposit portfolio. The total deposits grew by 35.25% to ₹ 5,042.66 crore as on March 31, 2016. During the year, your Company added 26,326 new deposit accounts taking the total number of depositor accounts to 2,32,228, reflecting customers confidence in your Company.

During the previous financial year 2014-15, your Company launched a new deposit product 'Wealth2Health Fixed Deposit', which not only gives the customers all the benefits

of normal fixed deposits but also provides for liquidity in case of any health emergency, along with a host of other related benefits. This product has won the coveted '**Golden Peacock Innovative Product/Service Award – 2016**'. This is a reflection of your Company's commitment towards providing innovative and customised solutions for all customer needs that helps it to reach out to wider set of customers and participate in the financial inclusion process.

As of March 31, 2016, for 9,654 deposits, the depositors did not claim the amounts (along with interest due thereon) aggregating to ₹ 54.10 crore. Depositors have been intimated regarding the maturity of their deposits, with a request to either renew or claim their matured deposits. Fixed deposits accepted by the Company are secured appropriately to the extent of floating charge on approved securities and bank deposits created by way of Deed of Trust, as per the guidelines issued by the National Housing Bank. The security details of the aforesaid secured borrowings made by the Company are mentioned at Note No. 6 in the Notes to accounts forming part of the audited (standalone) financial statements for the financial year ended March 31, 2016.

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013, apart from the loans made, guarantee given or security provided by the Company in the ordinary course of business are given in the Notes to accounts forming part of the audited (standalone) financial statements for the year ended March 31, 2016.

### CREDIT RATING

The Company's borrowings enjoy the following Credit Ratings:

| Nature of borrowing                | Rating / Outlook |                   |              |                |
|------------------------------------|------------------|-------------------|--------------|----------------|
|                                    | CARE             | Brickworks        | ICRA         | CRISIL         |
| Short-term debt / commercial paper | -                | -                 | ICRA A1+     | CRISIL A1+     |
| Public (fixed) deposits            | CARE AAA (FD)    | BWR FAAA (Stable) | -            | -              |
| Subordinated debt                  | CARE AA+         | BWR AAA (Stable)  | -            | -              |
| NCDs                               | CARE AAA         | BWR AAA (Stable)  | -            | -              |
| IPDIs                              | CARE AA          | BWR AA+ (Stable)  | -            | -              |
| Long-term bank loans               | CARE AAA         | -                 | -            | -              |
| Structured obligations             | CARE AAA(SO)     | -                 | ICRA AAA(SO) | CRISIL AAA(SO) |

## Board's Report

**CAPITAL ADEQUACY**

As required under National Housing Bank Directions, your Company is presently required to maintain a minimum capital adequacy of 12% on a stand-alone basis. The following table sets out Company's Capital Adequacy Ratios as at March 31, 2014, 2015 and 2016.

| Particulars            | As on March, 31 |        |        |
|------------------------|-----------------|--------|--------|
|                        | 2016            | 2015   | 2014   |
| Capital Adequacy Ratio | 16.74%          | 16.56% | 17.16% |

The Capital Adequacy Ratio (CAR) of your Company was at 16.74% as on March 31, 2016, as compared to the regulatory requirement of 12%.

In addition, the National Housing Bank Directions also requires that your Company transfers minimum 20% of its annual profits to a reserve fund, which the Company has duly complied with.

**NON-PERFORMING ASSETS AND PROVISIONS FOR CONTINGENCY**

Your Company adhered to the prudential guidelines for Non-Performing Assets (NPAs), under the Housing Finance Companies (NHB) Directions, 2010, as amended from time to time. The Company did not recognise income on such NPAs, and further created provisions for contingencies on standard as well as non-performing housing loans and property loans, in accordance with the National Housing Bank Directions, 2010. The Company has also made additional provisions to meet unforeseen contingencies. The following table set forth Company's gross NPAs, net NPAs, cumulative provisions and write-offs for the periods indicated:

| Particulars  | ₹ in crore except % |        |        |
|--|---------------------|--------|--------|
|  | As on March, 31     |        |        |
|  | 2016                | 2015   | 2014   |
| Gross Non-Performing Assets                        | 573.07              | 485.05 | 317.52 |
| % of Gross NPA to Total Loan Portfolio             | 0.93%               | 0.95%  | 0.78%  |
| Net Non-Performing Assets                          | 361.02              | 345.95 | 209.87 |
| % of Net NPA to Total Loan Portfolio               | 0.58%               | 0.68%  | 0.52%  |
| Total cumulative provision- loans and other assets | 583.02              | 430.15 | 331.35 |
| Write-off  | 21.46               | 6.20   | 3.55   |

**Recovery & Collections**

The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act) has proved to be a useful recovery tool and the Company has been able to successfully initiate recovery action under the provisions of this Act, against the defaulting borrowers. The Company has taken physical possession of the secured assets of some of the defaulters and the same are being auctioned as per the process laid down under the SARFAESI Act and the Rules framed thereunder.

To prevent frauds in loan cases by mortgaging the same property with multiple lenders, the Government of India has set up Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) under Section 20 of the SARFAESI Act. Your Company has been filing requisite particulars of mortgaged properties with CERSAI as per the prevailing guidelines issued by CERSAI.

**INVESTMENTS**

The Investment Committee constituted by the Board of Directors is responsible for approving investments in line with the policy and limits as set out by the Board. The investment policy is reviewed and revised in line with the market conditions and business requirements from time to time. During the year, the Investment policy was reviewed and revised by the Board of Directors. The decisions to buy and sell up to the approved limit delegated by the Board are taken by the Chairman & Managing Director, who is assisted by the Company's senior executives. 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. Considering the time lag between raising of resources and its deployment, the surplus funds are generally being parked with liquid fund schemes of mutual funds and short-term deposits with banks. During the year, your Company earned ₹ 166.69 crore by way of income from mutual funds & other operations and ₹ 59.26 crore by way of interest on deposits placed with banks and bonds. At the end of the financial year, your Company maintained ₹ 677.35 crore by way of deposits with banks.

## Board's Report (Contd.)

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 12.50% of the public deposits. As at March 31, 2016, your Company has invested ₹ 296.52 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 ₹ 322.85 crore. It is being maintained within the limits prescribed by National Housing Bank.

### SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES

As on March 31, 2016 your Company has one wholly-owned subsidiary, three Joint Venture Entities and four Associate Companies. During the year, the Board of Directors reviewed the business operations and financial performance of the said Companies.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, your Company has prepared Consolidated Financial Statements of the Company which forms part of this Annual Report. Further, a Statement containing salient features of financial statements of the Subsidiary, joint venture entities and associate Companies in the prescribed format AOC-1, pursuant to Section 129(3) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, is annexed as "Annexure-1" to this Report. The Statement also provides details of performance and financial position of each of the Companies.

In accordance with the provisions of Section 136 of the Companies Act, 2013, the Audited Financial Statements, the Consolidated Financial Statements and the related information of the Company and the Audited Accounts of the Subsidiary, Joint Venture Entities and Associate Companies, are available on our website i.e. [www.dhfl.com](http://www.dhfl.com). These documents shall also be available for inspection during the business hours, i.e. between 10.00 a.m. to 6.00 p.m. on all working days (except Saturday) at the Registered Office of the Company.

During the financial year ended March 31, 2016, investments were made in the following subsidiary, joint venture entities and associate companies:

#### Wholly Owned Subsidiary - DHFL Advisory & Investments Private Limited (DAIPL)

During the financial year ended March 31, 2016, your Company incorporated a Wholly Owned Subsidiary i.e. DHFL Advisory & Investments Private Limited with a paid-up Equity Share capital of ₹ 1 Lakh and made further investment to the tune of ₹ 75 crore, by way of subscription to 7,50,00,000 equity shares of ₹ 10/- each of DAIPL.

#### Avanse Financial Services Ltd. (Avanse)

During the year under review, your Company did not subscribe to Rights Issue made by its associate company, Avanse, a non-banking finance Company registered with Reserve Bank of India, which resulted in proportionate dilution of the existing shareholding percentage of the Company in Avanse. As a result, the percentage of shareholding of your Company stood at 36.78% of the total paid-up share capital of Avanse.

#### Investment in Asset Management Services

During the year under review, upon receipt of the requisite approvals in respect of the Joint Venture entered into during the previous financial year, your Company acquired 50% of the equity share Capital of (i) DHFL Pramerica Asset Managers Private Limited (formerly known as Pramerica Asset Managers Private Limited, hereinafter referred to as DPAMPL), the Asset Management Company of DHFL Pramerica Mutual Fund (formerly known as Pramerica Mutual Fund, hereinafter referred to as DPMF); and (ii) DHFL Pramerica Trustees Private Limited (formerly known as Pramerica Trustees Private Limited, hereinafter referred to as DPTPL), the Trustee of DPMF from PGLH of Delaware, Inc., which is a wholly-owned, indirect subsidiary of Prudential Financial Inc.

During the year under review, DPAMPL, acquired Deutsche Asset Management (India) Private Limited ('DB AMC'), Deutsche Trustee Services (India) Private Limited,



## Board's Report

the asset management company and Trustee Company of Deutsche Mutual Fund ('DB MF') and Deutsche India Holdings Private Limited, sponsor of DB MF. As on March 31, 2016, the direct shareholding of your Company remained at 50% in the joint venture entities DPAMPL and DPTPL.

However, the direct shareholding of the Company in the Joint Venture Entity DPAMPL is 17.12% and through its wholly-owned subsidiary i.e. DHFL Advisory and Investments Private Limited is 32.88%, as on the date of this report.

Your Company believes that this joint venture will help it to extend its philosophy of financial inclusion by increasing the product offerings to the LMI segment that your Company has profitably served over the years.

### INFORMATION TECHNOLOGY

Your Company had initiated a technology transformation programme (Tech2.0) in association with IBM to support Company's growth, improve operational efficiency and optimise costs through the use of technology. This programme is expected to establish a scalable and flexible technology landscape, improve customer centricity, enable faster decision making through automation and analytics, thereby taking the technology platform to a new level. Your Company aims to align its technology landscape to evolving business needs, which would support the Company in its growth targets.

Under Tech2.0, your Company plans to replace its legacy systems and business application platforms with proven commercial-off-the-shelf products, which would provide best fit solutions to the business functions. Your Company has further upgraded its existing information technology infrastructure by increasing network bandwidth and bringing in new servers for the core applications, thereby improving its performance.

During the year under review, your Company earmarked ₹ 100 crore for selective strategic investment in digital space.

### HUMAN RESOURCES

Your Company has experienced promoters and a management team whom your Company relies upon to anticipate industry trends and to capitalise on emerging

new business opportunities. Your Company believes that a combination of its reputation in the market, its working environment and competitive compensation programmes allows it to attract and retain best talent. Your Company strives to attract the best talent in the industry and ensures its employees' development & retention and their contribution to the Company's success.

Your Company's vision is to become an employer of choice by providing a compelling employee value proposition. Your Company has molded its policies relating to hiring, deployment, transfers, promotion, training, including its performance-linked bonuses and employee stock options, with the clear aim of building a 'cadre-based organisation', whose cadre understands the company's customers, their problems, issues and aspirations. Your Company's human resources policies and practices are focused on recruiting and training employees who can empathise and deal with potential and existing borrowers. In the past, your Company had engaged an outside consultant that developed a behavioral competency framework for its branch and office heads. Besides, there was a technical competency framework for sales, credit appraisal, accounting, collection and recovery and technical functions. Your Company has integrated the behavioral competency and technical competency frameworks into its training, evaluation and recruiting processes.

Your Company has implemented a robust reward and recognition framework across all functions under which contributions to the business by the employees are rewarded. Your Company intends to continue investing in employee leadership, motivation, training and assistance programmes.

Your Company's workforce strength as on March 31, 2016 was 2625. The total work force cost during the year was ₹ 227.64 crore as compared to ₹ 196.33 crore in the previous year. The increase in cost is mainly due to the increase in work force to meet the requirements of business on account of significant expansion in terms of geography as well as in business volumes and the salary revisions effected during the year.

### Learning & Development

Your Company's learning & development team, is responsible to provide learning solutions to every role within the organisation by designing comprehensive

## Board's Report (Contd.)

training frameworks to match the dynamic and ever evolving business trends.

Your Company creates stronger depth and focus in its skill building efforts. Your Company has been able to support professional development and empower employees to deliver improved quality of service through its training intervention and motivating them to perform with renewed vigor and enthusiasm. Teaching expertise has been nurtured in-house, in the form of dedicated trainers, facilitators, content developers as well as subject matter experts from business teams.

During the financial year 2015-16, training was imparted to 1,718 on roll employees and 1,454 off roll employees, covering a wide range of functional areas including sales skill development programmes. Employees trained under credit analytical skills and appraisal techniques were 404. The total number of employees who underwent operational excellence training programmes was 145, whereas risk and fraud management was 2210. 'Subharambh' the exclusive monthly Induction programme for the new recruits was conducted to give an overall view of the Company's vision and mission. Similarly, programme based on soft skills and monitoring techniques were also conducted and 203 employees were covered. Training was also conducted to enhance product and policy knowledge and 1,976 employees were covered through this.

In keeping with its importance and in compliance with National Housing Bank norms trainings on KYC & AML policies were also imparted at all levels within the organisation. External training programmes and cross functional exposures were utilised to provide an extra edge to employees for continuous and better performance through learning and job experience.

Your Company has partnered with the best in class leadership trainers of the country for corporate breakthrough workshop for key position holders and business managers. To study the impact of training, your Company engages leading trainers from the industry to benchmark Company's skills and for analysing the same with focus on measuring and improving employee engagement and learning quotient. Taking concrete steps based on the study findings is helping the organisation in building a stronger and more engaged workforce.

Your Company's Human Resources initiatives and L&D systems are designed to ensure an active employee engagement process, leading to better organisational capability and vitality for maintaining a competitive edge and in pursuing its ambitious growth plans. Customer focus remains at the core of all L&D initiatives.

### EMPLOYEE REMUNERATION

- (A) The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of 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, are forming part of this report and is annexed as "Annexure - 2" to this Report.
- (B) 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, forms part of this report. In terms of Section 136 of the Companies Act, 2013 the same is open for inspection at the Company's registered office. Copies of this statement may be obtained by the members by writing to the Company Secretary.

### EMPLOYEES STOCK OPTION SCHEME (ESOS)/ EMPLOYEE STOCK APPRECIATION RIGHTS (ESARS)

Your Company has with the approval of Nomination & Remuneration Committee of the Board of Directors and pursuant to the special resolution passed by the Company's members, at the annual general meeting held on July 23, 2007, formulated three employee stock option schemes, ESOS - 2008, ESOS - 2009 – Plan II and ESOS - 2009 – Plan III- in accordance with the provisions of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The ESOP 2009 Plan II lapsed on November 25, 2015.

During the previous financial year 2014-15, the Members of the Company, vide a special resolution passed through postal ballot, approved the "Dewan Housing Finance Corporation Limited – Employee Stock Appreciation Rights Plan 2015" ('DHFL ESAR 2015') in accordance with the provisions of Securities and Exchange Board of India (Share

## Board's Report

Based Employee Benefits) Regulations, 2014 and issuance of stock appreciation rights ('ESARs') through DHFL ESAR 2015, exercisable into not more than 51,46,023 fully paid up equity shares in the aggregate having face value of ₹ 10/- each. Pursuant to the subject approval, the Nomination & Remuneration Committee approved the grant of 15,50,100 ESARs under DHFL ESAR 2015 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, first tranche of which became due for vesting, during the year under review.

The Company's Nomination & Remuneration Committee of the Board of Directors, inter-alia, administers and monitors the Employee Stock Option Schemes/ Employee Stock Appreciation Rights Plans of the Company, in accordance with the SEBI guidelines.

The Company has received a certificate from its auditors that the Stock Options Schemes/ Employee Stock Appreciation Rights Plan have been implemented in accordance with the SEBI guidelines and is as per the respective resolutions passed by the Company's members. The said certificate would be placed at the ensuing annual general meeting for the inspection by Members.

The applicable disclosures as stipulated under the SEBI guidelines, as applicable for the financial year 2015-16, with regard to Employee Stock Option Schemes/Employee Stock Appreciation Rights are annexed as 'Annexure - 3' to this Report.

### **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**

Your Company is not engaged in any manufacturing activity and thus its operations are not energy intensive. However, adequate measures are always taken to ensure optimum utilisation and maximum possible saving of energy. During the year under review your Company has made capital investment of approximately ₹ 0.23 Crore at 30 branch/service locations, towards the installation of energy conservation equipments such as replacement of CFL (Compact Fluorescent Lamp) with LED (Light-

Emitting Diode) lights, energy saving Air-conditioners, replacement of normal tube lights with T5 lights at the new branches and in the renovated branches. This has resulted in power saving on a daily basis.

The Company on its lending side actively associates in all programmes and schemes of the Government and NHB, in promoting energy efficient homes.

#### **B. Technology Absorption**

Your Company actively pursues a culture of technology adoption, leveraging on the advancements in technology to serve customers better, manage process efficiently and economically and strengthen control systems. The Company has maintained a technology friendly environment for its employees to work in. In keeping with the current trends in the areas of digital marketing and social media, the Company has effectively used these avenues in positioning itself in the market place and gain better Customer engagement.

The current technology transformation programme has been initiated to bring the Company's technology platform to a new level. The programme aims to identify and implement best-fit solutions in such areas as (i) collaboration and employee communication portal to provide for internal communication, knowledge sharing and collaboration between employees; (ii) customer relationship management, in particular in marketing, sales and customer service, to achieve higher customer satisfaction and enhanced marketing and sales effectiveness; (iii) digital channels to provide for effective interaction between the Company and its customers and business partners/agents, which will include creation of a customer portal and an agent portal; (iv) financial accounting ERP to establish unified accounting, financial management and accounting MIS at the Company; (v) imaging, workflow and DMS to facilitate the centralisation of data capture and validation of the Company's loan, project finance and FD applications; (vi) loan origination and management (vii) collections management, project finance and property information management systems; (viii) business systems (enterprise) integration; and (ix) business intelligence and advanced analytics to build a platform and an operational data store to

## Board's Report (Contd.)

generate systematic, consistent and near real-time MIS reports and dashboards.

### C. Foreign Exchange Earnings and Outgo

There were no foreign exchange earnings during the year.

The information on foreign exchange outgo and expenditure is furnished at Note No. 39 in the Notes forming part of the audited (standalone) financial statements for the year ended March 31, 2016.

### INSURANCE

Your Company has insured its various properties and facilities against the risk of fire, theft and other perils, etc. and has also obtained Directors' and Officers' Liability Insurance Policy, which covers the Company's Directors and Officers (employees in managerial or supervisory position) against the risk of financial loss including the expenses pertaining to defense cost and legal representation expenses arising in the normal course of business.

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

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

### NATIONAL HOUSING BANK GUIDELINES

The Company has complied with the provisions of the Housing Finance Companies (NHB) Directions, 2010, as prescribed by NHB and has been in compliance with the various Circulars, Notifications and Guidelines issued by National Housing Bank (NHB) from time to time. The Circulars and the Notifications issued by NHB are also placed before the Audit Committee / Board of Directors at regular intervals to update the Committee/ Board members on the compliance of the same.

### RISK MANAGEMENT

As a housing finance company, your Company is exposed to various risks that are inherent in the lending business. The primary risks include credit risk, market risk, liquidity risk,

legal risks, interest rate risk, compliance risk and operational risk. Your Company has invested in people, processes and technology to mitigate risks posed by internal and external environment. It has in place a strong risk management team and an effective credit operations structure. Its risk management policies continue to segregate the functions of risk and credit to focus on portfolio management. The sustained efforts to strengthen the risk management framework and portfolio quality have yielded significant results over the last few years.

Your Company places emphasis on risk management measures to ensure an appropriate balance between risk and return. Your Company has taken steps to implement robust and comprehensive policies and procedures to identify, measure, monitor and manage risks. Risk management is a board-driven function with the overall responsibility of risk management assigned to the Risk Management Committee of the Board of Directors. At the operational level, risk management is assigned to the Asset Liability Management Committee ('ALCO'). Sensitive financial risks are monitored by the Risk Management Committee and also by Audit Committee of the Board. Your Company conducts risk profiling on a regular basis for the purpose of self-assessment.

The Company has envisaged the setting up of risk containment unit (RCU) at all major business locations. The Board also on regular intervals is updated on the risk management systems, processes and minimisation procedures of the Company.

Your Company has put in place a Business Continuity Plan and adopts the practice of reviewing its risk management policies to be in step with the changing environment so as to identify and mitigate its attendant risks in a proactive manner on a continuous basis.

### ASSET LIABILITY MANAGEMENT COMMITTEE (ALCO)

The Asset Liability Management Committee (ALCO) lays down policies and quantitative limits that involve assessment of various types of risks and shifts in assets and liabilities to manage such risks. ALCO ensures that the liquidity and interest-rate risks are contained within the limits laid down by the Board. The Company has duly implemented the NHB's Asset Liability Management Guidelines.

## Board's Report

**CODES AND POLICIES & COMPLIANCES THEREUNDER**

Your Company has formulated various policies and codes in compliance with provisions of Directions and Guidelines issued by the National Housing Bank, Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and to ensure high ethical standards in the overall functioning of the organisation. The said policies and codes are periodically reviewed by the Board of Directors.

The key policies and codes as approved by the Board of Directors and the respective compliance thereunder are detailed herein below:

**Know Your Customer & Anti Money Laundering Measures Policy**

Your Company has a Board approved Know Your Customer & Anti Money Laundering Measures Policy (KYC & AML Policy) in place and adheres to the said Policy. The said Policy is in line with the National Housing Bank guidelines.

Your Company has adhered to the compliance requirements in terms of the said policy including the monitoring and reporting of cash and suspicious transactions. The Company furnishes to Financial Intelligence Unit (FIU), India, in the electronic mode, information of all cash transactions of the value of more than ₹ 10 lakh or its equivalent in foreign currency and suspicious transactions whether or not made in cash, in terms of the said Policy. Your Company is also following the process as briefed out under the Guidance Note on Effective Process of STRs Detection and Reporting for Housing Finance Sector, issued by Financial Intelligence Unit - India in consultation with the Regulator viz., the National Housing Bank (NHB).

The said policy is available on website of the Company at the URL <http://www.dhfl.com/investors/policies-codes-2/kyc-aml-policy/>.

**Fair Practice Code**

Your Company has in place a Fair Practice Code (FPC), which includes guidelines on appropriate staff conduct when dealing with the customers and on the organisation's policies vis-à-vis client protection. The FPC captures the spirit of the National Housing Bank guidelines on fair practices for Housing Finance Companies. Your Company

and its employees duly comply with the provisions of FPC. During the year under review, FPC was revised and updated to align the same with the improved practices in relation to the dealings of the Company with its customers, and as per the various circulars issued by the National Housing Bank.

The said code is available on website of the Company at the URL <http://www.dhfl.com/investors/policies-codes-2/fair-practice-code/>.

**Policy on Disclosure of Material Events and Information**

During the year under review, your Company has adopted the Policy on Disclosure of Material Events and Information, in accordance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to determine the events and information which are material in nature and are required to be disclosed to the Stock Exchanges.

The said policy is available on the website of the Company at the URL <http://www.dhfl.com/investors/policies-codes-2/policy-for-disclosure-of-material-events-and-information/>.

**Policy on Preservation of Documents and Records**

During the year under review, your Company has adopted the Policy on Preservation of Documents and Records in accordance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy ensures that the Company complies with the applicable document retention laws, preservation of various statutory documents and also lays down minimum retention period for the documents and records in respect of which no retention period has been specified by any law/ rule/ regulation. The Policy also provides for the authority under which the disposal /destruction of documents and records after their minimum retention period can be carried out.

**Code of Conduct for the Board of Directors and the Senior Management Personnel**

Your Company has in place Code of Conduct for the Board of Directors and the Senior Management Personnel to set forth the guiding principles on which the Company and its Board and Senior Management Personnel shall operate and conduct themselves with multitudinous stakeholders, government and regulatory agencies, media and anyone else with whom it is connected.



## Board's Report (Contd.)

During the year under review your Company has amended the Code of Conduct for its Board of Directors and the Senior Management Personnel to align the same with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A declaration by Chief Executive Officer, with regard to the compliance with the said code, forms part of this Annual Report.

The said code is available on the website of the Company at the URL <http://www.dhfl.com/investors/policies-codes/code-of-conduct-for-board-and-senior-management-personnel/>.

### Code of Conduct for Prohibition of Insider Trading

Your Company has in place a Code of Conduct for Prohibition of Insider Trading, which lays down the process of trading in securities of the Company by the employees and the connected persons and to regulate, monitor and report trading by the employees and the connected persons of the Company either on his/her own behalf or on behalf of any other person, on the basis of unpublished price sensitive information.

During the year under review your Company has amended the subject Code to align the same with the requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

During the year under review, your Company has adopted Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, with a view to lay down practices and procedures for Fair Disclosure of Unpublished Price Sensitive Information that could impact price discovery in market for its securities, in accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

### Code of Business Ethics (COBE)

Your Company has adopted a Code of Business Ethics (COBE) which lays down the principles and standards that govern the activities of the Company and its employees to ensure and promote ethical behaviour within the legal framework of the organisation.

### Whistle Blower Policy (Vigil Mechanism)

Pursuant to the provisions of Section 177 (9) & (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, the 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 behaviour, actual or suspected, fraud or violation of the Company's Code of Conduct or Ethics Policy. It also provides for adequate safeguards against victimisation of persons who use this mechanism and direct access to the Chairman of the Audit Committee in exceptional cases.

The said policy is available on the website of the Company at the URL <http://www.dhfl.com/investors/policies-codes-2/whistle-blower-policy/>.

### Prevention, Prohibition & Redressal of Sexual Harassment of Women at Workplace

Your Company has in place a Policy on Prevention, Prohibition & Redressal of Sexual Harassment of Women at Workplace and an Internal Complaints Committee (ICC) has been constituted thereunder. The Policy's primary objective is to protect the women employees from sexual harassment at the place of work and also provides for punishment in case of false and malicious representations.

During the financial year 2015-16, five complaints were received by the ICC under the said policy and based on the recommendations of the ICC, strict actions were taken against the employee found guilty.

### Comprehensive Risk Management Policy

Your Company is committed to manage its risk in a proactive manner and has adopted a 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 in place a Comprehensive Risk Management Policy which covers a formalised Risk Management Structure, along with other aspects of risk management i.e. credit risk management, operational risk management, market risk management and enterprise risk management. The Risk Management Committee of the Board, on periodic basis,

## Board's Report

oversees the risk management systems, processes and minimisation procedures of the Company.

### **Nomination (including Boards' Diversity) Remuneration & Evaluation Policy (NRE Policy)**

Your Company has in place a Nomination (including Boards' Diversity), Remuneration & Evaluation Policy, which, inter-alia, lays down the criteria for identifying the persons who are qualified to be appointed as Directors and/or senior management personnel of the Company, along with the criteria for determination of remuneration of Directors, KMPs and other employees and their evaluation and includes other matters, as prescribed under the provisions of Section 178 of Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year under review, your Company has amended the subject policy to align the same with the requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **Related Party Transaction Policy**

Your Company has in place Related Party Transaction Policy, intended to ensure requisite approval, reporting and disclosure of transactions between the Company and its related parties. The said policy also defines the materiality of related party transactions and lays down the procedures of dealing with related party transactions.

During the year under review, the Related Party Transaction Policy was amended to align the same with the requirements of Companies (Amendment) Act, 2015 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The said policy is available on the website of the Company at the URL <http://www.dhfl.com/investors/policies-codes/related-party-transaction-policy>

### **Corporate Social Responsibility (CSR) Policy**

Your Company has framed Corporate Social Responsibility Policy (CSR Policy), as per the provisions of the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, which, inter-alia, lays down the guidelines and

mechanism for undertaking socially useful projects for welfare and sustainable development of the community at large. As per the provisions of Section 135 of the Companies Act, 2013, the Company has constituted a Corporate Social Responsibility Committee. The Committee assists the Board in fulfilling its duty towards the community and society at large by identifying the activities and programmes that can be undertaken by the Company, in terms of the Company's CSR Policy. The composition of the CSR Committee and its terms of reference are given in the Corporate Governance Report forming part of this Annual Report.

The said policy is available on the website of the Company at the URL <http://www.dhfl.com/about-us/corporate-social-responsibility/csr-policy/>

The Annual Report on CSR activities is annexed separately as 'Annexure - 4' to this Report.

### **Policy on Open Architecture for Retail Insurance Business**

Your Company acts as a corporate agent for DHFL Pramerica Life Insurance Company Limited for distribution of life insurance products. In terms of the Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015, during the year, your Company adopted a Policy on Open Architecture for Retail Insurance Business which lays down the manner of soliciting and servicing insurance products. The Policy addresses the manner of adopting the philosophy of open architecture and implementation of the same as well as the approach to be followed by the corporate agent in having single or multiple tie-ups, the partners in the tie-ups, the business mix, the type of products sold, grievance redressal mechanism and reporting requirement(s).

### **Others Policies**

To strengthen the internal procedures and systems and for better governance, during the year under review, your Company had adopted the following policies:

- (a) **Conflict of Interest Policy:** To ensure that the employees of the Company are conversant with the concept 'Conflict of Interest' and have every opportunity to avoid or deal with such conflicts, your Company has put in place a Conflict of Interest Policy which details out the potential areas of conflicts and

## Board's Report (Contd.)

provides a mechanism to disclose and report such conflicts.

- (b) Information Security Policies:** During the year under review, with an objective to establish sustainable and effective information security practices within the Company, your Company adopted various information security policies based on the ISO 27001 standards.

Your Company also has in place various other policies and manuals such as Investment Policy, Policy for Private Placement of Non-Convertible Debentures (NCDs), Policy for determining Material Subsidiary, Asset Liability Management Policy, Comprehensive Outsourcing Policy and Staff Accountability Policy for ensuring the orderly and efficient conduct of Company's business.

### LISTING OF SHARES OF THE COMPANY

Your Company's equity shares continue to remain listed on BSE Limited and the National Stock Exchange of India Limited. As per the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which came in effect from December 1, 2015, a shortened version of the Uniform Listing Agreement was signed by the Company with both the stock exchanges.

Your Company has paid the listing fees as payable to the BSE Limited and the National Stock Exchange of India Limited for the financial year 2016-17 on time.

### MARKETING AND BRANDING

Your Company continued to reinforce its overarching vision of 'transforming lives through financial inclusion', through strategic marketing and branding initiatives led by the in-house marketing and product team.

During the year, your Company executed product innovations and marketing campaigns. These initiatives received immense customer response, which tripled the Company's brand score. Your Company launched an integrated media campaign with its brand ambassador Shah Rukh Khan with a refreshed message 'Say No to Bahanas' and 'Own Your Dream Home.'

In its spirit of financial inclusion, your Company launched a one-of-its-kind consumer education initiative. It aimed

to educate consumers about various benefits of a home loan. Besides, they were also provided knowledge on how the entire process can be made more simple and convenient. This in turn enabled them to take a well informed decision while buying their dream home. The insights for the infomercials have been drawn from the expertise that your Company enjoys for over three decades of servicing the low and middle-income customers in tier II and III towns. Each infomercial is close to three minutes and is showcased across all digital media. Through this strategic move of imparting knowledge to prospective home buyers, your Company supported the government's objective of achieving housing for all by 2022.

Your Company has focused on creating strong presence across various social media platforms including Facebook, Twitter, LinkedIn and YouTube to remain connected to customers every time. Besides, there is also a live chat service at its website.

Your Company has enhanced its consumer connect through direct marketing activities. It has emphasised on various tools including spot sanctions, transit media branding, sponsorship events, mall activations, society activations as well as hoardings and billboards. Besides, your Company has engaged through business meetings with channel partners, business associates and retail channel tie-ups. It created visibility and generated customer awareness through direct selling agents (DSAs), online sourcing platform providers, direct sourcing, channel partners, builder tie-ups and advertisements. These initiatives helped the Company to build the brand, increase sales, create relevance at points of purchase and emerge as the point-of-first-recall.

Your Company's call centre continued to play an important role in business generation for home loans, SME loans, and mortgage loans besides deposit products on the liability side.

### AWARDS AND RECOGNITIONS

Your Company has added yet another feather in its cap and kept up its record of displaying commendable performance in the housing finance service sector. It is reflected by the awards won by the Company as recognition at various award forums:

## Board's Report

- The most creative Ad on TV in the Banking, Financial Services and Insurance Sector by INDY's presented by 94.3 My FM and Start Group endorsed by CMO Asia, for DHFL's 'Bahana Campaign'
- The 6th CMO Asia Award for excellence in Branding and Marketing
- Gold in the Asian Customer Engagement Awards for the Ghar Jaisa Loan Campaign
- The Best Housing Finance Company by BFSI awards presented by ABP News and World HRD Congress and endorsed by Star Group
- The 'Top 50 Dream Companies To Work For' by Times Ascent & World HRD Congress
- The Best Corporate Brand Award 2015 by Economic Times
- India's Most Trusted Brand Award 2015 in the housing finance category
- The Brand Trust Report India Study 2015 ranked DHFL as India's Most Trusted Housing Finance Brand in a study covering 19,000 brands across 16 cities
- India's 50 Biggest Financial Companies by Business World
- DHFL ranked 194th in the ET 500 Listing
- Golden Peacock Innovative Product/Service Award – 2016.

## BRANCH NETWORK

To support the Company's growth initiatives, your Company has established an integrated branch network that has helped it to optimise operational coverage and improve Company's ability to deliver products and services to its customers effectively. Your Company has a presence at 349 locations throughout India including 182 branches, 146 service centres, 18 circle/cluster offices, 2 disbursement hubs, 1 collection center as at March 31, 2016.

Your Company's network is grouped into circles and clusters located pan-India. The Company's distribution

network in India is primarily spread over Tier II and Tier III cities and towns. Additionally, your Company has international representative offices located in London and Dubai.

Your Company has also entered into tie-ups with a number of Indian public and private sector banks to provide their customers access to Company's home loan solutions. Such tie-ups allow the Company to access the banks' customers and branch networks while providing them with the option to participate in Company's loan syndication programmes. The Company's partners include United Bank of India for eastern India, and Dhanlaxmi Bank and Yes Bank Limited for pan-India. The alliance arrangements benefit your Company financially, and the additional points of sales through the ally banks' networks provide the Company with an increased footprint at minimal cost.

Your Company will be able to explore latent opportunities in the LMI segment to its advantage. Your Company operates primarily in the LMI segment. It targets private salaried persons, public servants, entrepreneurs, traders and other professionals, which are underserved by conventional financial institutions and where significant opportunities for growth are expected. These customers are not targeted by most banks and HFCs due to smaller average loan sizes. Your Company works on evolving techniques to improve credit assessment for this segment, as well as run a pilot funding programme to evaluate behavioral trends and credit performance in such segments, in order to discover latent opportunities within its target segment. Moreover, considering the widespread geographical reach, your Company plans to dig deeper into the target customer base of the geographies and increase its market share in each of these locations.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

On the basis of the recommendation of Nomination & Remuneration Committee, the Board of Directors appointed Dr. Rajiv Kumar [DIN-02385076], as an Additional Director, in the category of Independent Director of the Company, with effect from August 7, 2015, Dr. Rajiv Kumar holds office up to the date of the ensuing annual general meeting. The Company has received a notice from a Member under Section 160 of the Companies Act, 2013, along with a requisite deposit, proposing his candidature for the office of Independent Director, to be appointed as

## Board's Report (Contd.)

such, at the ensuing annual general meeting. Necessary resolution is being proposed in the notice of the ensuing Annual General Meeting in respect of appointment of Dr. Rajiv Kumar as an Independent Director of the Company, for the approval of the Members of the Company pursuant to Section 149 of the Companies Act, 2013 for a term of 5 consecutive years w.e.f. August 7, 2015.

The term of Mr. Kapil Wadhawan as the Chairman & Managing Director (designated as the 'Key Managerial Personnel'), which was for a period of 5 years w.e.f. October 4, 2010 expired on October 3, 2015. Pursuant to the approval by the Members of the Company at the 31st Annual General Meeting held on July, 23, 2015, Mr. Kapil Wadhawan, was re-appointed as the Managing Director (designated as Chairman & Managing Director) of the Company and as Key Managerial Personnel, and his office was made liable to retirement by rotation, for a further period of five years w.e.f. October 4, 2015, pursuant to the provisions of the Companies Act, 2013 and rules made thereunder.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and Articles of Association, Mr. Dheeraj Wadhawan, Non- Executive Director of your Company being the longest in office among Directors who are liable to retire by rotation, retires by rotation and being eligible; offers himself for reappointment at the ensuing Annual General Meeting.

All Independent Directors have given declarations that they meet the criteria of independence, as laid down under Section 149(6) of the Companies Act, 2013 and the provisions of Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

None of the Directors of your Company are related to each other, except for Mr. Dheeraj Wadhawan, Non Executive Director who is the brother of Mr. Kapil Wadhawan, Chairman & Managing Director of the Company. Brief resumes of Directors, proposed to be appointed/re-appointed, nature of their expertise in specific functional areas and names of other listed companies in which they hold Directorship along with their Membership/ Chairmanship of Committees of the Board as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations,

2015, are provided in the annexure to the Notice of the Thirty Second Annual General Meeting being sent to the Members along with the Annual Report.

Based on the confirmations received, none of the Directors are disqualified for being appointed/re-appointed as directors in terms of Section 164 the Companies Act, 2013.

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

### PERFORMANCE EVALUATION

The provisions of the Companies Act, 2013 mandates formal annual evaluation of the Board of Directors, its committees and individual Directors. Schedule IV of the Companies Act, 2013 also requires the performance evaluation of Chairman & Managing Director and Non Executive Directors and Board as a whole to be carried out at a separate meeting by the Company's Independent Directors. It also states that performance evaluation of Independent Directors shall be done by the entire Board excluding the Director being evaluated. The provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, also require that the Board shall monitor and review the Board Evaluation Framework. The annual performance evaluation of the Board as a whole, all Directors as well as the evaluation of the Board Committees including Audit Committee, Nomination & Remuneration Committee, Risk Management Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Finance Committee of the Board of Directors of the Company, was carried out. The details of evaluation process as carried out and the evaluation criteria and framework have been explained in the Corporate Governance Report, forming part of this Annual Report.

### BOARD MEETINGS

Your Company holds at least four Board meetings in a year, one in each quarter, inter-alia, to review the financial results of the Company. The Company also holds additional Board Meetings to address its specific requirements, as and when required. All the decisions and urgent matters approved by way of circular resolutions are placed and numbered and noted at the subsequent Board meeting. Annual calendar of meetings of the Board are finalised well before the beginning of the financial year after seeking concurrence of all the Directors.



**Board's Report**

During the financial year 2015-16, six (6) Board Meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015. The details of the Board composition, its meetings held during the year along with the attendance of the respective Directors thereat are set out in the Corporate Governance Report forming part of this Annual Report.

**Board Committees**

Your Company has a duly constituted Audit Committee as per the provisions of Section 177 of Companies Act, 2013 and provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors has constituted five other committees namely – Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Risk Management Committee, Finance Committee and Corporate Social Responsibility Committee which enables the Board to deal with specific areas / activities that need a closer review and to have an appropriate structure to assist in the discharge of their responsibilities.

The Board of Directors also constituted two committees with specific objectives, namely - Sub-Committee for Investment in Mutual Fund Sector (which was dissolved by the Board on May 4, 2016) and Allotment Committee (comprising of Independent Directors) for Allotment of Warrants convertible into equivalent number of Equity Shares of ₹ 10/- each, to the Promoter Group Entity.

The details of the composition of the Audit Committee along with that of the other Board committees and their respective terms of reference are included in the Corporate Governance Report forming part of this Annual Report.

The Audit Committee and other Board Committees meet at regular intervals and ensure to perform the duties and functions as entrusted upon them by the Board.

The details of the Audit Committee and other Board Committees are also set out in the Corporate Governance Report forming part of this Annual Report.

**RELATED PARTY TRANSACTIONS**

There were no materially significant related party transactions i.e. transactions of material nature, with its promoters, directors or senior management or their relatives etc., that may have potential conflict with the interest of company at large. Transactions entered with related parties, as defined under the Companies Act, 2013 and provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year 2015-16 were mainly in the ordinary course of business and on an arm's length basis.

Prior approval of the Audit Committee is obtained by the Company before entering into any related party transaction as per the applicable provisions of Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. As per the provisions of Section 188 of the Companies Act, 2013, approval of the Board of Directors is also obtained for entering into related party transactions by the Company. A quarterly update is also given to the Audit committee and the Board of Directors on the Related Party Transactions undertaken by the Company for their review and consideration.

During the year, your Company has not entered into any material contract, arrangement or transaction with related parties, as defined under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Related Party Transaction Policy of the Company. The details with respect to the related party transactions are mentioned in the notes to the audited (standalone) financial statements.

The Policy on Related Party Transactions as approved by the Board is uploaded on the Company's website. None of the Directors have any pecuniary relationships or transactions vis-à-vis the Company.

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

There were no significant and material orders passed by any Regulator or Court or Tribunal, which would impact the going concern status of the Company and its future operations.

## Board's Report (Contd.)

### INTERNAL AUDIT & INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

Your Company has an Internal Audit Department, headed by a senior management personnel, who reports to the Audit Committee of the Board of Directors of the Company, conducts comprehensive audit of functional areas and operations of the Company to examine the adequacy of and compliance with policies, procedures, statutory and regulatory requirements. Significant audit observations and follow up actions thereon are reported to the Audit Committee. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations.

The audit function maintains its independence and objectivity while carrying out assignments. It evaluates on a continuous basis, the adequacy and effectiveness of internal control mechanism. The function also proactively recommends improvement in policies and processes, suggests streamlining of controls against various risks

Your Company has also engaged practicing chartered accountant firms to conduct concurrent audit in branches covering more than 80% of the business during the financial year. Concurrent audit assesses and evaluates the operational effectiveness of checks and balances on a continuous basis with focus on regulatory guidelines and adherence to internal policies, procedures and guidelines issued by management from time to time.

Your Company has laid down set of standards, processes and structure, which enables it to implement internal financial control across the Company and ensure that the same are adequate and operating effectively.

### SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed Mrs. Jayshree S. Joshi Proprietress of M/s Jayshree Dagli & Associates, Practicing Company Secretaries, Mumbai, to undertake the Secretarial Audit of the Company for the financial year 2015-16. The Secretarial Audit Report for the financial year ended March 31, 2016, is annexed as 'Annexure - 5' to this report. The said report does not contain any qualification, reservation or adverse remark.

### STATUTORY AUDITORS

M/s. T. R. Chadha & Co. LLP (FRN 06711N/N500028) Chartered Accountants and M/s Rajendra Neeti & Associates (FRN 06543C), Chartered Accountants, the Joint Statutory Auditors have not offered themselves to continue as Joint Statutory Auditors of the Company in view of their pre-occupation with other work. The Board places on record its appreciation for the services rendered by them during their tenure with the Company.

Based on the recommendation of the Audit Committee, the Board of Directors, at their meeting held on May 4, 2016, have appointed M/s. Chaturvedi & Shah (FRN 101720W), as the Statutory Auditors of the Company, subject to the approval by the Members of the Company in the Company's ensuing annual general meeting. M/s. Chaturvedi & Shah shall hold office for the first term of five years, from the conclusion of the 32nd Annual General Meeting until the conclusion of the 37th Annual General Meeting of the Company (subject to ratification of their appointment by the Members at every subsequent Annual General Meeting). The proposal for their appointment as Statutory Auditors of the Company is included in the Notice of the ensuing annual general meeting for approval of the Members of the Company. M/s. Chaturvedi & Shah has furnished written consent and a confirmation to the effect that they are not disqualified to be appointed as the Statutory Auditors of the Company in terms of the provisions of Companies Act, 2013 and Rules framed thereunder. In terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, they have confirmed that they hold a valid certificate issued by the Peer Review Board of the ICAI.

### Notes to Accounts and Auditor's Report

The notes to the accounts referred to in Auditor's Report are self-explanatory and do not call for any further comments. The Joint Statutory Auditor's Report on the financial statements for the financial year 2015-16 does not contain any qualification, reservation or adverse remark.

### DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors would like to inform that the audited financial statements for the year ended March 31, 2016 are in conformity with the requirements of the Companies Act, 2013 and they believe that the financial statements reflect fairly the form and substance of transactions carried out during the year and reasonably present the

## Board's Report

Company's financial condition and results of operations. These Financial Statements are audited by M/s. T. R. Chadha & Co.LLP, Chartered Accountants together with M/s. Rajendra Neeti & Associates, Chartered Accountants, the Joint Statutory Auditors of the Company.

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, it is hereby confirmed that :

- (a) in the preparation of the annual accounts for the year ended March 31, 2016, the applicable Accounting Standards had been followed along with proper explanation relating to material departures,
- (b) the Directors had selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2016 and of the profit of the Company for that period;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual financial statements on a going concern basis;
- (e) the Directors had laid down Internal Financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 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' and 'Management Discussion and Analysis' forms part of this Annual Report.

The Report on Corporate Governance also includes certain disclosures that are required, as per Companies Act, 2013.

The certificate by the Joint Statutory Auditors confirming compliance with the conditions of Corporate Governance as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed as 'Annexure 6' to this report. The said certificate for financial year 2015-16 does not contain any qualification, reservation or adverse remark.

## EXTRACT OF ANNUAL RETURN

Pursuant to Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return as at March 31, 2016, in the prescribed form MGT 9, forms part of this report and is annexed as 'Annexure - 7'.

## OUTLOOK

During the year, Indian economy continued to consolidate the gains achieved through macroeconomic stability. The country remained on a stable growth path on the back of sharp reduction in crude oil prices and resilient domestic consumption. Besides, inflation remained under control and fiscal and current account deficits continued to be moderate.

The policy initiatives taken by the government in recent times have yielded positive results. India's gross domestic product (GDP) at factor cost is INR 113.5 trillion, as against INR 105.5 trillion in 2014-15, registering a growth rate of 7.6%. This significant growth has made India one of the fastest growing major economies in the world. The y-o-y inflation for the WPI Index was at -0.9% in March 2016. CPI inflation is projected to moderate in 2016-17 to around 5%.

The Reserve Bank of India (RBI) reduced interest rates two times this year as inflation eased sharply. This has improved sentiments and has paved the way for further investments, supporting the country's economic progress.

Amid global uncertainties, IMF has projected Indian economy to grow at 7-7.75% during FY 2016-17. The Economic Survey 2015-16 has also forecasted that the Indian economy will grow by more than 7% for the third successive year 2016-17 and can start growing at 8% or more in next two years.

## Board's Report (Contd.)

The real estate sector is directly linked to the economic performance. Therefore, it is expected to get the benefits of India's strong economic growth. Factors like urbanisation, rising income level; young population and growing number of nuclear families will drive this growth. Moreover, strong expected growth in the manufacturing and service sector will also contribute to this.

The government agenda of Housing for All by 2022 and 100 smart cities is expected to give a big boost to the real estate sector and consequently, to the housing finance. The size of real estate market is expected to increase five-fold to reach USD 676 billion by 2025. The share of real estate sector in national GDP is projected to touch 13% by 2028. The 'Make in India' Vision of Government of India is expected to further spur the credit growth.

The government policies on affordable housing and affordable housing finance, coupled with favorable macro-economic indicators are expected to be positive indicators for the Company. The policies would primarily benefit the lower and middle-income (LMI) segment groups coupled with the growth of smaller towns and cities. Your Company believes that its rich experience in working with the LMI segment will provide it with a significant competitive advantage. Hence, your Company expects another year of healthy growth in 2016-17.

### ACKNOWLEDGEMENTS

Your Directors wish to place on record their gratitude to the National Housing Bank, Securities and Exchange Board of India, Insurance Regulatory and Development Authority of India, Ministry of Corporate Affairs, Registrar of Companies, Financial Intelligence Unit (India), the Company's Customers, Bankers and other Lenders, Members, Debenture holders, Trustees, Depositors and others for their continued support and faith reposed in the Company. The Board also places on record its deep appreciation for the dedication and commitment of the employees at all levels as their hard work, co-operation and support had enabled the Company to maintain its consistent growth. The Directors would also like to thank the BSE Limited, the National Stock Exchange of India Limited, National Securities Depository Limited, Central Depository Services (India) Limited and the Credit Rating Agencies for their continued co-operation.

For and on behalf of the Board

**Kapil Wadhawan**

Chairman & Managing Director  
(DIN-00028528)

Place : Mumbai

Date : May 4, 2016

# Annexure - 1

to the Board's Report

## 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 statement of Subsidiaries/Associate Companies/Joint Ventures

### PART A: SUBSIDIARIES:

| Sl. No. | Particulars   | Details                                     |
|---------|---|---|
| 1.      | Name of the subsidiary  | DHFL Advisory & Investments Private Limited |
| 2.      | Reporting period for the subsidiary concerned, if different from the holding company's reporting period                     | Not Applicable                              |
| 3.      | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | Not Applicable                              |
| 4.      | Share Capital   |   |
|         | Number of Equity Shares   | 7,50,10,000                                 |
|         | Amount (₹ in lakh )   | 7,501                                       |
| 5.      | Reserves & Surplus (₹ in lakh )   | (89)  |
| 6.      | Total assets (₹ in lakh )   | 7,501                                       |
| 7.      | Total Liabilities (₹ in lakh )  | 89  |
| 8.      | Investments   | -   |
| 9.      | Turnover  | -   |
| 10.     | Profit before taxation  | (89)  |
| 11.     | Provision for taxation  | -   |
| 12.     | Profit after taxation   | (89)  |
| 13.     | Proposed Dividend   | -   |
| 14.     | % of shareholding   | 100%  |

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations - DHFL Advisory & Investments Private Limited details of which are as mentioned above.
- Names of subsidiaries which have been liquidated or sold during the year - NIL
- DHFL Advisory & Investments Private Limited was incorporated on February 12, 2016, as a Wholly Owned Subsidiary of the Company. The Financial Statements of DHFL Advisory & Investments Private Limited for the period ended on March 31, 2016 has been prepared for the purposes of Consolidation, as per the provisions of the Companies Act, 2013. However, as per the provisions of Section 2(41) of the Companies Act, 2013, the first Annual Financial Statements of the subject Wholly Owned Subsidiary shall be prepared for the financial year ended March 31, 2017.



## PART "B": ASSOCIATES AND JOINT VENTURES

| Sl.No. | Particulars  | Name of Associates/Joint Ventures |   |                                    |   |   |   |   |
|--------|--|-----------------------------------|---|------------------------------------|---|---|---|---|
|        |  | Aadhar Housing Finance Limited    | Avanse Financial Services Limited                   | DHFL Vysya Housing Finance Limited | DHFL Ventures Trustee Company Private Limited       | DHFL Pramerica Life Insurance Company Limited       | DHFL Pramerica Asset Managers Private Limited       | DHFL Pramerica Trustees Private Limited             |
| 1.     | Latest audited Balance Sheet Date  | 31-03-2016                        | 31-03-2016  | 31-03-2016                         | 31-03-2016  | 31-03-2016  | 31-03-2016  | 31-03-2016  |
| 2.     | Shares of Subsidiary/ Associate/Joint Ventures held by the company on the year end     |                                   |   |                                    |   |   |   |   |
|        | - Number of Equity Shares  | 1,49,00,000                       | 1,21,97,522   | 10,48,989                          | 22,500  | 18,70,30,931  | 15,61,36,360  | 50,000  |
|        | - Amount of Investment in Subsidiary/ Associates/Joint Venture (₹ in lakh )            | 1,490                             | 4,988   | 314.70                             | 2.25  | 3106.89   | 3,770   | 5   |
|        | - Extend of Holding %  | 14.90                             | 36.78   | 9.47                               | 45  | 50  | 50  | 50  |
| 3.     | Description of how there is significant influence                                      | Influence in decision-making      | Shareholding exceeding 20% of paid-up share capital | Influence in decision-making       | Shareholding exceeding 20% of paid-up share capital | Shareholding exceeding 20% of paid-up share capital | Shareholding exceeding 20% of paid-up share capital | Shareholding exceeding 20% of paid-up share capital |
| 4.     | Reason why the subsidiary/ associate/joint venture is not consolidated                 | Not Applicable <sup>a</sup>       | Not Applicable <sup>a</sup>                         | Not Applicable <sup>a</sup>        | Not Applicable <sup>a</sup>                         | Not Applicable <sup>a</sup>                         | Not Applicable <sup>a</sup>                         | Not Applicable <sup>a</sup>                         |
| 5.     | Networth attributable to Shareholding as per latest audited Balance Sheet (₹ in lakh ) | 1,993                             | 4,952   | 1,390                              | 2   | 39,584  | 3,156   | 4   |
| 6.     | Profit / Loss for the year (₹ in lakh )  | 1,868                             | 268   | 2,672                              | -   | 5,084   | (3,262)   | 6.08  |
| i.     | Considered in Consolidation (₹ in Lakh)  | 278                               | 99  | 138 <sup>b</sup>                   | -   | 2,542   | (961) <sup>c</sup>                                  | 3 <sup>c</sup>                                      |
| ii.    | Not Considered in Consolidation (₹ in Lakh)  | 1,590                             | 169   | 2,535                              | -   | 2,542   | (2,301)   | 3   |

<sup>a</sup> Accounts have been consolidated therefore reporting under this clause i.e. clause 4 is "Not Applicable"

<sup>b</sup> Excluding dividend received from associates;

<sup>c</sup> Since the stake was acquired in the month of August 2015, accordingly post-acquisition profit/loss has been considered in Consolidated Financial Statements.

For **T R CHADHA & Co. LLP**  
Chartered Accountants  
ICAI FRN:06711N/N500028

**Pramod Tilwani**  
Partner  
ICAI MN: 076650

Place: Mumbai  
Date : May 4, 2016

For **RAJENDRA NEETI & ASSOCIATES**  
Chartered Accountants  
ICAI FRN:06543C

**Rajendra K Gupta**  
Partner  
ICAI MN: 070165

**Kapil Wadhawan**  
Chairman & Managing Director  
(DIN - 00028528)

**Santosh R. Sharma**  
Chief Financial Officer  
(FCA - 112258)

**Niti Arya**  
Company Secretary  
(FCS - 5586)

**Dheeraj Wadhawan**  
(DIN - 00096026)

**G. P. Kohli**  
(DIN - 00230388)

**V. K. Chopra**  
(DIN - 02103940)

**M. Venugopalan**  
(DIN - 00255575)

**Vijaya Sampath**  
(DIN - 00641110)

**Rajiv Kumar**  
(DIN-02385076)

**Directors**

## Board's Report

# Annexure - 2

to the Board's Report

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of 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:

| Sl. No. | Requirements  | Disclosure   |
|---------|---|--|
| I       | The ratio of the remuneration of each director to the median remuneration of the employees for the financial year 2015-16.  | <b>Executive Director</b><br>Mr. Kapil Wadhawan -Chairman & Managing Director - 49.89x<br><b>Non-Executive Directors</b><br>Mr. Dheeraj Wadhawan – 3.96x<br>Mr. G.P. Kohli – 4.63x<br>Mr. V.K. Chopra – 3.38x<br>Mr. M. Venugopalan – 3.16x<br>Ms. Vijaya Sampath – 2.50x<br>Dr. Rajiv Kumar – 1.64x   |
| II      | The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary in the financial year.   | <b>Executive Director</b><br>Mr. Kapil Wadhawan -Chairman & Managing Director – 39.88%<br><b>Non-Executive Directors</b><br>Mr. Dheeraj Wadhawan – 66.13%<br>Mr. G.P. Kohli – Independent Director – 55.82%<br>Mr. V.K. Chopra – Independent Director – 55.24%<br>Mr. M. Venugopalan- Independent Director - 51.90%<br>Ms. Vijaya Sampath – 185.10%<br><b>KMPs other than Directors</b><br>Mr. Harshil Mehta – Chief Executive Officer – 39.02%<br>Mr. Santosh Sharma – Chief Financial Officer – 24.42%<br>Mrs. Niti Arya -Company Secretary – 240.44%  |
| III     | The percentage increase in the median remuneration of employees in the financial year.  | 6.67%  |
| IV      | The number of permanent employees on the rolls of the Company.  | 2625   |
| V       | The explanation on the relationship between average increase in remuneration and Company's performance.   | The average increase in remuneration of the employees of the Company was in line with the increase in the profitability of the Company. The Company, <i>inter alia</i> , considers the following factors for deciding upon the increase in the remuneration of the employees:<br>(a) Individual Performance/contribution of the Employee vis-à-vis Company Performance;<br>(b) Industry Benchmarking<br>(c) Balance between fixed and incentive pay reflecting short and long term performance objectives  |
| VI      | Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company.  | For the Financial Year 2015-16, the total remuneration paid to the KMPs were approx 1.02% of the net profit for the year.  |
| VII     | Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer. | The Market Capitalisation of the Company has decreased from ₹ 6,812.57 crore as on March 31, 2015 to ₹ 5,729.45 crore as on March 31, 2016 (as per NSE) and has decreased from ₹ 6,787.08 crore as on March 31, 2015 to ₹ 5,725.08 crore as on March 31, 2016 (as per BSE). Over the same period, the price to earnings ratio moved from 9.79x to 7.85x (as per NSE) and from 9.76x to 7.85x (as per BSE). The Company's stock price as at March 31, 2016 has increased by 878.08% to ₹ 196.35 (in NSE) and by 877.33% to ₹ 196.20 (in BSE) over the last public offering, i.e. rights issues as on the date of allotment i.e. February 8, 2005 at the price of ₹ 40.15 per share. |

| Sl. No.                      | Requirements  | Disclosure  |             |                                |                              |       |                         |       |                         |       |                   |       |
|------------------------------|---|---|-------------|--------------------------------|------------------------------|-------|-------------------------|-------|-------------------------|-------|-------------------|-------|
| VIII                         | Average percentile increase already made in the salaries of the 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. | Not Applicable to the Company, as all the employees are under Managerial cadre.   |             |                                |                              |       |                         |       |                         |       |                   |       |
| IX                           | Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company.   | <div>The comparison of remuneration of each of the Key Managerial personnel against the performance of the Company is as under :</div> <table><tr><th>Particulars</th><th>% of Net Profit for FY 2015-16</th></tr><tr><td>Chairman &amp; Managing Director</td><td>0.33%</td></tr><tr><td>Chief Executive Officer</td><td>0.38%</td></tr><tr><td>Chief Financial Officer</td><td>0.12%</td></tr><tr><td>Company Secretary</td><td>0.19%</td></tr></table>                                   | Particulars | % of Net Profit for FY 2015-16 | Chairman & Managing Director | 0.33% | Chief Executive Officer | 0.38% | Chief Financial Officer | 0.12% | Company Secretary | 0.19% |
| Particulars                  | % of Net Profit for FY 2015-16  |   |             |                                |                              |       |                         |       |                         |       |                   |       |
| Chairman & Managing Director | 0.33%   |   |             |                                |                              |       |                         |       |                         |       |                   |       |
| Chief Executive Officer      | 0.38%   |   |             |                                |                              |       |                         |       |                         |       |                   |       |
| Chief Financial Officer      | 0.12%   |   |             |                                |                              |       |                         |       |                         |       |                   |       |
| Company Secretary            | 0.19%   |   |             |                                |                              |       |                         |       |                         |       |                   |       |
| X                            | The key parameters for any variable component of remuneration availed by the Directors.   | Any variable component of remuneration payable to the Directors, is based on the parameters, as approved by the Board of Directors, on the basis of the recommendation of the Nomination & Remuneration Committee of the Board. The said parameters are set considering the provisions of applicable regulations, Nomination (including Boards' Diversity), Remuneration and Evaluation Policy of the Company and the respective resolution(s) of the Members of the Company, as applicable |             |                                |                              |       |                         |       |                         |       |                   |       |
| XI                           | The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year.  | Mr. Harshil Mehta – Chief Executive Officer of the Company received remuneration payout in excess of the highest paid Director i.e. Mr. Kapil Wadhawan – Chairman & Managing Director. The ratio of remuneration of the highest paid director i.e. Mr. Kapil Wadhawan – Chairman & Managing Director to that of Mr. Harshil Mehta – Chief Executive Officer is 0.86x  |             |                                |                              |       |                         |       |                         |       |                   |       |
| XII                          | 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 Boards' Diversity), Remuneration and Evaluation Policy of the Company.  |             |                                |                              |       |                         |       |                         |       |                   |       |

Note: -

1. Dr. Rajiv Kumar was appointed as an Additional Director by the Board of Directors of the Company in the Current Financial Year w.e.f. August 7, 2015. Thus, his ratio of remuneration to median remuneration is proportionately lower and percentile increase in his remuneration in Current Financial Year cannot be calculated.
2. Ms Vijaya Sampath was appointed as an Additional Director w.e.f. August 26, 2014, during the Financial Year 2014-15. Thus, her percentile increase in remuneration in the current Financial Year is proportionately higher.
3. Since Mr. Harshil Mehta was appointed, as a Chief Executive Officer of the Company by the Board of Directors w.e.f. January 17, 2015 i.e. during Financial Year 2014-15, thus, his remuneration for the previous financial year has been annualized to arrive at the percentile increase in remuneration in Current Financial Year.
4. Since the remuneration of the Company Secretary for the current financial year includes the value of perquisites and the value of stock options exercised during the year, the percentile increase in the remuneration appears to be significantly higher.

## Board's Report

# Annexure - 3

## to the Board's Report

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

### I. THE DETAILS / SUMMARY OF EXISTING ESOP SCHEMES AS ON MARCH 31, 2016

#### A. The description of the existing ESOP scheme's are summarized as under:

| Sl. No. | Particulars                                       | ESOP Scheme 2008  | ESOP Scheme 2009 (PLAN II)   | ESOP Scheme 2009 (PLAN III)   |
|---------|---|---|--|---|
| 1       | Date of Shareholder's Approval                    | July 23, 2007   | July 23, 2007  | July 23, 2007   |
| 2       | Total Number of Options approved                  | Upto five percent of the aggregate number of issued equity shares of the Company  | Upto five percent of the aggregate number of issued equity shares of the Company   | Upto five percent of the aggregate number of issued equity shares of the Company  |
| 3       | Vesting requirement                               | Options Granted under ESOS 2008 would Vest not less than one year and not more than five years from the date of Grant of such Options, in the ratio of 20:20:20:40.   | Options Granted under ESOS 2009 Plan -II would Vest not less than one year and not more than four years from the date of grant of such Options, in the ratio 30:30:40.   | Options Granted under ESOS 2009 (Plan III) would Vest not less than 18 months and not more than four years from the date of grant of such Options, in the ratio 30:30:40.   |
| 4       | Exercise Price or Pricing Formula                 | The exercise price was decided by the Nomination & Remuneration Committee (earlier known as Remuneration and Compensation Committee) to be the closing market price of the equity shares preceding the date of grant of options on the Stock Exchange on which the shares of the Company are listed. The grant price has been re-priced as on March 31, 2009 with the approval of the Members of the Company and the exercise price was ₹ 53.65 per option. Consequent to the Bonus issue effect, the exercise price is ₹ 26.83 per option. | The exercise price was decided by Nomination & Remuneration Committee (earlier known as Remuneration and Compensation Committee) as ₹ 141/- per option. Consequent to the Bonus issue effect, the exercise price is ₹70.50 per option. | The exercise price was decided by Nomination & Remuneration Committee (earlier known as Remuneration and Compensation Committee) as ₹ 141/- per option. Consequent to the Bonus issue effect, the exercise price is ₹ 70.50 per option. |
| 5       | Maximum term of Options granted (Exercise period) | Expire at the end of five years from the date of vesting.   | Expire at the end of three years from the date of vesting.   | Expire at the end of three years from the date of vesting.  |
| 6       | Source of shares                                  | Primary issuance  | Primary issuance   | Primary issuance  |
| 7       | Variation in terms of ESOP                        | N.A.  | N.A.   | N.A.  |

The movement of options during the year are as follows:

| Sl. No. | Particulars   | ESOP Scheme 2008 | ESOP Scheme 2009 (PLAN II) | ESOP Scheme 2009 (PLAN III) |
|---------|---|------------------|----------------------------|-----------------------------|
| 1       | Number of options outstanding at the beginning of the year  | 44,584           | 1,11,300                   | 1,48,110                    |
| 2       | Number of options granted during the year                   | Nil              | Nil                        | 2,00,000                    |
| 3       | Number of options issued due to Bonus during the year       | 27,204           | 40,127                     | 27,000                      |
| 4       | Number of options forfeited / lapsed during the year        | 18,180           | 76,869                     | 3,000                       |
| 5       | Number of options Vested during the year                    | -                | -                          | -                           |
| 6       | Number of options Exercised during the year                 | 18,048           | 74,558                     | 1,72,110                    |
| 7       | Number of shares arising as a result of exercise of options | 18,048           | 74,558                     | 1,72,110                    |
| 8       | Money realized by exercise of options (₹ In Lakh)           | 4.84             | 96.05                      | 38.07                       |
| 9       | Loan Repaid to Trust  | NA               | NA                         | NA                          |
| 10      | Number of options outstanding at the end of the year        | 35,560           | -                          | 2,00,000                    |
| 11      | Number of options exercisable at the end of the year        | 35,560           | -                          | -                           |

## B. Employee-wise details of Options granted to:

### (i) Key Managerial Personnel

| Name of Employee   | Designation   | No. of Options granted during the year | Exercise Price (₹) |
|--------------------|---|--|--------------------|
| Mr. Santosh Sharma | Sr. Vice President- Finance & Chief Financial Officer | 50,000                                 | 70.50              |

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

| Name of Employee   | Designation   | No. of Options granted during the year | Exercise Price (₹) |
|--------------------|---|--|--------------------|
| Mr. Jayesh Khona   | Senior Vice President – Special Projects              | 1,50,000                               | 70.50              |
| Mr. Santosh Sharma | Sr. Vice President- Finance & Chief Financial Officer | 50,000                                 | 70.50              |

Note : 2,00,000 options were granted during the year.

### (iii) Identified employees who were granted Options, 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 of Employee | Designation | No. of Options granted during the year | Exercise Price (₹) |
|------------------|-------------|--|--------------------|
| NIL              | NIL         | NIL                                    | NIL                |

### C. Diluted Earnings Per Share pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 ₹ 23.10

### D. Method used for Accounting of ESOP's Intrinsic Value Method

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

|   | ₹           | ₹                |
|---|-------------|------------------|
| Profit as reported                      |             | 7,29,20,48,227/- |
| Add - Intrinsic Value Cost              | 19,68,627   |                  |
| Less - Fair Value Cost                  | 33,15,981   |                  |
| Profit as adjusted                      | (13,47,354) |                  |
| Earning per share (Basic) as reported   |             | 25.00            |
| Earning per share (Basic) adjusted      |             | 25.00            |
| Earning per share (Diluted) as reported |             | 23.10            |
| Earning per share (Diluted) adjusted    |             | 23.10            |



## Board's Report

**E. Weighted average exercise price of ESOPs' whose**

|  |   |    |
|--|---|----|
| (a)  | Exercise price equals market price          | NA |
| (b)  | Exercise price is greater than market price | NA |
| (c)  | Exercise price is less than market price    | NA |
| <b>Weighted average fair value of ESOPs' whose</b> |   |    |
| (a)  | Exercise price equals market price          | NA |
| (b)  | Exercise price is greater than market price | NA |
| (c)  | Exercise price is less than market price    | NA |

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

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:

| Sl No. | Date of grant   |   |
|--------|---|---|
| 1.     | Risk Free Interest Rate   |   |
| 2.     | Expected Life   | The Company reissued 2,00,000 stock options, during the year. No fresh Options were granted during the year |
| 3.     | Expected Volatility   |   |
| 4.     | Dividend Yield  |   |
| 5.     | Price of the underlying share in market at the time of the option grant (₹) |   |

**II. THE DETAILS / SUMMARY OF EXISTING ESAR SCHEMES OF THE COMPANY AS ON MARCH 31, 2016****A. The description of the existing ESAR scheme is summarized as under:**

| Sl No. | Particulars                                     | ESAR Scheme 2015  |
|--------|---|---|
| 1.     | Date of Shareholder's Approval                  | 23.02.2015  |
| 2.     | Total Number of ESARs approved                  | The Members of the Company has approved 5,146,023 ESARs. During the year, the Company has issued Bonus Equity Shares in the ratio of 1:1. Consequent to the Bonus issue total number has increased to 10,292,046 ESARs.   |
| 3.     | Vesting requirement                             | ESARs granted under DHFL ESAR 2015 would Vest after One (1) year but not later than Seven(7) Years from the date of grant of such ESARs in the ratio 20: 20: 20.:20:20  |
| 4.     | ESAR Price or Pricing Formula                   | ESAR'S price: ₹ 380/- (Rupees Three Hundred and Eighty Only) per ESAR's, 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 by the Nomination & Remuneration Committee. Consequent to the Bonus issue effect, the exercise price is ₹190/- per ESAR |
| 5.     | Maximum term of ESARs granted (exercise period) | 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  |
| 7.     | Choice of Settlement                            | Settlement is compulsory in the Equity Shares of the Company  |
| 8.     | Source of shares                                | Primary issuance  |
| 9.     | Variation in terms of ESAR                      | N.A.  |
| 10.    | ESAR's Granted                                  | The Nomination & Remuneration Committee granted 15, 50,100 ESARs during the previous financial year i.e.2014-15.  |

The movement of ESARs during the year are as follows:

| Sl No. | Particulars   | ESAR Scheme 2015 |
|--------|---|------------------|
| 1.     | Number of ESARs outstanding at the beginning of the year          | 15,50,100        |
| 2.     | Number of ESARs granted during the year                           | -                |
| 3.     | Number of ESARs issued due to Bonus during the year               | 14,55,200        |
| 4.     | Number of forfeited / lapsed ESARs during the year @              | 1,83,300         |
| 5.     | Number of ESARs vested during the year                            | 28,22,000        |
| 6.     | Number of ESARs exercised / settled during the year               | -                |
| 7.     | Total number of shares arising as a result of exercise of options | -                |
| 8.     | Money realized by exercise of options (₹ In Lakh)                 | -                |
| 9.     | Number of ESARs outstanding at the end of the year                | 28,22,000        |
| 10.    | Number of ESARs exercisable at the end of the year                | 28,22,000        |

@ 94,900 ESARs lapsed before issue of Bonus Equity Shares and 88,400 ESARs lapsed post bonus Issue.

## B. Employee-wise details of ESAR's granted to:

### (i) Key Managerial Personnel

No ESAR's granted during the year

### (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 | No. of ESAR's granted |
|------|-----------------------|
| NIL  | NIL                   |

### (iii) Identified employees who were granted ESAR's, 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 | No. of ESAR's granted |
|------|-----------------------|
| NIL  | NIL                   |

C. Diluted Earnings Per Share pursuant to issue of shares on exercise of options/ESARs calculated in accordance with Accounting Standard (AS) 20 ₹ 23.10

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

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

|   | ₹           | ₹                |
|---|-------------|------------------|
| Profit as reported                      |             | 7,29,20,48,227/- |
| Add - Intrinsic Value Cost              | 19,68,627   |                  |
| Less - Fair Value Cost                  | 33,15,981   |                  |
| Profit as adjusted                      | (13,47,354) |                  |
| Earning per share (Basic) as reported   |             | 25.00            |
| Earning per share (Basic) adjusted      |             | 25.00            |
| Earning per share (Diluted) as reported |             | 23.10            |
| Earning per share (Diluted) adjusted    |             | 23.10            |

## Board's Report

**E. Weighted average exercise price of ESARs whose**

|     |   |                                  |
|-----|---|----------------------------------|
| (a) | Exercise price equals market price          | No ESARs granted during the year |
| (b) | Exercise price is greater than market price |                                  |
| (c) | Exercise price is less than market price    |                                  |

**Weighted average fair value of ESARs whose**

|     |   |                                  |
|-----|---|----------------------------------|
| (a) | Exercise price equals market price          | No ESARs granted during the year |
| (b) | Exercise price is greater than market price |                                  |
| (c) | Exercise price is less than market price    |                                  |

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

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:

| Sl No. | Date of grant   |                                  |
|--------|---|----------------------------------|
| 1.     | Risk Free Interest Rate   | No ESARs granted during the year |
| 2.     | Expected Life   |                                  |
| 3.     | Expected Volatility   |                                  |
| 4.     | Dividend Yield  |                                  |
| 5.     | Price of the underlying share in market at the time of the option grant (₹) |                                  |

# Annexure - 4

to the Board's Report

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR FINANCIAL YEAR 2015-16

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

The Company believes in engaging and giving back to the community in a good way and in line with its commitment to philanthropy. It intends to undertake the CSR activities strategically, systematically and more thoughtfully and to move from institutional building to community development through its various CSR programs and projects.

The Corporate Social Responsibility Policy of the Company encompasses the Company's philosophy for delineating its responsibility as a Corporate citizen and lays down the guidelines and mechanism for undertaking socially useful programmes for welfare & sustainable development of the community at large.

The Corporate Social Responsibility Policy of the Company aims to ensure that the Company as a socially responsible corporate entity contributes to the society at large.

DHFL in accordance with this policy and its business motto of 'Changing Rules, Changing Lives' is extending its philosophy to social commitments by implementing programs that promote education and create livelihood opportunities among marginalized communities to change their lives. Financial Literacy will be integral to all the programs and will be included appropriately as a part of implementation of each program. In alignment with this, the CSR Committee of the Board approved four (4) core areas for identification of projects amongst other programmes like environment protection, extension of medical facilities, health awareness etc, as detailed hereunder:

#### i. Early childhood care and education (ECCE)

ECCE covers programs for kids from prenatal to six years of age, which caters to their needs in

all domains of development i.e. physical, motor, language, cognitive, socio-emotional, creative and aesthetic appreciation; and ensures synergy with health and nutrition.

The Company has initiated the implementation of this program in partnership with the Department of Women and Child Development, Government of Maharashtra through adoption of Anganwadis in Maharashtra. The Company would adopt 990 Anganwadis - in Vasai (389) & Palghar taluka (601), which would benefit 5,000 Girls, 25,000 women and 30,000 children.

The ECCE program has the below three components:

- Build the capacity of Child Development Project Officers (CDPO), Supervisors, Anganwadi Workers and Sevikas to deliver pre-school education
- Supplement government's nutritional efforts basis gap analysis and cater to the health care requirements of children, pregnant mothers, lactating mothers in the community
- Undertake repairs and renovation of Anganwadis, provision of safe drinking water facility, toilets, etc. 25 new Anganwadis will be constructed to demonstrate 'Modern Anganwadis'.

#### ii. Teachers Training

The Company believes that the teachers' classroom practice and overall school-level factors makes a significant difference to students' academic and social/ behavioral progress. This program aims to equip pre-service teachers with knowledge, attitude, behavior and skills which would enable them to perform their tasks effectively in the classroom, school and wider community.

The program shall be implemented in partnership with the Department of School and Sports Education, Government of Maharashtra

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to transform a District Institute of Education and Training (DIET) centre.

This program has the below key components:

- Train faculty of DIET centre to strengthen their theoretical and philosophical knowledge, develop methods for effective curriculum transactions using graded self-learning material
- Facilitate a well-equipped teaching learning centre with material, books and multimedia packages for teachers, access to technology for students and appropriate environment for practice sessions.

The Company shall extend support to Teachers Training in Osmanabad District through teachers' training schools of Government covering 10 schools, 13 colleges to benefit 500 students in next 12 months.

### iii. Vocational training

The vocational skills training program aims to prepare people for specific trades, crafts and careers at various levels. It will directly develop expertise in techniques relating to specific job function. This program aims to create an ecosystem of empowerment by way of providing adequate skills with high standards and to promote a culture of innovation-based entrepreneurship which could generate wealth and employment so as to ensure sustainable livelihoods for all citizens. The youth to be trained in skills which would provide them employment in BFSI/ Construction sector amongst others.

This programs aims to train youth in the following traits:

- Business Correspondent – 500
- Loan Approval Officer – 500
- Mason – 250
- Carpenter – 250
- Electrician – 250
- Plumber – 250.

Additionally, the youth would undergo a minimum training of 270 months over a period of three years and undergo one month of On-Job-

Training (OJT). The program would also ensure a minimum of 70% placement of the trained youth.

Chandrapur and Kolhapur Districts in Maharashtra was identified as ideal location to train youth in skills development with adequate employment opportunities.

### iv. Drought mitigation

This program aims to address the short term and long term measures to mitigate the cause and effects of drought, respectively. The Maharashtra Government had declared 14,708 villages as drought affected region in financial year 2015-16. The Company identified two organizations namely, Dilasa and WoTR for implementing the said program.

This program was a holistic intervention towards alleviating poverty and implementing a comprehensive rural development program. The program had the following key areas:

- Soil and Water Conservation
- Livestock Management
- Sustainable agriculture practices
- Sustainable community groups – Self Help Groups, Farmer Producing Organizations etc.
- Health and Sanitation in community.

The Company has appointed a professional Project Management Unit named Samhita Social Ventures Ltd to undertake program identification and evaluation, identification and diligence of implementation partners and enabling online monitoring tools to track progress of each program at defined stages.

The CSR Policy of the Company has been outlined and uploaded on the Company's website and can be accessed at URL- <http://www.dhfl.com/about-us/corporate-social-responsibility/csr-policy/>



## 2. Composition of CSR committee of the Board of Directors

### i) The CSR committee of Board comprises of the following Directors:

|                      |   |
|----------------------|---|
| Mr. G.P. Kohli -     | Chairman<br>(Independent Director)          |
| Mr. V. K. Chopra -   | Member<br>(Independent Director)            |
| Mr. Kapil Wadhawan - | Member<br>(Chairman &<br>Managing Director) |

The CSR committee has also constituted a CSR Management Committee which works under the guidance of the CSR Committee of the Board in implementing approved programs. The Chairman & Managing Director oversees the working of this Management Committee.

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

| Financial Year (FY) | Net Profits (₹ Crore)<br>(As per Section 135 of the<br>Companies Act, 2013) |
|---------------------|---|
| FY 2013             | 599.30  |
| FY 2014             | 736.26  |
| FY 2015             | 943.62  |

The average net profit of the Company for the past 3 years was ₹ 759.73 crore.

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

The prescribed CSR expenditure at 2% of the amount is ₹ 15.19 crore. However, the amount unspent towards CSR programs/projects for the previous financial year i.e. 2014-15 was ₹ 11.13 crore.

## 5. Details of CSR spent during the financial year.

- Total amount to be spent for the financial year was ₹ 15.19 crore. The Company has spent ₹ 7.03 crore during the financial year 2015-16.
- Amount unspent : ₹ 8.16 crore (Out of the current year's CSR expenditure).
- Manner in which the amount spent during the financial year is detailed hereunder:

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| Sl. No | CSR project or activity identified alongwith the details therein   | Sector in which the Project is covered | Projects or Programs |   | Amount outlay (budget) project or programs wise | Amount spent on the projects or programs | Cumulative expenditure upto the reporting period. | Amount spent: Direct or through implementing agency |
|--------|--|--|----------------------|---|---|--|---|---|
|        |  |  | Local Area or Others | Specify the State and District where projects or programs were undertaken |   |  |   |   |
| 1      | <p><b>Supporting Early Childhood Care and Education (ECCE) through Anganwadis</b></p> <p>ECCE refers to programs for kids from prenatal to six years of age, which cater to their needs in all domains of development i.e. physical, mental, language, cognitive, socio- emotional, and creative and aesthetic appreciation; and ensure synergy with health and nutrition.</p> <p>Under this program, the Company has adopted 990 Anganwadis in Vasai (389) and Palghar taluka (601) and aims to benefit 5,000 Girls, 25,000 women and 30,000 children. The Company has signed a Memorandum of Understanding (MOU) with the state government and with Grammangal, a reputed NGO for commencing training for capacity building of Child Development project officers, supervisors and Anganwadi sevikas.</p>                                    | Early Childhood Care and Education     | Local Area           | Maharashtra (Vasai and Palghar Thane District)                            | ₹ 600.00 lakh over 12 months                    | ₹ 85.65 lakh                             | ₹ 85.65 lakh                                      | Direct  |
| 2      | <p><b>Vocational Training</b></p> <p>The program aims to create an ecosystem of empowerment by way of providing adequate skills and to promote a culture of innovation-based entrepreneurship which can generate wealth and employment so as to ensure sustainable livelihoods for all citizens.</p> <p>Under this program, the Company aims to train youth in the different traits namely - Business Correspondent and Loan Approval (500 each), Officer, Mason, Carpenter, Electrician and Plumber (250 each). Youth will further undergo a minimum training of 270 months over a period of three years and will undergo one month of On the Job Training (OJT). This program ensures a minimum of 70% placement of the trained youth. The Company has signed a MOU with SEED (Society for Education, Welfare and Economic Development).</p> | Vocational Training                    | Local Area           | Kolhapur and Chandrapur District in Maharashtra                           | ₹ 305.00 lakh over 12 months                    | ₹ 82.49 lakh                             | ₹ 82.49 lakh                                      | Direct  |

| Sl. No | CSR project or activity identified alongwith the details therein  | Sector in which the Project is covered | Projects or Programs |   | Amount outlay (budget) project or programs wise | Amount spent on the projects or programs | Cumulative expenditure upto the reporting period. | Amount spent: Direct or through implementing agency |
|--------|---|--|----------------------|---|---|--|---|---|
|        |   |  | Local Area or Others | Specify the State and District where projects or programs were undertaken |   |  |   |   |
| 3      | <p><b>Drought Mitigation (Non-Government Organization)</b></p> <p>This program is a holistic intervention towards alleviating poverty and implementing a comprehensive rural development program, covering</p> <ul style="list-style-type: none"> <li>■ Soil and Water Conservation</li> <li>■ Livestock Management</li> <li>■ Sustainable agriculture practices</li> <li>■ Sustainable community groups – Self Help Groups, Farmer Producing Organizations etc.</li> <li>■ Health and Sanitation in community</li> </ul> <p>This program is launched in Dilasa Block in Aurangabad covering 5 villages. The Company has signed a MOU with Dilasa Janavikas Pratishthan a leading organization in water Conservancy and Draught mitigation program.</p> | Drought Mitigation                     | Local Area           | Dilasa Block - Aurangabad in Maharashtra                                  | ₹ 766.00 lakh over 3 years                      | ₹ 127.68 lakh                            | ₹ 127.68 lakh                                     | Direct  |
| 4      | <p><b>Teachers Training for pre service teachers</b></p> <p>The program aims to equip pre service teachers with knowledge, attitude, behavior and skills which will enable them to perform their tasks effectively in the classroom, school and wider community.</p> <p>This program will be implemented in partnership with the Department of School and Sports Education, Government of Maharashtra to transform a District Institute of Education and Training (DIET) centre. Teachers Training shall be initiated in Osmanabad District through teachers' training schools of Government covering 10 schools, 13 colleges to benefit 500 pre service teachers in next 12 months</p>   | Teachers Training                      | Local Area           | Osmanabad district in Maharashtra   | ₹ 200.00 lakh over 12 months starting June 2016 | ---                                      | ---   | Direct  |

## Board's Report

| Sl. No | CSR project or activity identified alongwith the details therein   | Sector in which the Project is covered                 | Projects or Programs |   | Amount outlay (budget) project or programs wise | Amount spent on the projects or programs | Cumulative expenditure upto the reporting period. | Amount spent: Direct or through implementing agency |
|--------|--|--|----------------------|---|---|--|---|---|
|        |  |  | Local Area or Others | Specify the State and District where projects or programs were undertaken |   |  |   |   |
| 5      | <b>Aim For Seva sponsorship of students under free students home Program in Andhra Pradesh and Tamil Nadu units</b><br>This programs aims to implement the concept of Students Home, a free home facility in the vicinity of an existing school. Free students' home, free shelter, food, clothing and access to school and additionally to provide a value education, life skills, IT skills and extracurricular activities.<br>The said program has been implemented and the Company has taken up the responsibility of two free students center at Nandayal in the State of Andhra Pradesh having 54 students and Anaikatti in Coimbatore in the State of Tamil Nadu having 50 students, totaling to 104 students starting 2015-16.   | Free Students Home Program                             | Others               | Nandayal in Andhra Pradesh and Anaikatti-Coimbatore in Tamil Nadu         | ₹ 62.40 lakh over 2 years                       | ₹ 31.20 lakh                             | ₹ 31.20 lakh                                      | Aim for Seva Society                                |
| 6      | <b>Akshaya Patra Foundation Assam unit</b><br>The mission of this program is to ensure that every child attends school and is provided with tasty, nutritious, wholesome mid-day meal. The Company intends to support and cover 20,000 students across 266 schools in Guwahati - Assam.  | Early childhood care and education                     | Others               | Guwahati (Assam)  | ₹ 300.00 lakh over 2 years                      | ₹ 150.00 lakh                            | ₹ 150.00 lakh                                     | Akshaya Patra foundation                            |
| 7      | <b>Yusuf Meherally Centre (YMC)</b><br>This program seeks to enable quality education among Tribal Children through improved infrastructure and funding operating expenses for teaching and support staff to sustain the program.<br>YMC since 1961 is engaged in education, health care, empowering women and Adivasis, organizing youth, environmental protection, re-employment generation, popularizing the values of freedom movement and relief activities across eight different states.<br>The Company has initiated to extend support for renovation of the infrastructure of tribal girls hostel and recruiting manpower for a junior college in Tara village, Raigad District. This program will benefit 3 schools, 9 non - teaching staff, 11 teachers and 800 children. | Early childhood care and education & teachers training | Local Area           | Tara village, Raigad District. (Maharashtra)                              | ₹ 33.00 lakh                                    | ₹ 18.39 lakh                             | ₹ 18.39 lakh                                      | Yusuf Meherally Center                              |

| Sl. No | CSR project or activity identified alongwith the details therein  | Sector in which the Project is covered | Projects or Programs |   | Amount outlay (budget) project or programs wise   | Amount spent on the projects or programs | Cumulative expenditure upto the reporting period. | Amount spent: Direct or through implementing agency |
|--------|---|--|----------------------|---|---|--|---|---|
|        |   |  | Local Area or Others | Specify the State and District where projects or programs were undertaken |   |  |   |   |
| 8      | <b>Connect Ed Enabling digital teaching aids to Govt. run rural schools</b><br>Smart Classroom' solution which makes use of portable projectors and surround-sound systems to introduce impactful audio-visual content into rural classrooms thereby enriching the learning experience in rural classrooms.<br><br>The Company seeks to support 60 class rooms of 6 class each in 10 schools at Palghar Takuka in Maharashtra. The CSR expenditure is utilized for audio visual equipments for each class and content development of Board approved syllabus. Hard ware has been installed and the trial run has commenced. | Early childhood care and education     | Local Area           | Palghar district, Maharashtra.  | ₹ 42.65 lakh over 2 years                         | ₹ 39.14 lakh                             | ₹ 39.14 lakh                                      | Direct  |
| 9      | <b>Dr. Mane's Medical Foundation And Research Center</b><br>Dr. Mane's Medical Foundation And Research Center provides ambulance support for conducting Rural Medical Camps.<br><br>The Company has financed a multi utility mini bus as a facility to carry out free cancer detection camps in rural areas and emergency relief operations with the required support equipments.   | Medical Facilities                     | Local Area           | Rahuri, Ahmednagar District, Maharashtra.                                 | ₹ 14.50 lakh                                      | ₹ 14.50 lakh                             | ₹ 14.50 lakh                                      | Dr Mane Foundation                                  |
| 10     | <b>Saraswati Shishu Mandir Shiksha Samiti, Meerut</b><br>Renowned educational institution predominantly supporting students from weaker section.<br><br>The programs aims at setting up of a computer lab facility in the school and implementation of the same has already commenced.  | Early childhood care and education     | Others               | Meerut, Uttar Pradesh   | ₹ 6.20 lakh                                       | ₹ 6.20 lakh                              | ₹ 6.20 lakh                                       | SSMS Samiti meerut                                  |
| 11     | <b>Gramin Adivasi Vidhyalaya, Mira Road, Dist. Thane</b><br>Gramin Adivasi Vidhyalaya is a tribal school at the outskirts of Mumbai established in 1947 and caters to Tribal and poor children. This school caters to primary and secondary education and is operated with Municipal support through grant for salaries.<br><br>The programs aim to renovate one school block with proper ventilation and other amenities. The work of renovation has commenced in April, 2016.   | Early childhood care and education     | Local Area           | Mira Road, Thane District, Maharashtra.                                   | ₹ 10.00 lakh<br>(₹ 5 lakh released in April 2016) | --                                       | --  | Bharat Vikas Parishad                               |



## Board's Report

| Sl. No | CSR project or activity identified alongwith the details therein   | Sector in which the Project is covered | Projects or Programs |   | Amount outlay (budget) project or programs wise                                   | Amount spent on the projects or programs | Cumulative expenditure upto the reporting period. | Amount spent: Direct or through implementing agency |
|--------|--|--|----------------------|---|---|--|---|---|
|        |  |  | Local Area or Others | Specify the State and District where projects or programs were undertaken |   |  |   |   |
| 12     | <b>WLCC (World Center for Creative Learning) Foundation.</b><br>WLCC is an institution which has pioneered the establishment of arts-based therapy in India by developing the model, researching it and training others to practice and research it in diverse field settings (from Community work to Hospitals). It is also very effective in engaging people with physical and mental disorders<br><br>Under this program the Company extended its support in training 30 practitioners in 2015-16 who will practice the ABT across the country in community work at jails, hospitals and schools for differentially able. | Training in Arts-based therapy         | Local Area / Others  | Across the country  | ₹ 4.00 lakh   | ₹ 4.00 lakh                              | ₹ 4.00 lakh                                       | Direct  |
| 13     | <b>Save The Children</b><br>Save The Children is a renowned multi disciplinary society engaged in social cause and disaster management<br><br>The Company engaged itself in Chennai Flood relief program for distribution of relief kit.   | Early childhood care and education     | Others               | Chennai   | ₹ 10.00 lakh  | ₹ 10.00 lakh                             | ₹ 10.00 lakh                                      | Save The Children Foundation                        |
| 14     | <b>Padmashali Shikshan Sanstha</b><br>Padmashali Shikshan Sanstha is a reputed school in Solapur catering to the weaker section students. Scholarship to meritorious students needing financial support to continue education.<br><br>This is a continuing program over last 4 years. A scholarship was awarded to 147 students for academic year ended April 2016. This is the 4th year in succession and over 75% of scholarship is going to students who receive the support each year based on their performance and progress.   | Early childhood care and education     | Local Area           | Solapur, Maharashtra  | ₹ 17.28 lakh for 2014-15 & 2015-16 both released in the last FY ending March 2016 | ₹ 17.28 lakh                             | ₹ 17.28 lakh                                      | Direct  |
| 15     | <b>BRISC CARR</b><br>Soft skill learning tools for empowering the poor people.<br><br>Training in soft skills through specialized digital content. 100 beneficiaries are covered every month through accredited NGOs in south and north India. This program carries a commitment to fund 2400 beneficiaries over 24 months. 1900 have been covered so far.   | Vocational Training                    | Local Area/ Others   | South/North India   | ₹ 50.00 lakh over 2 years   | ₹ 24.75 lakh                             | ₹ 43.81 lakh                                      | Direct  |

| Sl. No  | CSR project or activity identified alongwith the details therein  | Sector in which the Project is covered        | Projects or Programs |   | Amount outlay (budget) project or programs wise over 2 year                                  | Amount spent on the projects or programs | Cumulative expenditure upto the reporting period. | Amount spent: Direct or through implementing agency |
|---|---|---|----------------------|---|--|--|---|---|
|   |   |   | Local Area or Others | Specify the State and District where projects or programs were undertaken |  |  |   |   |
| 16  | <b>Green environment</b><br>Promoting a Green environment by maintaining a public garden.<br><br>This is the second year of support by the Company to maintain a garden for public with the support of Cuffe Parade Residents Association at Cuffe Parade, Mumbai.  | Environment Protection                        | Local Area           | Cuffe Parade Mumbai, Maharashtra  | ₹ 24 lakh  | ₹ 12.30 lakh                             | ₹ 18.30 lakh                                      | Cuffe Parade Residences Association                 |
| 17  | <b>Health awareness campaigns</b><br>1. Narsee Monjee Institute of Management Studies (NMIMS), Mumbai<br>2. Prasana trust, Bangalore<br>3. Sanjivani Life beyond Cancer, Chennai<br>The Company has undertaken the following campaign at respective places<br>1. Health & Environment awareness campaign<br>2. Blood and health camps for poor<br>3. Cancer camps for poor  | Health Awareness Programmes                   | Local Area/ Others   | Mumbai in Maharashtra, Bangalore in Karnataka and Chennai in Tamil Nadu.  | ₹ 3 lakh<br>(₹ 1 lakh per campaign)  | ₹ 3 lakh<br>(₹ 1 lakh per campaign)      | ₹ 3.00 lakh                                       | Through recognized societies/ NGOs                  |
| 18  | <b>Financial Literacy Campaign</b><br>Financial Literacy Campaigns create awareness among poor people and beneficiaries covered under our other CSR programs on Savings , Security and loan benefits to improve their living standards and protect their interest .<br><br>This campaign is conducted through street plays known as “Nukkad Natak” in small towns, workers settlements and low income colonies. It is based on two animation character Sharmaji-Vinodji created for digital platform, who engage in a Q&A conversation to resolve some of the common apprehensions of poor people in finance and loan related areas.<br><br>The Company will also use its digital version in skills development and teachers training programs. | Awareness among poor people and beneficiaries | Local Area/ Others   | Across the country  | ₹ 50.00 lakh   | ₹ 40.70 lakh                             | ₹ 40.70 lakh                                      | Direct  |
| <b>CSR Management Expenses</b><br>In terms of Board approvals we appointed M/s. Samhita as Project Management Unit for our CSR projects which include Project evaluation, partners identification and monitoring. |   |   |                      |   | ₹ 37.00 lakh estimated   | ₹ 35.33 lakh                             | ₹ 35.33 lakh                                      | Samhita Social ventures Project Management unit     |
| TOTAL SPENT AND COMMITMENTS AS AT THE END OF MARCH 2016   |   |   |                      |   | ₹ 2,535.03 lakh<br>(Including ₹ 702.62 lakh spent and balance committed is ₹ 1,832.41 lakh ) | ₹ 702.62 lakh                            | ₹ 727.67 lakh                                     |   |

**Board's Report****6. The reasons for not spending the amount and proposed initiatives**

It may be observed from various initiatives taken up by the Company under the 4 flag ship programs are activities spread over the next 12 to 36 months of which 2015-16 is the first year of implementation. Each of the programs are aimed at sustainable capacity building over the project period. Specific budget have been drawn with details of investment required for each stage in the program implementation. This will absorb the amount as per the required CSR spent and also provide a replication model for incremental expenditure accruing from year to year.

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

The CSR Committee confirms that the CSR Policy as approved by the Board has been duly implemented and that the CSR Committee monitors the implementation of various projects and activities and the same is in compliance with the CSR Objectives and policy of the Company.

**G. P. Kohli**

DIN - 002303888

Chairman of CSR Committee

**Kapil Wadhawan**

DIN - 00028528

Member of CSR Committee

**V. K. Chopra**

DIN - 02103940

Member of CSR Committee

Date : May 4, 2016

Place : Mumbai

# Annexure - 5

## to the Board's Report

To,  
The Members,  
DEWAN HOUSING FINANCE CORPORATION LIMITED  
Mumbai.

Our 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.
2. We have followed the audit practices and 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. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. 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 JAYSHREE DAGLI & ASSOCIATES**  
COMPANY SECRETARIES

Date : May 4, 2016  
Place : Mumbai

**JAYSHREE S. JOSHI**  
F.C.S.1451 C.P.487

### FORM NO. MR-3

## SECRETARIAL AUDIT REPORT

For the Financial Year Ended March 31, 2016  
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies  
(Appointment and Remuneration 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 (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts /statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information 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 covering the financial year ended on March 31, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

## Board's Report

- (A) We have examined the books, papers, minutes books, forms and returns filed and other records maintained by **DEWAN HOUSING FINANCE CORPORATION LIMITED** ("the Company") for the financial year ended on March 31, 2016 according to the provisions of:
1. The Companies Act, 2013 (the Act) & the Rules made there under and The Companies Act, 1956 to the extent applicable;
  2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
  3. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
  4. Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of External Commercial Borrowings, RBI Master Circulars No. RBI/2014-15/100 and RBI/2015-16/56 dated July 1, 2015, respectively; AND Operational Guidelines issued by FIMMDA (Fixed Income Money Market and Derivatives Association of India) effective from June 30, 2001 (as amended from time to time) w.r.t. Issue of commercial papers;
  5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
    - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits), Regulations, 2014;
    - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
    - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, regarding the Companies Act and dealing with client; and
    - (g) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  6. The Housing Finance Companies (NHB) Directions, 2010.
- (B) We have also examined compliance with the applicable clauses of the following:
1. Secretarial Standards (SS - 1 & SS - 2) issued by the Institute of Company Secretaries of India approved by the Central Government, effective from July 1, 2015.
  2. The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.
  3. Labour Laws to the extent applicable based on the nature of activities of the Company.
- During the year under review, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.
- During the year under review, the provisions of the following Regulations (as enumerated in the prescribed format of Form MR - 3) were not applicable to the Company:
- (i) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;



- (ii) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the relevant Act.

Adequate notice had been given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and in cases where shorter notice/s were given for Board Meetings, at least one Independent Director was present at such meeting/s and that the system exists for seeking and obtaining further information and clarifications on the agenda items before the Meeting and for meaningful participation at the Meeting.

Unanimous decisions were carried through as there were no cases of dissent of any Director in respect of any decision and was accordingly captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in place in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines

referred to herein above. The following observations are however placed on record:

During the year under review, there were two Inspection Reports issued by the NHB in respect of the Inspection already carried out by them for the years ended March 31, 2013 and 2014, seeking clarifications / explanation / information / documents on certain compliance issues.

However, from the records of the Company provided to us for examination / audit purpose, it is observed that the Company has provided with required documents / information/ clarification / explanation to the NHB and that the required compliance were either complied with or were being complied with by the Company.

Further, no show cause or penalty notice was issued by the NHB during the year under review.

**We further report that** during the audit period the Company has specific events / actions as detailed in Annexure - I to this Report having impact on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

**For JAYSHREE DAGLI & ASSOCIATES**  
COMPANY SECRETARIES

Date : May 4, 2016  
Place : Mumbai

**JAYSHREE S. JOSHI**  
F.C.S.1451 C.P.487

## Board's Report

**ANNEXURE I TO THE SECRETARIAL AUDIT REPORT  
TABLE SHOWING SPECIFIC EVENTS AND ACTIONS OF  
DEWAN HOUSING FINANCE CORPORATION LIMITED  
FOR FINANCIAL YEAR 2015-16**

| Sl. No. | Particulars of the Events and Actions  | Date of Board / Committee Resolution | Date of General Meeting/ Postal Ballot Resolution |
|---------|--|--------------------------------------|---|
| 1.      | Allotment of 5538 Secured, Redeemable Non-Convertible Debentures   | 09/04/2015                           | -   |
| 2.      | Allotment of 340 Secured, Redeemable Non-Convertible Debentures  | 20/04/2015                           | -   |
| 3.      | Allotment of 118110 Equity Shares under DHFL Employee Stock Option Scheme 2009, Plan III (ESOS) the Employees of the Company   | 20/04/2015                           | -   |
| 4.      | Allotment of 478 Secured, Redeemable Non-Convertible Debentures  | 28/04/2015                           | -   |
| 5.      | Allotment of 161 Secured, Redeemable Non-Convertible Debentures  | 14/05/2015                           | -   |
| 6.      | Allotment of 7500 Secured, Redeemable Non-Convertible Debentures   | 20/05/2015                           | -   |
| 7.      | Allotment of 5000 Secured, Redeemable Non-Convertible Debentures allotted on 21/05/2015  | 20/05/2015                           | -   |
| 8.      | Allotment of 10000 Secured, Redeemable Non-Convertible Debentures  | 29/05/2015                           | -   |
| 9.      | Allotment of 931 Secured, Redeemable Non-Convertible Debentures allotted on 02/06/2015   | 29/05/2015                           | -   |
| 10.     | Allotment of 1377 Secured, Redeemable Non-Convertible Debentures   | 23/06/2015                           | -   |
| 11.     | Allotment of 1500 Secured, Redeemable Non-Convertible Debentures allotted on 26/06/2015  | 23/06/2015                           | -   |
| 12.     | Allotment of 500 Secured, Redeemable Non-Convertible Debentures  | 29/06/2015                           | -   |
| 13.     | Allotment of 3820 Secured, Redeemable Non-Convertible Debentures   | 08/07/2015                           | -   |
| 14.     | Allotment of 2840 Secured, Redeemable Non-Convertible Debentures   | 16/07/2015                           | -   |
| 15.     | Allotment of 3000 Secured, Redeemable Non-Convertible Debentures   | 06/08/2015                           | -   |
| 16.     | Allotment of 530 Secured, Redeemable Non-Convertible Debentures  | 20/08/2015                           | -   |
| 17.     | Allotment of 61678 Equity Shares under DHFL Employee Stock Option Scheme 2009, Plan II (ESOS) to the Employees of the Company  | 20/08/2015                           | -   |
| 18.     | Allotment of 2000 Secured, Redeemable Non-Convertible Debentures   | 25/08/2015                           | -   |
| 19.     | Allotment of 300 Secured, Redeemable Non-Convertible Debentures  | 08/09/2015                           | -   |
| 20.     | Allotment of 145856530 Bonus Equity Shares in the ratio of 1:1 to the Members of the Company                                   | 15/09/2015                           | 31/08/2015  |
| 21.     | Allotment of 54000 Equity Shares under DHFL Employee Stock Option Scheme 2009, Plan III (ESOS) to the Employees of the Company | 23/10/2015                           | -   |
| 22.     | Allotment of 2730 Secured, Redeemable Non-Convertible Debentures   | 30/10/2015                           | -   |
| 23.     | Allotment of 5000 Secured, Redeemable Non-Convertible Debentures   | 30/11/2015                           | -   |
| 24.     | Allotment of 2000 Secured, Redeemable Non-Convertible Debentures   | 12/01/2016                           | -   |
| 25.     | Allotment of 12880 Equity Shares under DHFL Employee Stock Option Scheme 2009, Plan III (ESOS) to the Employees of the Company | 12/01/2016                           | -   |
| 26.     | Allotment of 18048 Equity Shares under DHFL Employee Stock Option Scheme 2008, Plan I (ESOS) the Employees of the Company      | 19/02/2016                           | -   |
| 27.     | Allotment of 500 Secured, Redeemable Non-Convertible Debentures  | 08/03/2016                           | -   |
| 28.     | Allotment of 75 Secured, Redeemable Non-Convertible Debentures   | 15/03/2016                           | -   |
| 29.     | Allotment of 1135 Secured, Redeemable Non-Convertible Debentures   | 23/03/2016                           | -   |
| 30.     | Allotment of 1250 Secured, Redeemable Non-Convertible Debentures   | 29/03/2016                           | -   |
| 31.     | Allotment of 7500 Secured, Redeemable Non-Convertible Debentures   | 30/03/2016                           | -   |
| 32.     | Appointment of Dr. Rajiv Kumar as an Additional Director   | 07/08/2015                           | -   |

**For JAYSHREE DAGLI & ASSOCIATES**  
COMPANY SECRETARIES

Date : May 4, 2016  
Place : Mumbai

**JAYSHREE S. JOSHI**  
F.C.S.1451 C.P.487

# Annexure - 6

to the Board's Report

## AUDITORS' CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To  
The Members,  
Dewan Housing Finance Corporation Ltd.

We have examined the compliance of conditions of Corporate Governance by Dewan Housing Finance Corporation Limited, for the year ended on March 31, 2016, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to review the procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of the Corporate Governance as stipulated in the said Clause. 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 and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in applicable provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

For **T R Chadha & Co. LLP**  
Chartered Accountants  
(Firm Registration No.06711N/N500028)

For **Rajendra Neeti & Associates**  
Chartered Accountants  
(Firm Registration No. 006543C)

**Pramod Tilwani**  
Partner  
Membership No.-76650

**Rajendra K. Gupta**  
Partner  
Membership No.-070165

Place : Mumbai  
Date : May 4, 2016

## Board's Report

# Annexure - 7

to the Board's Report

## Form No. MGT - 9

### EXTRACT OF ANNUAL RETURN

as on the financial year ended March 31, 2016

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS

|      |   |  |
|------|---|--|
| i)   | Corporate Identity Number (CIN) of the Company                            | L65910MH1984PLC032639  |
| ii)  | Registration Date   | April 11, 1984   |
| iii) | Name of the Company   | Dewan Housing Finance Corporation Limited  |
| iv)  | Category / Sub-Category of the Company                                    | Public Company, Limited by Shares (Registered with National Housing Bank as a Housing Finance Company)   |
| v)   | Address of the Registered office and contact details                      | Warden House, 2nd Floor,<br>Sir P.M. Road, Fort, Mumbai 400 001.<br>Telephone: +91 022-22029900<br>Fax: +91 022-22871985<br>email: response@dhfl.com;<br>website: www.dhfl.com;  |
| vi)  | Whether listed company  | Yes  |
| vii) | Name, Address and Contact details of Registrar and Transfer Agent, if any | <b>Registrar &amp; Transfer Agents<br/>(For Equity Shares )</b><br>Link Intime India Private Ltd.<br>C - 13, Pannalal Silk Mills Compound,<br>L.B.S. Marg, Bhandup (W),<br>Mumbai - 400078.<br>Tel. No.: +91 22-25946970-78<br>Fax No.: +91 22-25946969<br>E-mail: rnt.helpdesk@linkintime.co.in<br><br><b>Registrar &amp; Transfer Agents<br/>(For Debentures)</b><br>System Support Services,<br>209, Shivam Industrial Estate,<br>Andheri - Kurla Road, Sakinaka,<br>Andheri (East), Mumbai - 400 072<br>Tel. No.: +91 22-28500835<br>Fax No.: +91 22-28501438<br>E-mail: sysss72@yahoo.com |

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company:-

| Sl. No. | Name and Description of main products / services   | NIC Code of the Product/ service | % to total turnover of the Company |
|---------|--|----------------------------------|------------------------------------|
| 1.      | Carrying out activities of housing finance companies (Housing Loan & Non-Housing Loans ) | 65922                            | 100%                               |

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sl. No. | Name and Address of the Company   | Corporate Identity Number | Holding/ Subsidiary/ Associate | % of Shares Held | Applicable Section of the Companies Act, 2013. |
|---------|---|---------------------------|--------------------------------|------------------|--|
| 1.      | Aadhar Housing Finance Limited<br>2nd Floor, Warden House,<br>Sir P.M. Road, Fort,<br>Mumbai - 400 001  | U65922MH2010PLC202721     | Associate                      | 14.90            | 2(6)   |
| 2.      | Avanse Financial Services Limited<br>Ground Floor, Madhava, Bandra<br>Kurla Complex, Bandra East,<br>Mumbai - 400 051                               | U67120MH1992PLC068060     | Associate                      | 36.78            | 2(6)   |
| 3.      | DHFL Vysya Housing Finance Limited<br>No.3, JVT Towers, 8th A Main<br>Road, Sampangi Rama Nagar,<br>Bangalore - 560027                              | U66010KA1990PLC011409     | Associate                      | 9.47             | 2(6)   |
| 4.      | DHFL Pramerica Life Insurance Company Limited<br>4th Floor, Building 9, Tower B,<br>Cyber City, DLF City Phase - III,<br>Gurgaon, Haryana 122002    | U66000HR2007PLC052028     | Joint Venture                  | 50.00            | 2(6)   |
| 5.      | DHFL Ventures Trustee Company Private Limited<br>Ground Floor, HDIL Towers, Anant<br>Kaneekar Marg, Bandra - East,<br>Mumbai - 400051               | U65991MH2005PTC153886     | Associate                      | 45.00            | 2(6)   |
| 6.      | DHFL Advisory & Investments Private Limited<br>10th Floor, TCG Financial Centre,<br>Bandra Kurla Complex, BKC Road,<br>Bandra -East, Mumbai -400098 | U67190MH2016PTC273074     | Subsidiary                     | 100.00           | 2(87)  |
| 7.      | DHFL Pramerica Asset Managers Private Limited<br>2nd Floor, Nirlon House,<br>Dr. Annie Besant Road, Worli<br>Mumbai-400030                          | U74900MH2008FTC187029     | Joint Venture                  | 50.00            | 2(6)   |
| 8.      | DHFL Pramerica Trustees Private Limited<br>2nd Floor, Nirlon House,<br>Dr. Annie Besant Road, Worli<br>Mumbai-400030                                | U67190MH2009FTC193009     | Joint Venture                  | 50.00            | 2(6)   |



## Board's Report

## IV SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

### i) Category-wise Share Holding

| Category of Shareholders  | No. of shares held at the beginning of the year<br>(as on 01/04/2015 i.e. as per shareholding pattern of 31/03/2015) |               |                    |                   | No. of shares held at the end of the year<br>(as on 31/03/2016 i.e. as per shareholding pattern of 31/03/2016) |               |                     |                   | % Change during the year i.e. Increase / (Decrease) |
|---|--|---------------|--------------------|-------------------|--|---------------|---------------------|-------------------|---|
|   | Demat  | Physical      | Total              | % of Total Shares | Demat  | Physical      | Total               | % of Total Shares |   |
| <b>A. Promoters</b>   |  |               |                    |                   |  |               |                     |                   |   |
| (1) Indian  |  |               |                    |                   |  |               |                     |                   |   |
| (a) Individual/HUF  | 30,00,000  | -             | 30,00,000          | 2.06              | 60,00,000  | -             | 60,00,000           | 2.06              | 0.00  |
| (b) Central Govt  | -  | -             | -                  | -                 | -  | -             | -                   | -                 | -   |
| (c) State Govt (s)  | -  | -             | -                  | -                 | -  | -             | -                   | -                 | -   |
| (d) Bodies Corp.  | 4,79,09,822  | -             | 4,79,09,822        | 32.89             | 9,58,19,644  | -             | 9,58,19,644         | 32.84             | (0.05)  |
| (e) Banks / FI  | -  | -             | -                  | -                 | -  | -             | -                   | -                 | -   |
| (f) Any Other   | -  | -             | -                  | -                 | -  | -             | -                   | -                 | -   |
| <b>Sub-total (A) (1):-</b>  | <b>5,09,09,822</b>   | <b>-</b>      | <b>5,09,09,822</b> | <b>34.95</b>      | <b>10,18,19,644</b>  | <b>-</b>      | <b>10,18,19,644</b> | <b>34.89</b>      | <b>(0.05)</b>                                       |
| (2) Foreign   |  |               |                    |                   |  |               |                     |                   |   |
| (a) NRIs - Individuals  | -  | -             | -                  | -                 | -  | -             | -                   | -                 | -   |
| (b) Other - Individuals   | -  | -             | -                  | -                 | -  | -             | -                   | -                 | -   |
| (c) Bodies Corp.  | -  | -             | -                  | -                 | -  | -             | -                   | -                 | -   |
| (d) Banks / FI  | -  | -             | -                  | -                 | -  | -             | -                   | -                 | -   |
| (e) Any Other   | -  | -             | -                  | -                 | -  | -             | -                   | -                 | -   |
| <b>Sub-total (A) (2):-</b>  | <b>-</b>   | <b>-</b>      | <b>-</b>           | <b>-</b>          | <b>-</b>   | <b>-</b>      | <b>-</b>            | <b>-</b>          | <b>-</b>  |
| <b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>                       | <b>5,09,09,822</b>   | <b>-</b>      | <b>5,09,09,822</b> | <b>34.95</b>      | <b>10,18,19,644</b>  | <b>-</b>      | <b>10,18,19,644</b> | <b>34.89</b>      | <b>(0.05)</b>                                       |
| <b>B. Public Shareholding</b>   |  |               |                    |                   |  |               |                     |                   |   |
| 1. Institutions   |  |               |                    |                   |  |               |                     |                   |   |
| a) Mutual Funds   | 32,36,391  | 19,500        | 32,55,891          | 2.24              | 73,27,226  | 39,000        | 73,66,226           | 2.52              | 0.29  |
| b) Banks / FI   | 2,40,882   | 200           | 2,41,082           | 0.17              | 2,93,673   | 400           | 2,94,073            | 0.10              | (0.06)  |
| c) Central Govt   | 1,000  | -             | 1,000              | 0.00              | 2,000  | -             | 2,000               | -                 | 0.00  |
| d) State Govt(s)  | -  | -             | -                  | -                 | -  | -             | -                   | -                 | -   |
| e) Venture Capital Funds  | -  | -             | -                  | -                 | -  | -             | -                   | -                 | -   |
| f) Insurance Companies  | -  | -             | -                  | -                 | -  | -             | -                   | -                 | -   |
| g) FIs  | -  | -             | -                  | -                 | -  | -             | -                   | -                 | -   |
| h) Foreign Venture Capital Funds  | -  | -             | -                  | -                 | -  | -             | -                   | -                 | -   |
| i) Others (specify)   | -  | -             | -                  | -                 | -  | -             | -                   | -                 | -   |
| <b>Sub-total (B)(1):-</b>   | <b>34,78,273</b>   | <b>19,700</b> | <b>34,97,973</b>   | <b>2.40</b>       | <b>76,22,899</b>   | <b>39,400</b> | <b>76,62,299</b>    | <b>2.63</b>       | <b>0.22</b>   |
| 2. Non-Institutions   |  |               |                    |                   |  |               |                     |                   |   |
| a) Bodies Corp.   |  |               |                    |                   |  |               |                     |                   |   |
| i) Indian   | 2,16,17,220  | 2,701         | 2,16,19,921        | 14.84             | 4,13,28,503  | 5,402         | 4,13,33,905         | 14.17             | (0.68)  |
| ii) Overseas  | -  | -             | -                  | -                 | -  | -             | -                   | -                 | -   |
| b) Individuals  |  |               |                    |                   |  |               |                     |                   |   |
| i) Individual shareholders holding nominal share capital upto ₹1 lakh           | 68,66,772  | 6,16,914      | 74,83,686          | 5.14              | 2,07,05,108  | 11,51,790     | 2,18,56,898         | 7.49              | 2.35  |
| ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh | 1,03,96,555  | 46,000        | 1,04,42,555        | 7.17              | 1,82,77,897  | 92,000        | 1,83,69,897         | 6.30              | (0.87)  |

| Category of Shareholders                     | No. of shares held at the beginning of the year<br>(as on 01//04/2015 i.e. as per shareholding pattern of 31/03/2015) |          |              |                   | No. of shares held at the end of the year<br>(as on 31//03/2016 i.e. as per shareholding pattern of 31/03/2016) |           |              |                   | % Change during the year i.e. Increase / (Decrease) |
|--|---|----------|--------------|-------------------|---|-----------|--------------|-------------------|---|
|  | Demat   | Physical | Total        | % of Total Shares | Demat   | Physical  | Total        | % of Total Shares |   |
| c) Others - Hindu Undivided family           | -   | -        | -            | -                 | 17,43,801   | -         | 17,43,801    | 0.60              | 0.60  |
| Clearing Members                             | 4,34,916  | -        | 4,34,916     | 0.30              | 9,09,768  | -         | 9,09,768     | 0.31              | 0.01  |
| Foreign Nationals                            | -   | -        | -            | -                 | -   | -         | -            | -                 | -   |
| FII/FPI                                      | 5,07,70,570   | -        | 5,07,70,570  | 34.85             | 9,66,58,794   | -         | 9,66,58,794  | 33.13             | (1.73)  |
| Non Resident Indians (REPAT)                 | 4,18,968  | -        | 4,18,968     | 0.29              | 11,03,525   | -         | 11,03,525    | 0.38              | 0.09  |
| Non Resident Indians (NON REPAT)             | 97,259  | -        | 97,259       | 0.07              | 3,28,072  | -         | 3,28,072     | 0.11              | 0.05  |
| Trust  | 1,072   | -        | 1,072        | 0.00              | 11,385  | -         | 11,385       | 0.00              | 0.00  |
| Sub-total (B)(2):-                           | 9,06,03,332   | 6,65,615 | 9,12,68,947  | 62.65             | 18,10,66,853  | 12,49,192 | 18,23,16,045 | 62.48             | (0.17)  |
| Total Public Shareholding (B)=(B)(1)+ (B)(2) | 9,40,81,605   | 6,85,315 | 9,47,66,920  | 65.05             | 18,86,89,752  | 12,88,592 | 18,99,78,344 | 65.11             | 0.06  |
| C. Shares held by Custodian for GDRs & ADRs  | -   | -        | -            | -                 | -   | -         | -            | -                 | -   |
| Grand Total (A+B+C)                          | 14,49,91,427  | 6,85,315 | 14,56,76,742 | 100.00            | 29,05,09,396  | 12,88,592 | 29,17,97,988 | 100.00            | -   |

## ii) Shareholding of Promoters

| Sl. No.      | Shareholder's Name   | Shareholding at the beginning of the year<br>(as on 01//04/2015 i.e. as per shareholding pattern of 31/03/2015) |                                  |  | Shareholding at the end of the year (as on 31//03/2016 i.e. as per shareholding pattern of 31/03/2016) |                                  |  | % change during the year i.e. Increase / (Decrease) |
|--------------|--|---|----------------------------------|--|--|----------------------------------|--|---|
|              |  | No. of Shares   | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares  | % of total Shares of the company | % of Shares Pledged / encumbered to total shares |   |
| 1.           | Mr. Kapil Wadhawan   | 9,00,000  | 0.62                             | -  | 18,00,000  | 0.62                             | -  | 0.00  |
| 2.           | Mr. Dheeraj Wadhawan   | 9,00,000  | 0.62                             | -  | 18,00,000  | 0.62                             | -  | 0.00  |
| 3.           | Mrs. Aruna Wadhawan  | 12,00,000   | 0.82                             | -  | 24,00,000  | 0.82                             | -  | 0.00  |
| 4.           | M/s. Wadhawan Global Capital P. Ltd. (formerly Wadhawan Housing P. Ltd.) | 4,79,09,822   | 32.89                            | -  | 9,58,19,644  | 32.84                            | -  | (0.05)  |
| <b>Total</b> |  | <b>5,09,09,822</b>  | <b>34.95</b>                     | <b>-</b>   | <b>10,18,19,644</b>  | <b>34.89</b>                     | <b>-</b>   | <b>(0.05)</b>                                       |

Note :

- (a) Except for the issue and allotment of Bonus Equity Shares in the ratio of 1:1 (i.e. one bonus equity share of ₹ 10/- for every one fully paid up Equity Share of ₹ 10/- each), to the shareholders on September 15, 2015, there was no other change in absolute terms in the shareholding of promoters/promoter group. The variation in terms of percentage of their shareholding is due to increase in the paid-up equity share capital of the Company on account of allotment of Equity Shares, pursuant to exercise of Stock Options by the eligible employees of the Company on account of various Employee Stock Option schemes of the Company.
- (b) During the year, the Board of Directors of the Company issued and allotted 2,12,30,070 warrants (convertible into equivalent number of equity shares of ₹ 10/- each, within 18 months from the date of allotment of the said warrants, in one or more tranches) in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009 to the Promoter Group Entity i.e. Wadhawan Global Capital Private Limited.
- (c) The percentage has been taken in two digit number and rounded off to nearest integer accordingly.

## Board's Report

## iii) Change in Promoters' Shareholding

| Sl. No. | For Each of the Promoter  | Shareholding at the beginning of the year (01/04/2015) |                                  | Transactions during the year |                          |                          |             | Cumulative Shareholding At the end of the year (31/03/2016) |                                  |
|---------|---|--|----------------------------------|------------------------------|--------------------------|--------------------------|-------------|---|----------------------------------|
|         |   | No. of shares  | % of total shares of the Company | Date                         | Increase (No. of shares) | Decrease (No. of shares) | Reason      | No. of shares   | % of total shares of the Company |
| 1.      | Mr. Kapil Wadhawan  | 9,00,000   | 0.62                             | 15/09/2015                   | 9,00,000                 | -                        | Bonus Issue | 18,00,000   | 0.62                             |
| 2.      | Mr. Dheeraj Wadhawan  | 9,00,000   | 0.62                             | 15/09/2015                   | 9,00,000                 | -                        | Bonus Issue | 18,00,000   | 0.62                             |
| 3.      | Mrs. Aruna Wadhawan   | 12,00,000  | 0.82                             | 15/09/2015                   | 12,00,000                | -                        | Bonus Issue | 24,00,000   | 0.82                             |
| 4.      | M/s. Wahawan Global Capital Private Limited (formerly Wadhawan Housing Private Limited) | 4,79,09,822  | 32.89                            | 15/09/2015                   | 4,79,09,822              | -                        | Bonus Issue | 9,58,19,644   | 32.84                            |

(a) Except for the issue and allotment of Bonus Equity Shares in the ratio of 1:1 (i.e. one bonus equity share of ₹ 10/- for every one fully paid up Equity Share of ₹ 10/- each), to the shareholders on September 15, 2015, there was no other change in absolute terms in the shareholding of promoters/promoter group. The variation in terms of percentage of their shareholding was due to increase in the paid-up Equity share capital of the Company on account of allotment of Equity Shares, pursuant to exercise of Stock Options by the eligible employees of the Company on account of various Employee Stock Option schemes of the Company.

(b) The percentage has been taken in two digit number and rounded off to nearest integer accordingly.

## iv) Shareholding pattern of top ten shareholders (other than Directors, Promoters and Holder of GDRs and ADRs)

| Sl. No. | Name & Type of Transaction                     | Shareholding at the beginning of the year - as on 01/04/2015 i.e. as per shareholding pattern of 31/03/2015 |                                  | Transactions during the year |               |                 | Cumulative Shareholding during the year-as on 31/03/2016 i.e. as per shareholding pattern of 31/03/2016 |                                  |
|---------|--|---|----------------------------------|------------------------------|---------------|-----------------|---|----------------------------------|
|         |  | No. of shares held  | % of total shares of the Company | Date of transaction          | No. of shares | Reason          | No. of shares held  | % of total shares of the Company |
| 1       | Hemisphere Infrastructure India Pvt Limited    | 53,58,889   | 3.68                             | 15/09/2015                   | 53,58,889     | Bonus Shares    | 53,58,889   | 3.68                             |
|         | At the end of the year                         |   |                                  |                              |               |                 | 1,07,17,778   | 0.37                             |
|         |  |   |                                  |                              |               |                 | 1,07,17,778   | 3.67                             |
| 2       | Galaxy Infraprojects And Developers Pvt Ltd    | 52,17,702   | 3.58                             | 15/09/2015                   | 52,17,702     | Bonus Shares    | 52,17,702   | 3.58                             |
|         | At the end of the year                         |   |                                  |                              |               |                 | 1,04,35,404   | 3.58                             |
|         |  |   |                                  |                              |               |                 | 1,04,35,404   | 3.58                             |
| 3       | Silicon First Realtors Private Limited         | 50,47,781   | 3.47                             | 15/09/2015                   | 50,47,781     | Bonus Shares    | 50,47,781   | 3.47                             |
|         | At the end of the year                         |   |                                  |                              |               |                 | 1,00,95,562   | 3.46                             |
|         |  |   |                                  |                              |               |                 | 1,00,95,562   | 3.46                             |
| 4       | Jhunjhunwala Rakesh Radheshyam                 | 50,00,000   | 3.43                             | 15/09/2015                   | 50,00,000     | Bonus Shares    | 50,00,000   | 3.43                             |
|         |  |   |                                  | 25/09/2015                   | 1,00,00,000   | Market Purchase | 1,00,00,000   | 3.43                             |
|         |  |   |                                  | 30/09/2015                   | (1,00,00,000) | Sale            | 2,00,00,000   | 6.86                             |
|         | At the end of the year                         |   |                                  |                              |               |                 | 1,00,00,000   | 3.43                             |
|         |  |   |                                  |                              |               |                 | 1,00,00,000   | 3.43                             |
| 5       | Lazard Emerging Markets Small Cap Equity Trust | 18,14,147   | 1.25                             | 15/09/2015                   | 18,14,147     | Bonus Shares    | 18,14,147   | 1.25                             |
|         |  |   |                                  | 04/12/2015                   | 2,57,163      | Market Purchase | 36,28,294   | 1.24                             |
|         |  |   |                                  | 11/12/2015                   | 2,56,410      | Market Purchase | 38,85,457   | 1.33                             |
|         |  |   |                                  | 04/03/2016                   | 7,08,270      | Market Purchase | 41,41,867   | 1.42                             |
|         | At the end of the year                         |   |                                  |                              |               |                 | 48,50,137   | 1.66                             |
|         |  |   |                                  |                              |               |                 | 48,50,137   | 1.66                             |

| Sl. No. | Name & Type of Transaction  | Shareholding at the beginning of the year - as on 01/04/2015 i.e. as per shareholding pattern of 31/03/2015 |                                  | Transactions during the year |               | Cumulative Shareholding during the year-as on 31/03/2016 i.e. as per shareholding pattern of 31/03/2016 |   |
|---------|---|---|----------------------------------|------------------------------|---------------|---|---|
|         |   | No. of shares held  | % of total shares of the Company | Date of transaction          | No. of shares | Reason  | No. of shares held % of total shares of the Company |
| 6       | Treasurer of the State of North Carolina Equity Investment Fund Pooled Trust Managed by Grantham, Mayo Van Otterloo | 16,45,801   | 1.13                             |                              |               |   | 16,45,801 1.13                                      |
|         |   |   |                                  | 07/08/2015                   | 80,500        | Market Purchase   | 17,26,301 1.18                                      |
|         |   |   |                                  | 14/08/2015                   | 1,12,967      | Market Purchase   | 18,39,268 1.26                                      |
|         |   |   |                                  | 21/08/2015                   | 1,10,923      | Market Purchase   | 19,50,191 1.34                                      |
|         |   |   |                                  | 28/08/2015                   | 33,185        | Market Purchase   | 19,83,376 1.36                                      |
|         |   |   |                                  | 15/09/2015                   | 19,83,376     | Bonus Shares  | 39,66,752 1.36                                      |
|         |   |   |                                  | 19/02/2016                   | 74,198        | Market Purchase   | 40,40,950 1.38                                      |
|         | At the end of the year  |   |                                  |                              |               |   | 40,40,950 1.38                                      |
| 7       | Morgan Stanley Asia (Singapore) Pte.  | 22,31,340   | 1.53                             |                              |               |   | 22,31,340 1.53                                      |
|         |   |   |                                  | 10/04/2015                   | 27,600        | Market Purchase   | 22,58,940 1.55                                      |
|         |   |   |                                  | 17/04/2015                   | 2,03,364      | Market Purchase   | 24,62,304 1.69                                      |
|         |   |   |                                  | 08/05/2015                   | (47,011)      | Sale  | 24,15,293 1.66                                      |
|         |   |   |                                  | 15/05/2015                   | (1,14,250)    | Sale  | 23,01,043 1.58                                      |
|         |   |   |                                  | 05/06/2015                   | 25,000        | Market Purchase   | 23,26,043 1.60                                      |
|         |   |   |                                  | 26/06/2015                   | (92,310)      | Sale  | 22,33,733 1.53                                      |
|         |   |   |                                  | 30/06/2015                   | (500)         | Sale  | 22,33,233 1.53                                      |
|         |   |   |                                  | 03/07/2015                   | (3,000)       | Sale  | 22,30,233 1.53                                      |
|         |   |   |                                  | 10/07/2015                   | (1,05,000)    | Sale  | 21,25,233 1.46                                      |
|         |   |   |                                  | 17/07/2015                   | (1,24,000)    | Sale  | 20,01,233 1.37                                      |
|         |   |   |                                  | 24/07/2015                   | (42,137)      | Sale  | 19,59,096 1.34                                      |
|         |   |   |                                  | 31/07/2015                   | 67,224        | Market Purchase   | 20,26,320 1.39                                      |
|         |   |   |                                  | 07/08/2015                   | (54,500)      | Sale  | 19,71,820 1.35                                      |
|         |   |   |                                  | 14/08/2015                   | (1,06,111)    | Sale  | 18,65,709 1.28                                      |
|         |   |   |                                  | 28/08/2015                   | (2,057)       | Sale  | 18,63,652 1.28                                      |
|         |   |   |                                  | 04/09/2015                   | 15,804        | Market Purchase   | 18,79,456 1.29                                      |
|         |   |   |                                  | 15/09/2015                   | 18,79,456     | Bonus Shares  | 37,58,912 1.29                                      |
|         |   |   |                                  | 25/09/2015                   | 30,461        | Market Purchase   | 37,89,373 1.30                                      |
|         |   |   |                                  | 09/10/2015                   | 7,47,004      | Market Purchase   | 45,36,377 1.56                                      |
|         |   |   |                                  | 16/10/2015                   | 1,50,503      | Market Purchase   | 46,86,880 1.61                                      |
|         |   |   |                                  | 23/10/2015                   | 8,266         | Market Purchase   | 46,95,146 1.61                                      |
|         |   |   |                                  | 30/10/2015                   | (49,529)      | Sale  | 46,45,617 1.59                                      |
|         |   |   |                                  | 06/11/2015                   | (12,502)      | Sale  | 46,33,115 1.59                                      |
|         |   |   |                                  | 13/11/2015                   | (44,780)      | Sale  | 45,88,335 1.57                                      |
|         |   |   |                                  | 20/11/2015                   | (3,51,817)    | Sale  | 42,36,518 1.45                                      |
|         |   |   |                                  | 27/11/2015                   | (3,20,077)    | Sale  | 39,16,441 1.34                                      |
|         |   |   |                                  | 11/12/2015                   | 2,84,911      | Market Purchase   | 42,01,352 1.44                                      |
|         |   |   |                                  | 18/12/2015                   | (748)         | Sale  | 42,00,604 1.44                                      |
|         |   |   |                                  | 25/12/2015                   | (255)         | Sale  | 42,00,349 1.44                                      |
|         |   |   |                                  | 31/12/2015                   | (1,023)       | Sale  | 41,99,326 1.44                                      |

## Board's Report

| Sl. No. | Name & Type of Transaction   | Shareholding at the beginning of the year - as on 01/04/2015 i.e. as per shareholding pattern of 31/03/2015 |                                  |                     | Transactions during the year |                 | Cumulative Shareholding during the year-as on 31/03/2016 i.e. as per shareholding pattern of 31/03/2016 |                                  |
|---------|--|---|----------------------------------|---------------------|------------------------------|-----------------|---|----------------------------------|
|         |  | No. of shares held  | % of total shares of the Company | Date of transaction | No. of shares                | Reason          | No. of shares held  | % of total shares of the Company |
|         |  |   |                                  | 01/01/2016          | (41,800)                     | Sale            | 41,57,526   | 1.42                             |
|         |  |   |                                  | 08/01/2016          | (7,193)                      | Sale            | 41,50,333   | 1.42                             |
|         |  |   |                                  | 15/01/2016          | (49,100)                     | Sale            | 41,01,233   | 1.41                             |
|         |  |   |                                  | 22/01/2016          | (78,389)                     | Sale            | 40,22,844   | 1.38                             |
|         |  |   |                                  | 29/01/2016          | (19,732)                     | Sale            | 40,03,112   | 1.37                             |
|         |  |   |                                  | 12/02/2016          | (57,408)                     | Sale            | 39,45,704   | 1.35                             |
|         |  |   |                                  | 19/02/2016          | (2,14,906)                   | Sale            | 37,30,798   | 1.28                             |
|         |  |   |                                  | 26/02/2016          | (55,108)                     | Sale            | 36,75,690   | 1.26                             |
|         |  |   |                                  | 04/03/2016          | (3,99,504)                   | Sale            | 32,76,186   | 1.12                             |
|         |  |   |                                  | 11/03/2016          | 31,518                       | Market Purchase | 33,07,704   | 1.13                             |
|         |  |   |                                  | 18/03/2016          | (3,894)                      | Sale            | 33,03,810   | 1.13                             |
|         |  |   |                                  | 25/03/2016          | 2,23,251                     | Market Purchase | 35,27,061   | 1.21                             |
|         |  |   |                                  | 31/03/2016          | 2,43,359                     | Market Purchase | 37,70,420   | 1.29                             |
|         | At the end of the year   |   |                                  |                     |                              |                 | 37,70,420   | 1.29                             |
| 8       | National Westminster Bank Plc as Trustee of the Jupiter India Fund | 14,73,096   | 1.01                             |                     |                              |                 | 14,73,096   | 1.01                             |
|         |  |   |                                  | 15/09/2015          | 14,73,096                    | Bonus Shares    | 29,46,192   | 1.01                             |
|         |  |   |                                  | 05/02/2016          | 4,03,808                     | Market Purchase | 33,50,000   | 1.15                             |
|         | At the end of the year   |   |                                  |                     |                              |                 | 33,50,000   | 1.15                             |
| 9       | Acacia Partners, LLP   | 16,32,000   | 1.12                             |                     |                              |                 | 16,32,000   | 1.12                             |
|         |  |   |                                  | 15/09/2015          | 16,32,000                    | Bonus Shares    | 32,64,000   | 1.12                             |
|         | At the end of the year   |   |                                  |                     |                              |                 | 32,64,000   | 1.12                             |
| 10      | GMO Foreign Small Companies Fund                                   | 13,24,650   | 0.91                             |                     |                              |                 | 13,24,650   | 0.91                             |
|         |  |   |                                  | 01/05/2015          | 3,04,632                     | Market Purchase | 16,29,282   | 1.12                             |
|         |  |   |                                  | 08/05/2015          | 20,295                       | Market Purchase | 16,49,577   | 1.13                             |
|         |  |   |                                  | 15/09/2015          | 16,49,577                    | Bonus Shares    | 32,99,154   | 1.13                             |
|         |  |   |                                  | 04/12/2015          | (80,934)                     | Sale            | 32,18,220   | 1.10                             |
|         | At the end of the year   |   |                                  |                     |                              |                 | 32,18,220   | 1.10                             |
| 11      | Government of Singapore  | 26,57,519   | 1.82                             |                     |                              |                 | 26,57,519   | 1.82                             |
|         |  |   |                                  | 15/09/2015          | 26,57,519                    | Bonus Shares    | 53,15,038   | 1.82                             |
|         |  |   |                                  | 06/11/2015          | (6,29,606)                   | Sale            | 46,85,432   | 1.61                             |
|         |  |   |                                  | 13/11/2015          | (5,41,594)                   | Sale            | 41,43,838   | 1.42                             |
|         |  |   |                                  | 20/11/2015          | (9,45,988)                   | Sale            | 31,97,850   | 1.10                             |
|         |  |   |                                  | 31/03/2016          | (95,745)                     | Sale            | 31,02,105   | 1.06                             |
|         | At the end of the year   |   |                                  |                     |                              |                 | 31,02,105   | 1.06                             |



| Sl. No. | Name & Type of Transaction   | Shareholding at the beginning of the year - as on 01/04/2015 i.e. as per shareholding pattern of 31/03/2015 |                                  | Transactions during the year |               | Cumulative Shareholding during the year-as on 31/03/2016 i.e. as per shareholding pattern of 31/03/2016 |   |
|---------|--|---|----------------------------------|------------------------------|---------------|---|---|
|         |  | No. of shares held  | % of total shares of the Company | Date of transaction          | No. of shares | Reason  | No. of shares held % of total shares of the Company |
| 12      | Birla Sun Life Trustee Company Private Limited<br>A/C Birla Sun Life Midcap Fund | 25,88,848   | 1.78                             |                              |               |   | 25,88,848 1.78                                      |
|         |  |   |                                  | 10/04/2015                   | 91,445        | Market Purchase   | 26,80,293 1.84                                      |
|         |  |   |                                  | 17/04/2015                   | 40,875        | Market Purchase   | 27,21,168 1.87                                      |
|         |  |   |                                  | 24/04/2015                   | 1,38,500      | Market Purchase   | 28,59,668 1.96                                      |
|         |  |   |                                  | 01/05/2015                   | 41,500        | Market Purchase   | 29,01,168 1.99                                      |
|         |  |   |                                  | 08/05/2015                   | 50,000        | Market Purchase   | 29,51,168 2.02                                      |
|         |  |   |                                  | 29/05/2015                   | 7,00,000      | Market Purchase   | 36,51,168 2.50                                      |
|         |  |   |                                  | 12/06/2015                   | (60,000)      | Sale  | 35,91,168 2.46                                      |
|         |  |   |                                  | 03/07/2015                   | (1,85,000)    | Sale  | 34,06,168 2.34                                      |
|         |  |   |                                  | 10/07/2015                   | (4,14,550)    | Sale  | 29,91,618 2.05                                      |
|         |  |   |                                  | 24/07/2015                   | (61,760)      | Sale  | 29,29,858 2.01                                      |
|         |  |   |                                  | 31/07/2015                   | (13,57,539)   | Sale  | 15,72,319 1.08                                      |
|         |  |   |                                  | 07/08/2015                   | (3,29,148)    | Sale  | 12,43,171 0.85                                      |
|         |  |   |                                  | 04/09/2015                   | (85,000)      | Sale  | 11,58,171 0.79                                      |
|         |  |   |                                  | 11/09/2015                   | (1,80,000)    | Sale  | 9,78,171 0.67                                       |
|         |  |   |                                  | 15/09/2015                   | 9,78,171      | Bonus Shares  | 19,56,342 0.67                                      |
|         |  |   |                                  | 15/01/2016                   | (2,06,380)    | Sale  | 17,49,962 0.60                                      |
|         |  |   |                                  | 29/01/2016                   | 50,000        | Market Purchase   | 17,99,962 0.62                                      |
|         |  |   |                                  | 11/03/2016                   | 2,70,000      | Market Purchase   | 20,69,962 0.71                                      |
|         |  |   |                                  | 18/03/2016                   | 2,00,000      | Market Purchase   | 22,69,962 0.78                                      |
|         |  |   |                                  | 25/03/2016                   | 1,00,000      | Market Purchase   | 23,69,962 0.81                                      |
|         | At the end of the year   |   |                                  |                              |               |   | 23,69,962 0.81                                      |
| 13      | DB International (Asia) Ltd  | 2163497   | 1.49                             |                              |               |   | 21,63,497 1.49                                      |
|         |  |   |                                  | 17/04/2015                   | 65,946        | Market Purchase   | 22,29,443 1.53                                      |
|         |  |   |                                  | 24/04/2015                   | 300           | Market Purchase   | 22,29,743 1.53                                      |
|         |  |   |                                  | 01/05/2015                   | 30,355        | Market Purchase   | 22,60,098 1.55                                      |
|         |  |   |                                  | 08/05/2015                   | 8             | Market Purchase   | 22,60,106 1.55                                      |
|         |  |   |                                  | 15/05/2015                   | (44,700)      | Sale  | 22,15,406 1.52                                      |
|         |  |   |                                  | 22/05/2015                   | (1,86,415)    | Sale  | 20,28,991 1.39                                      |
|         |  |   |                                  | 29/05/2015                   | (1,17,959)    | Sale  | 19,11,032 1.31                                      |
|         |  |   |                                  | 12/06/2015                   | 472           | Market Purchase   | 19,11,504 1.31                                      |
|         |  |   |                                  | 26/06/2015                   | (72,131)      | Sale  | 18,39,373 1.26                                      |
|         |  |   |                                  | 10/07/2015                   | 1,600         | Market Purchase   | 18,40,973 1.26                                      |
|         |  |   |                                  | 17/07/2015                   | 3,200         | Market Purchase   | 18,44,173 1.26                                      |
|         |  |   |                                  | 24/07/2015                   | 2,664         | Market Purchase   | 18,46,837 1.27                                      |
|         |  |   |                                  | 31/07/2015                   | (2,72,607)    | Sale  | 15,74,230 1.08                                      |
|         |  |   |                                  | 07/08/2015                   | (20,815)      | Sale  | 15,53,415 1.07                                      |
|         |  |   |                                  | 14/08/2015                   | (2,84,900)    | Sale  | 12,68,515 0.87                                      |
|         |  |   |                                  | 21/08/2015                   | (1,15,705)    | Sale  | 11,52,810 0.79                                      |

## Board's Report

| Sl. No. | Name & Type of Transaction   | Shareholding at the beginning of the year - as on 01/04/2015 i.e. as per shareholding pattern of 31/03/2015 |                                  | Transactions during the year |               | Cumulative Shareholding during the year-as on 31/03/2016 i.e. as per shareholding pattern of 31/03/2016 |                    |                                  |
|---------|------------------------------|---|----------------------------------|------------------------------|---------------|---|--------------------|----------------------------------|
|         |                              | No. of shares held  | % of total shares of the Company | Date of transaction          | No. of shares | Reason  | No. of shares held | % of total shares of the Company |
|         |                              |   |                                  | 28/08/2015                   | (1,42,694)    | Sale  | 10,10,116          | 0.69                             |
|         |                              |   |                                  | 04/09/2015                   | (1,87,575)    | Sale  | 8,22,541           | 0.56                             |
|         |                              |   |                                  | 11/09/2015                   | (85,000)      | Sale  | 7,37,541           | 0.51                             |
|         |                              |   |                                  | 15/09/2015                   | 7,37,541      | Bonus Shares  | 14,75,082          | 0.51                             |
|         |                              |   |                                  | 18/09/2015                   | (1,09,995)    | Sale  | 13,65,087          | 0.94                             |
|         |                              |   |                                  | 25/09/2015                   | 48,955        | Market Purchase   | 14,14,042          | 0.48                             |
|         |                              |   |                                  | 30/09/2015                   | 1,03,756      | Market Purchase   | 15,17,798          | 0.52                             |
|         |                              |   |                                  | 09/10/2015                   | (1,03,473)    | Sale  | 14,14,325          | 0.48                             |
|         |                              |   |                                  | 23/10/2015                   | (874)         | Sale  | 14,13,451          | 0.48                             |
|         |                              |   |                                  | 30/10/2015                   | (62,686)      | Sale  | 13,50,765          | 0.46                             |
|         |                              |   |                                  | 06/11/2015                   | (66,010)      | Sale  | 12,84,755          | 0.44                             |
|         |                              |   |                                  | 13/11/2015                   | (42,480)      | Sale  | 12,42,275          | 0.43                             |
|         |                              |   |                                  | 20/11/2015                   | (379)         | Sale  | 12,41,896          | 0.43                             |
|         |                              |   |                                  | 27/11/2015                   | (310)         | Sale  | 12,41,586          | 0.43                             |
|         |                              |   |                                  | 04/12/2015                   | (126)         | Sale  | 12,41,460          | 0.43                             |
|         |                              |   |                                  | 11/12/2015                   | (32,722)      | Sale  | 12,08,738          | 0.41                             |
|         |                              |   |                                  | 08/01/2016                   | 9,132         | Market Purchase   | 12,17,870          | 0.42                             |
|         |                              |   |                                  | 22/01/2016                   | (7,691)       | Sale  | 12,10,179          | 0.41                             |
|         |                              |   |                                  | 29/01/2016                   | (5,23,833)    | Sale  | 6,86,346           | 0.24                             |
|         |                              |   |                                  | 05/02/2016                   | (1,49,669)    | Sale  | 5,36,677           | 0.18                             |
|         |                              |   |                                  | 19/02/2016                   | 1,96,771      | Market Purchase   | 7,33,448           | 0.25                             |
|         |                              |   |                                  | 26/02/2016                   | 90,576        | Market Purchase   | 8,24,024           | 0.28                             |
|         |                              |   |                                  | 04/03/2016                   | (1,09,182)    | Sale  | 7,14,842           | 0.24                             |
|         |                              |   |                                  | 25/03/2016                   | 8,987         | Market Purchase   | 7,23,829           | 0.25                             |
|         |                              |   |                                  | 31/03/2016                   | 18,400        | Market Purchase   | 7,42,229           | 0.25                             |
|         | At the end of the year       |   |                                  |                              |               |   | 7,42,229           | 0.25                             |
| 14      | Ironwood Investment Holdings | 51,96,581   | 3.57                             |                              |               |   | 51,96,581          | 3.57                             |
|         |                              |   |                                  | 17/04/2015                   | (1,20,000)    | Sale  | 50,76,581          | 3.48                             |
|         |                              |   |                                  | 29/05/2015                   | (50,76,581)   | Sale  | 0                  | 0.00                             |
|         | At the end of the year       |   |                                  |                              |               |   | 0                  | 0.00                             |

| Sl. No. | Name & Type of Transaction              | Shareholding at the beginning of the year - as on 01/04/2015 i.e. as per shareholding pattern of 31/03/2015 |                                  |                     |               |        | Cumulative Shareholding during the year-as on 31/03/2016 i.e. as per shareholding pattern of 31/03/2016 |                                  |
|---------|---|---|----------------------------------|---------------------|---------------|--------|---|----------------------------------|
|         |   | Transactions during the year  |                                  |                     |               |        |   |                                  |
|         |   | No. of shares held  | % of total shares of the Company | Date of transaction | No. of shares | Reason | No. of shares held  | % of total shares of the Company |
| 15      | Pictet Country Fund (Mauritius) Limited | 18,91,007   | 1.30                             |                     |               |        | 18,91,007   | 1.30                             |
|         |   |   |                                  | 08/05/2015          | (4,10,804)    | Sale   | 14,80,203   | 1.02                             |
|         |   |   |                                  | 15/05/2015          | (10,43,916)   | Sale   | 4,36,287  | 0.30                             |
|         |   |   |                                  | 22/05/2015          | (2,21,898)    | Sale   | 2,14,389  | 0.15                             |
|         |   |   |                                  | 29/05/2015          | (2,14,389)    | Sale   | 0   | 0.00                             |
|         | At the end of the year                  |   |                                  |                     |               |        | 0   | 0.00                             |

## (v) Shareholding of Directors and Key Managerial Personnel:

### A. Shareholding of Directors

| Sl. No. | For each of the Directors | Shareholding at the beginning of the year (i.e. 01/04/2015) |                                  |            |                          |                          | Cumulative Shareholding at the end of the year (i.e. 31/03/2016) |               |
|---------|---------------------------|---|----------------------------------|------------|--------------------------|--------------------------|--|---------------|
|         |                           | No. of shares   | % of total shares of the Company | Date       | Increase (No. of shares) | Decrease (No. of shares) | Reason   | No. of shares |
| 1.      | Mr. Kapil Wadhawan        | 9,00,000  | 0.62                             | 15/09/2015 | 9,00,000                 | -                        | Bonus Shares   | 18,00,000     |
| 2.      | Mr. Dheeraj Wadhawan      | 9,00,000  | 0.62                             | 15/09/2015 | 9,00,000                 | -                        | Bonus Shares   | 18,00,000     |
| 3.      | Mr. G. P. Kohli           | 3,400   | 0.00                             | 15/09/2015 | 3,400                    | -                        | Bonus Shares   | 6,800         |
| 4.      | Mr. V. K. Chopra          | -   | -                                | -          | -                        | -                        | -  | -             |
| 5.      | Mr. M. Venugoplan         | 500   | 0.00                             | 15/09/2015 | 500                      | -                        | Bonus Shares   | 1,000         |
| 6.      | Ms. Vijaya Sampath        | -   | -                                | 27/07/2015 | 1,500                    | -                        | Market Purchase  | 1,500         |
|         |                           | -   | -                                | 28/07/2015 | 500                      | -                        | Market Purchase  | 2,000         |
|         |                           | -   | -                                | 15/09/2015 | 2,000                    | -                        | Bonus Shares   | 4,000         |
| 7.      | Dr. Rajiv Kumar           | -   | -                                | -          | -                        | -                        | -  | -             |

### B. Shareholding of Key Managerial Personnel

| Sl. No. | For Each Key Managerial Personnel (other than Director) | Shareholding at the beginning of the year (01/04/2015) |                                  |            |                          |                          | Shareholding at the end of the year (31/03/2016)      |               |
|---------|---|--|----------------------------------|------------|--------------------------|--------------------------|---|---------------|
|         |   | No. of shares  | % of total shares of the Company | Date       | Increase (No. of shares) | Decrease (No. of shares) | Reason  | No. of shares |
| 1.      | Mr. Harshil Mehta – Chief Executive Officer             | 2,555  | 0.00                             | 15/09/2015 | 2,555                    | -                        | Bonus Shares  | 5,110         |
| 2.      | Mr. Santosh Sharma – Chief Financial Officer            | 1  | 0.00                             | 15/09/2015 | 1                        | -                        | Bonus Shares  | 2             |
| 3.      | Mrs. Niti Arya – Company Secretary                      | -  | -                                | 23/10/2015 | 40,000                   | -                        | Shares allotted pursuant to exercise of Stock Options | 40,000        |
|         |   |  |                                  | 06/11/2015 |                          | 1,000                    | Sale  | 39,000        |
|         |   |  |                                  | 09/11/2015 |                          | 14,000                   | Sale  | 25,000        |
|         |   |  |                                  | 10/11/2015 |                          | 10,000                   | Sale  | 15,000        |
|         |   |  |                                  | 30/12/2015 |                          | 500                      | Sale  | 14,500        |
|         |   |  |                                  | 31/12/2015 |                          | 500                      | Sale  | 14,000        |

Note : Mr. Kapil Wadhawan – Chairman & Managing Director is also a Key Managerial Personnel under Section 203 of the Companies Act, 2013, however the details of his shareholding disclosure is not repeated under the KMP disclosure.

## Board's Report

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(₹ in lakh)

|  | Secured Loans<br>excluding deposits | Unsecured Loans | Deposits        | Total<br>Indebtedness |
|--|-------------------------------------|-----------------|-----------------|-----------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                     |                 |                 |                       |
| i) Principal Amount  | 40,35,018                           | 4,89,220        | 3,55,592        | 48,79,830             |
| ii) Interest due but not paid                              | -                                   | -               | -               | -                     |
| iii) Interest accrued but not due                          | 19,385                              | 4,549           | 17,239          | 41,173                |
| <b>Total (i+ii+iii)</b>                                    | <b>40,54,403</b>                    | <b>4,93,769</b> | <b>3,72,831</b> | <b>49,21,003</b>      |
| <b>Change in Indebtedness during the financial year</b>    |                                     |                 |                 |                       |
| Addition   | 17,89,929                           | 19,27,627       | 3,73,636        | 40,91,192             |
| Reduction  | 7,95,056                            | 18,16,766       | 2,42,204        | 28,54,026             |
| <b>Net Change</b>  | <b>9,94,873</b>                     | <b>1,10,861</b> | <b>1,31,432</b> | <b>12,37,166</b>      |
| <b>Indebtedness at the end of the financial year</b>       |                                     |                 |                 |                       |
| i) Principal Amount  | 50,03,489                           | 6,02,620        | 4,84,228        | 60,90,337             |
| ii) Interest due but not paid                              | -                                   | -               | -               | -                     |
| iii) Interest accrued but not due                          | 45,786                              | 2,009           | 20,034          | 67,829                |
| <b>Total (i+ii+iii)</b>                                    | <b>50,49,275</b>                    | <b>6,04,629</b> | <b>5,04,262</b> | <b>61,58,166</b>      |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Director and / or Manager : The Company has only one Managing Director - Mr. Kapil Wadhawan

(In ₹) (Gross)

| Sl. No. | Particulars of Remuneration   | Mr. Kapil Wadhawan<br>(Chairman & Managing Director) |
|---------|---|--|
| 1       | <b>Gross salary</b>   |  |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 1,25,64,449  |
|         | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | -  |
|         | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              | -  |
| 2       | <b>Stock Option/ Stock Appreciation Rights</b>                                      | -  |
| 3       | <b>Sweat Equity</b>   | -  |
| 4       | <b>Commission</b>   | 10,426,229   |
| 5       | <b>Others:</b>  |  |
|         | Employer's contribution to Provident Fund   | 9,56,129   |
|         | <b>Total (A)</b>  | <b>2,39,46,807</b>                                   |
|         | <b>Ceiling as per the Act</b>   |  |

In terms of the provisions of the Companies Act, 2013, ("Act") the remuneration payable to the Managing Director shall not exceed 5% of the net profit of the Company as calculated as per the Act. The remuneration paid to Mr. Kapil Wadhawan - Chairman & Managing Director was well within the limits prescribed under the Companies Act, 2013 and the approval accorded by the Members of the Company.

## B. Remuneration to other Directors

### B1. Independent Directors

| (₹)  |                              |   |                                 |                      |
|--|------------------------------|---|---------------------------------|----------------------|
| Sl. No.  | Name of Independent Director | Fees for attending Board/Committee Meetings (Gross) | Commission <sup>a</sup> (Gross) | Total Amount (Gross) |
| 1.   | Mr. G. P. Kohli              | 12,22,000   | 10,00,000                       | 22,22,000            |
| 2.   | Mr. V. K. Chopra             | 6,24,000  | 10,00,000                       | 16,24,000            |
| 3.   | Mr. M. Venugopalan           | 5,16,000  | 10,00,000                       | 15,16,000            |
| 4.   | Dr. Rajiv Kumar <sup>b</sup> | 1,35,000  | 6,50,273                        | 7,85,273             |
| 5.   | Ms. Vijaya Sampath           | 1,98,000  | 10,00,000                       | 11,98,000            |
| Total (B)(1)   |                              | 26,95,000   | 46,50,273                       | 73,45,273            |
| B2. Other Non Executive Director   |                              |   |                                 |                      |
| 1.   | Mr. Dheeraj Wadhawan         | 9,00,000  | 10,00,000                       | 19,00,000            |
| Total( B) (2)  |                              | 9,00,000  | 10,00,000                       | 19,00,000            |
| Total (B)=(B)(1)+(B)(2)  |                              | 35,95,000   | 56,50,273                       | 92,45,273            |
| Total Managerial Remuneration Total remuneration to CMD, Whole Time Director and other Directors (being the total A and B) |                              |   |                                 | 3,31,92,080          |

#### Ceiling as per the Act

1. In terms of the provisions of the Companies Act, 2013, the remuneration payable to directors other than Executive directors shall not exceed 1% of the net profit of the Company as calculated as per the Act. The remuneration paid to the Independent Directors and Non-Executive Director as listed above was well within the limits prescribed under the Companies Act, 2013 and the approval accorded by the Members of the Company.
2. The remuneration paid to the Directors of the Company were within the overall ceiling as prescribed under the Companies Act, 2013.

a. Commission to the Non-Executive Directors is subject to approval at the ensuing Annual General Meeting.

b. Appointed as an Additional Director (Independent Director) w.e.f. August 7, 2015.

## C. Remuneration to Key Managerial Personnel other than Managing Director/Manager/ Whole Time Director

| (₹)       |  |  |   |                                    |
|-----------|--|--|---|------------------------------------|
| Sl. No.   | Particulars of Remuneration  | Key Managerial Personnel                     |   |                                    |
|           |  | Mr. Harshil Mehta<br>Chief Executive Officer | Mr. Santosh Sharma<br>Chief Financial Officer | Ms. Niti Arya<br>Company Secretary |
| <b>1</b>  | <b>Gross salary</b>  |  |   |                                    |
| (a)       | Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961 (In ₹) | 2,64,37,493                                  | 80,67,065                                     | 58,57,513                          |
| (b)       | Value of perquisites u/s 17(2) Income-Tax Act, 1961 (In ₹)                             |  |   |                                    |
| (i)       | Perquisites w.r.t. to exercise of Stock Options (In ₹)                                 | NIL  | NIL   | 66,44,000                          |
| (ii)      | Other Perquisites (In ₹)   | 75,504                                       | 2,09,736                                      | 12,01,761                          |
| (c)       | Profits in lieu of salary under section 17(3) of Income-tax Act, 1961                  | NIL  | NIL   | NIL                                |
| <b>2.</b> | <b>Stock Option (No. of Options)</b>   |  |   |                                    |
| (a)       | ESOP Plan III  | NIL  | 50,000  | -                                  |
| (b)       | Stock Appreciation Rights  | 2,00,000                                     | 32,000  | 12,000                             |



## Board's Report

(₹)

| Sl. No.             | Particulars of Remuneration                   | Key Managerial Personnel                     |   |                                    | Total (₹)          |
|---------------------|---|--|---|------------------------------------|--------------------|
|                     |   | Mr. Harshil Mehta<br>Chief Executive Officer | Mr. Santosh Sharma<br>Chief Financial Officer | Ms. Niti Arya<br>Company Secretary |                    |
| 3.                  | Sweat Equity                                  | NIL  | NIL   | NIL                                | NIL                |
| 4.                  | Commission                                    | NIL  | NIL   | NIL                                | NIL                |
| 5.                  | Others (Employer's contribution to PF) (In ₹) | 12,90,300                                    | 4,15,873                                      | 2,97,000                           | 20,03,173          |
| <b>Total( In ₹)</b> |   | <b>2,78,03,297</b>                           | <b>86,92,674</b>                              | <b>1,40,00,274</b>                 | <b>5,04,96,245</b> |

Note:

- a. The total of remuneration is without Stock Options.
- b. During the year the number of Stock Appreciation Rights were adjusted on account of Bonus Issue.
- c. During the year, 50,000 Stock Options were allotted to the Chief Financial Officer.

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

| Type                                | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT / COURT] | Appeal made, if any (give Details) |
|-------------------------------------|------------------------------|-------------------|---|-------------------------------|------------------------------------|
| <b>A. COMPANY</b>                   |                              |                   |   |                               |                                    |
| Penalty                             |                              |                   | None  |                               |                                    |
| Punishment                          |                              |                   |   |                               |                                    |
| Compounding                         |                              |                   |   |                               |                                    |
| <b>B. DIRECTORS</b>                 |                              |                   |   |                               |                                    |
| Penalty                             |                              |                   | None  |                               |                                    |
| Punishment                          |                              |                   |   |                               |                                    |
| Compounding                         |                              |                   |   |                               |                                    |
| <b>C. OTHER OFFICERS IN DEFAULT</b> |                              |                   |   |                               |                                    |
| Penalty                             |                              |                   | None  |                               |                                    |
| Compounding                         |                              |                   |   |                               |                                    |

# Report on Corporate Governance

## COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance is a code that sets the principles, systems, and practices through which the Board of Directors of the Company ensures transparency, fairness and accountability in the Company's relationship with all its stakeholders, viz. regulators, shareholders, creditors, government agencies, employees, among others. The code of governance is based on the principles 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.

We at DHFL, practice a trustworthy, transparent, moral and ethical conduct, both internally and externally, and are committed towards maintaining the highest standards of Corporate Governance practices in the best interest of all its stakeholders.

DHFL believes that it not only has legal, contractual and social responsibilities, but also has obligations towards its non-shareholder stakeholders such as bankers, regulators, government agencies, employees, investors, creditors and customers, among others. DHFL strives to ensure that all its stakeholders have an access to clear, adequate and factual information relating to the Company at all times. It promotes accountability of its management and the Board of Directors acknowledges its responsibilities towards its stakeholders for creation and safeguarding their wealth.

The report of the Company on Corporate Governance as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [herein referred as "SEBI Listing Regulations"] is listed hereunder:

## BOARD OF DIRECTORS

DHFL's Board of Directors play a pivotal role in ensuring that good corporate governance practices are followed within the Company. The Board of Directors oversees the functioning of the Company and that of its management; and ensures that every decision taken is in the best interest of the stakeholders of the Company.

The Board while performing its fiduciary duties recognizes its responsibilities towards the shareholders and other stakeholders, to uphold the highest standards in all matters concerning the Company and for the purpose ensures proper delegation of appropriate authority to the senior officials of the Company for effective management of operations.

The Board monitors and approves the annual budgets, business plans & strategies and various policies of the Company. It also reviews the operational and financial performance of the Company. The Board ensures the integrity of financial reporting system, financial & internal control, risk management and compliance with the applicable laws. It also oversees the process of disclosure & communications made by the Company and ensures that a transparent nomination process to the Board of the Company is duly followed.

## Composition of the Board

The Composition of the Board of Directors of the Company is in compliance with Regulation 17 of the SEBI Listing Regulations. The Board of Directors of the Company has an optimum combination of Executive, Non Executive and Independent Directors. The Board of your Company is headed by an Executive Director (designated as the Chairman and Managing Director) and comprises of other six Directors, out of which one is a Non – Executive Director and five are Independent Directors including one Woman Director.

### Report on Corporate Governance

The composition of the Board and category of each Director along with their shareholding in the Company as at March 31, 2016, is as follows:

| Name of the Directors                                 | Category of Directors                               | DIN      | No. of equity shares held in the Company |
|---|---|----------|--|
| Mr. Kapil Wadhawan <sup>1</sup>                       | Promoter/Executive Director (Chairman of the Board) | 00028528 | 18,00,000                                |
| Mr. Dheeraj Wadhawan                                  | Promoter/Non-Executive Director                     | 00096026 | 18,00,000                                |
| Mr. G.P. Kohli  | Independent Non - Executive Directors               | 00230388 | 6,800                                    |
| Mr. V.K. Chopra                                       |   | 02103940 | -  |
| Mr. Mannil Venugopalan                                |   | 00255575 | 1,000                                    |
| Ms. Vijaya Sampath <sup>2</sup>                       |   | 00641110 | 4,000                                    |
| Dr. Rajiv Kumar <sup>3</sup><br>(Additional Director) |   | 02385076 | -  |

1. Re-appointed as a Managing Director (designated as Chairman & Managing Director) for a term of 5 years w.e.f. October 4, 2015.
2. Members of the Company at the 31st Annual General Meeting held on July 23, 2015 approved the appointment of Ms. Vijaya Sampath as an Independent Director for a term of five years w.e.f. August 26, 2014.
3. Appointed as an Additional (Independent) Director w.e.f. August 7, 2015

Mr. Dheeraj Wadhawan is the brother of Mr. Kapil Wadhawan (Chairman & Managing Director). None of the other Directors are related to any other director on the Board.

### Directorships and Membership of the Directors in other Companies/Committees

All the Directors of the Company are compliant with the applicable provisions of Companies Act, 2013 and SEBI Listing Regulations with respect to their number of Directorship in other Companies and chairmanship/membership on various Committees.

The details of the directorship of each Director on the Board of various Companies alongwith their Chairmanship and Membership on the Board Committees (including DHFL) is tabled below:

| Name of the Directors  | Number of Directorships <sup>1</sup> | Member/Chairperson of Committee <sup>2</sup> |             |
|------------------------|--------------------------------------|--|-------------|
|                        |                                      | Member                                       | Chairperson |
| Mr. Kapil Wadhawan     | 5                                    | 3  | -           |
| Mr. Dheeraj Wadhawan   | 2                                    | -  | -           |
| Mr. G. P. Kohli        | 4                                    | 2  | 2           |
| Mr. V. K. Chopra       | 9                                    | 5  | 4           |
| Mr. Mannil Venugopalan | 10                                   | 6  | 3           |
| Ms. Vijaya Sampath     | 4                                    | -  | -           |
| Dr. Rajiv Kumar        | 1                                    | -  | -           |

1. Directorships in Private Limited Companies, Foreign Companies and Section 8 companies are not included.
2. Committees considered to reckon the limit are Audit Committee and Stakeholders Relationship Committee in public (listed and unlisted) Companies.

## Report on Corporate Governance (Contd.)

### Board Meetings

The Company holds minimum four pre-scheduled Board meetings annually, one in each quarter, inter-alia, to review the financial results of the Company. The maximum time gap between two Board meetings is not more than one hundred and twenty days. Additional Board Meetings are held by the Company to address specific needs, as and when required. In case, of urgency or business exigencies, matters are also approved by way of circular resolution as per the provisions of Companies Act, 2013 and subsequently noted at the next Board meeting.

The functional/business heads of the Company periodically give presentations covering their respective operations, performance, plans and strategies and discuss upon the areas of improvement and prospective opportunities. The Company circulates the agenda and related notes/ documents well in advance through its e-based model known as the Board Meeting Organiser (BMO) to the Board and its Committee Members thereof. This model provides for an easy access, quick reference and availability of data at a click of a button without compromising on the confidentiality of information, at all times.

The notes are comprehensive in nature which, inter-alia, includes:

- Quarterly/Half Yearly/Annual financial results of the Company
- Annual budgets /plans of the Company and any updates thereon

- Minutes of various committees of the Board
- Information on the exits and recruitments including the remuneration of senior officials just below the Board level
- Significant transactions, related party transactions and arrangements
- Details of Joint Ventures and regular updates on the existing joint ventures of the Company
- Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement of material nature
- Compliance reports pertaining to all the laws applicable to the Company
- Regulatory notices/judgement/order being material in nature
- Approvals on the sale of investments/assets of material nature
- Update on non-fulfilment or defaults by the Company of any financial liability /obligations of material nature
- Update on shareholders' grievance redressal process

As a practice, the Company Secretary communicates all important decisions taken by the Board Members/ Committee Members to the functional head of the concerned department. An Action Taken Report (ATR) on the decisions taken and matters discussed in the previous meeting is outlined and placed in the succeeding meeting of the Board/ Board Committee for their information and noting.

During the current financial year, six (6) Board meetings were held. The details of the Board Meetings along with the attendance of each Director at the respective Board Meeting and last AGM is tabled below:

| Name of the Directors        | Attendance at the Board Meetings held on |               |                  |                  |                  |               | Attendance at last (31st) AGM |
|------------------------------|--|---------------|------------------|------------------|------------------|---------------|-------------------------------|
|                              | April 29, 2015                           | July 23, 2015 | August 7, 2015   | October 20, 2015 | January 20, 2016 | March 9, 2016 |                               |
| Mr. Kapil Wadhawan           | Yes                                      | Yes           | Yes              | Yes              | Yes              | Yes           | Yes                           |
| Mr. Dheeraj Wadhawan         | Yes                                      | Yes           | Yes              | Yes              | Yes              | Yes           | Yes                           |
| Mr. G. P. Kohli              | Yes                                      | Yes           | Yes              | Yes              | Yes              | Yes           | Yes                           |
| Mr. V.K. Chopra              | Yes                                      | Yes           | Yes              | Yes              | Yes              | Yes           | Yes                           |
| Mr. M. Venugopalan           | Yes                                      | Yes           | Yes              | Yes              | Yes              | Yes           | Yes                           |
| Ms. Vijaya Sampath           | Leave of Absence                         | Yes           | Leave of Absence | Yes              | Yes              | Yes           | Yes                           |
| Dr. Rajiv Kumar <sup>1</sup> | -  | -             | -                | Yes              | Yes              | Yes           | -                             |

1. Appointed as an Additional (Independent) Director w.e.f. August 7, 2015

## Report on Corporate Governance

### Familiarization Programme

The Company follows a structured orientation programme for its newly inducted Director(s) to ensure that they become fully aware of the industry in which the Company operates, the processes, systems and policies adopted and followed by the Company. The Company also aims at informing the Directors on the legal, regulatory as well as socio-economic regime in which the Company functions. The familiarization programme for the new and continuing Independent Directors of the Company ensures valuable participation and inputs from them which helps in bringing forth the best practices to the Company and help in making informed decision(s) at the Board Level.

Additionally, the Independent Directors are briefed on their roles, duties, rights and responsibilities as a Director of the Company. It ensures that regular updates are provided to the Directors on the changes/revision in the Company's business model, new developments & initiatives undertaken by the Company, new processes & policies adopted/revised, amendment/introduction of applicable laws and/or regulations etc.

The familiarization programme of the Company is uploaded on the Company's website and is available at the URL: <http://www.dhfl.com/about-us/board-of-directors/other-board-information/familiarization-programme/>

### COMMITTEES OF THE BOARD

The Board of Directors has constituted six (6) committees namely – Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Risk Management Committee, Finance Committee and Corporate Social Responsibility Committee which enables the Board to deal with specific areas / activities that need a closer review and to have an appropriate structure to assist in the discharge of their duties and responsibilities.

The Committees of the Board meet at regular intervals and have the requisite subject expertise to handle and resolve matters expediently. The Board overlooks the functioning of the Committees. The Chairman of the respective Committees briefs the Board on significant discussions and decision taken at their respective meetings. Minutes of the Committee Meetings are placed in the subsequent Board Meeting for their noting.

The Company Secretary acts as a Secretary to all the Committees of the Board.

Detailed terms of reference, composition, meetings and other information of each of the Committees of the Board are detailed herein below:

#### a. Audit Committee

The Audit Committee of the Board is constituted in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations.

All the Members of the Audit Committee have the required qualification and expertise for appointment on the Committee and possess requisite knowledge of accounting and financial management.

The representatives of the statutory auditors are the permanent invitees to the meetings of the Committee wherein the financial statements/results are discussed. In addition to the representatives of the Statutory Auditors, Head (Audit & Inspection) alongwith the Chief Executive Officer and the Chief Financial Officer are also invited to attend the Audit Committee meetings. Various Functional Heads and Senior Management Personnel are invited to the meetings to give presentations relating to their respective function.

The Chairman of the Audit Committee was present at the last (31st) Annual General Meeting of the Company.

Terms of Reference of the Audit Committee is as follows:

- To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
- To recommend to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and the fixation of audit fees
- To approve the payment to statutory auditors for any other services rendered by them
- To review with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report.

## Report on Corporate Governance (Contd.)

- b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Qualifications in the draft audit report.
- To review with the management, the quarterly financial statements before submission to the board for approval
  - To review with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter
  - To review with the management, performance of statutory and internal auditors, and monitor auditor's independence and performance; and effectiveness of the audit process and adequacy of the internal control systems
  - To review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
  - To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board
  - To discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern
  - To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, members (in case of nonpayment of declared dividends) and creditors
  - To approve the appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc., of the candidate
  - To consider, suggest modification and or recommend/ approve, the related party transactions of the Company
  - To scrutinize inter-corporate loans and investments;
  - To consider valuation of assets or undertaking of the Company wherever required
  - To evaluate internal financial controls and risk management systems
  - To review and formulate the scope, functioning, periodicity, methodology for conducting the internal audit, in consultation with the Internal Auditor and to discuss with the internal auditors any significant findings and follow up there on
  - To have the authority to investigate into any matter as included in its terms of reference or referred to it by the Board and for this purpose the Audit Committee to have power to obtain professional advice from external sources and have full access to information contained in the records of the company.
  - To review the Company's Vigil Mechanism as defined under the Whistle Blower Policy of the Company with regard to the process/procedure prescribed for its employees and directors to raise concerns, in confidence, about possible wrongdoing in financial reporting, accounting, auditing or other related matter. To ensure that these arrangements allow independent investigation of such matters and appropriate follow up action.
  - Any other function as may be stipulated by the Companies Act, 2013, SEBI, Stock Exchanges or any other regulatory authorities from time to time.

### Composition and Meetings

The Audit committee was last reconstituted by the Board of Directors at their meeting held on October 21, 2014. The composition of the Audit Committee is as per the provisions of Companies Act, 2013 and SEBI Listing Regulations

The Company holds minimum four pre-scheduled Audit Committee meetings annually, one in each quarter and the maximum time gap between two audit Committee meetings is not more than one hundred and twenty days.



### Report on Corporate Governance

During the financial year 2015-16, six (6) Audit Committee meetings were held on April 29, 2015, July 23, 2015, September 10, 2015, October 20, 2015, January 20, 2016 and March 9, 2016. The composition and the attendance thereof of the members of the Committee are given herein below:

| Composition                                       | Category    | Meetings attended |
|---|-------------|-------------------|
| Mr. M. Venugopalan<br>(Chairman of the Committee) | Independent | 6                 |
| Mr. G.P. Kohli                                    | Independent | 6                 |
| Mr. V.K Chopra                                    | Independent | 6                 |

#### b. Nomination and Remuneration Committee

The Nomination and Remuneration Committee is constituted in compliance with the requirements of provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI Listing Regulations.

Terms of Reference of the Nomination and Remuneration Committee is as follows:

- To identify and recommend to the Board, in accordance with the criteria as laid down, appointment/reappointment/removal of the Executive /Non – Executive Directors and the senior management of the Company
- To formulate criteria for evaluation and evaluate the performance of every director including the Independent Directors.
- To formulate the criteria for determining qualifications, positive attributes and independence of the Directors.
- To recommend to the Board a remuneration policy for the Directors, Key Managerial Personnel and other employees of the Company.
- To devise a Policy on Board Diversity of the Company.
- To monitor and handle any other matter relating to framing/administration of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 or any amendments thereof.
- Any other function as may be mandated by the Board or stipulated by the Companies Act, 2013, SEBI, Stock Exchanges or any other regulatory authorities from time to time.

#### Composition and Meetings

The Nomination and Remuneration Committee was last re-constituted by the Board of Directors on November 5, 2014. The composition of the Nomination and Remuneration Committee is as per the provisions of Companies Act, 2013 and SEBI Listing Regulations

The Chairman of the Nomination and Remuneration Committee was present at the Thirty First (31st) Annual General Meeting of the Company.

During the year, the Committee met three (3) times on April 29, 2015, August 7, 2015 and January 20, 2016. The composition and the attendance thereof of the members of the Committee are given herein below:

| Composition                                     | Category    | Meetings attended |
|---|-------------|-------------------|
| Mr. V. K. Chopra<br>(Chairman of the Committee) | Independent | 3                 |
| Mr. G.P. Kohli                                  | Independent | 3                 |
| Ms. Vijaya Sampath                              | Independent | 1                 |

#### Remuneration Policy

The Company has a duly formulated Nomination (including Board Diversity), Remuneration and Evaluation Policy (NRE Policy) as per the provisions of Companies Act, 2013 and the SEBI Listing Regulations which, inter-alia, lays down the criteria for identifying the persons who are qualified to be appointed as Directors and such persons who may be appointed as Senior Management Personnel of the Company and also lays down the criteria for determining the remuneration of the Directors, Key Managerial Personnel (KMP) and other employees and their evaluation.

The NRE Policy of the Company, inter-alia, provides for the attributes for appointment, components of the remuneration and the process of performance evaluation relating to the Directors, Key Managerial Personnel (KMP) and other employees of the Company as explained below:

- a. Appointment criteria, remuneration terms and performance evaluation of the Executive Director/ Whole Time Director:
  - The Executive Director/ Whole Time Director is appointed as per the applicable provisions of

## Report on Corporate Governance (Contd.)

Companies Act, 2013 and rules made thereunder. The person to be appointed/re-appointed as Executive Director/Whole Time Director is assessed against a range of personal attributes and criteria which includes but is not limited to qualifications, skills, industry experience, and background etc.

- The remuneration being paid to the Executive Director/ Whole Time Director carries a balance between fixed and incentive pay (commission, bonus etc.) based on the performance objectives in relation to the operations of the Company. The Compensation (fixed salaries) paid to Executive Director/ Whole Time Director is competitive and reflects the individual's role, responsibility and experience in relation to performance of business operations of the Company. This includes salary, allowances and other statutory/ non-statutory benefits. The remuneration paid to the Executive Director/ Whole Time Director also includes a variable component which is determined by the Committee/Board, based on the performance against pre-determined financial and non-financial parameters. The total managerial remuneration payable by the Company to the Executive Director/ Whole Time Director is within the limits prescribed under the Companies Act, 2013.

- The Executive Director/Whole Time Director is evaluated on the basis of his present performance (financial/non-financial) and his achievements against various key performance parameters as defined by the Board of Directors of the Company. The performance evaluation of the Executive Director/ Whole Time Directors is carried out by the Nomination and Remuneration Committee, the Independent Directors in a separate meeting, and by the Board of the Company without the presence of the Executive Director/ Whole Time Director being evaluated. The re-appointment of the Executive Director/ Whole Time Director is on the basis of the report of his performance evaluation.

- b. Appointment criteria, remuneration terms and performance evaluation of the Non - Executive Director(s)/ Independent Director:

- The NRE policy of the Company aims at promoting diversity on the Board. The Nomination and Remuneration Committee ensures that the Board at all times represents an optimum combination of Executive and Non-Executive Directors as well

as Independent Directors with atleast one woman Director and not less than fifty percent of the Board comprising of Independent Directors. The selection of suitable candidate(s) for the directorship of the Company is based on various criteria viz. educational and professional background, personal achievements, experience, skills etc.

- The Non - Executive Director is appointed as per the applicable provisions of the Companies Act, 2013 and rules made thereunder and assessed on various parameters such as qualification, relevant experience and expertise, integrity, skill sets, etc. The appointment of Independent Directors is made in accordance with the provisions of Companies Act, 2013 and SEBI Listing Regulations. A formal letter of appointment is also issued to the Independent Directors upon their appointment. Independent Directors of the Company are not entitled to stock options.

- Commission, if any, paid to the Non-Executive Directors and the Independent Directors is within the monetary limits approved by the Members of the Company, subject to the overall ceiling of 1% of the net profits of the Company computed as per the applicable provisions of Companies Act, 2013. The sitting fees is paid to the Non-Executive Directors and the Independent Directors within the limits as prescribed under Companies Act 2013. The Company also reimburses the expenses for attending the Board and other Committee meetings including travelling, boarding and lodging expenses to the Non-Executive Directors and the Independent Directors.

- The performance evaluation of the Non-Executive Directors and the Independent Directors is carried out by the Nomination and Remuneration Committee and the Board of the Directors excluding the Director being evaluated. The performance evaluation of the Non-Executive Director is also carried out by the Independent Directors in a separate meeting. Re-appointment of a Director is based on the report of performance evaluation.

- c. Appointment criteria, remuneration terms and performance evaluation of the Senior Management Personnel and other employees:

- The Company appoints KMP i.e. Whole Time Director, Chief Executive Officer, Chief Financial Officer and Company Secretary of the Company as per the

### Report on Corporate Governance

provisions of Section 203 of the Companies Act, 2013. The Company recruits individuals with appropriate mix of skills, experience and personal attributes. For the appointment of employees, the criteria such as qualifications, skills, regional and industry experience, background and other qualities required to operate successfully in the respective position and the extent to which the appointee is likely to contribute to the overall effectiveness of the organization, work constructively with the existing team and enhance the efficiencies of the Company is considered.

- The remuneration for the Chief Executive Officer, Chief Financial Officer and Company Secretary at the time of the appointment is approved by the Board and any subsequent increments is approved by the Chairman & Managing Director of the Company as per the HR policy of the Company and the same is placed before the Nomination and Remuneration Committee and the Board. The remuneration of the employees is determined, after considering the key factors like:
  - a. The level and composition of remuneration should be reasonable and sufficient to attract, retain and motivate directors/executives and should be in line with the industry practice aimed at promoting the short term and long term interests and performance of the company.
  - b. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
  - c. Remuneration will involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- The performance of the other employees is evaluated on annual basis as per Company's and individual employees performance and contribution to the overall goals / objectives of the Company.

#### Details of the Evaluation Process

In terms of the NRE Policy and the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations, the Nomination and Remuneration Committee at its

meeting held on March 21, 2015 laid down the criteria for evaluation/assessment of the Directors (including the Independent Directors) of the Company and the Board as a whole (including the Board Committees) which were subsequently revised on May 4, 2016.

In accordance with the provisions of Schedule IV of the Companies Act, 2013 and the SEBI Listing Regulations, a separate meeting of the Independent Directors without the attendance of Non-Independent Directors and the members of the Management was held on March 26, 2016, inter-alia, to review the performance of the Chairman & Managing Director of the Company, Non-Executive Director and the Board as a whole (including its Committees thereof). The Independent Directors also assessed the quality, quantity and timelines of flow of information between the Company Management and the Board based on various components viz. relevant and adequate information being provided, circulation of agenda and related notes in advance, regular information/updates etc. Mr. G.P. Kohli acted as the Lead Independent Director.

As per the provisions of Companies Act 2013 and SEBI Listing Regulations, the Nomination and Remuneration Committee also carried out the evaluation of the performance of each Director of the Company in their respective meetings held on May 4, 2016. As a part of the performance evaluation process, self-assessment was also carried out by all the Directors (including the Independent Directors).

Pursuant to the report/feedback on the evaluation as carried out by the Nomination and Remuneration Committee and the Independent Directors in a separate meeting, the Board conducted its formal annual evaluation of its own performance, its Committees and the individual Directors (without the presence of the Director being evaluated) at its meeting held on May 4, 2016. Basis the said evaluation, the Nomination and Remuneration Committee made recommendations for the re-appointment/ appointment of the Non-executive Director and Independent Director.

#### Criteria for evaluation of Board and its Committees

The evaluation of the Board and its committees were based on the criteria, inter-alia, covering various assessment parameters like structure and composition, frequency & duration of meetings, its processes and procedures,

## Report on Corporate Governance (Contd.)

effectiveness of the Board/ committees, its financial reporting process including internal controls, review of compliances under various regulations, adequately discharge of responsibilities entrusted under various regulations and/ or terms of reference of the committees etc.

### Criteria for evaluation of Individual Directors

The criteria for evaluation of performance of the individual Directors included various parameters viz. attendance & participation during the meetings, their active contribution & independent judgment, cohesiveness, discussions/ deliberations on important matters, understanding of the Company, etc. The Chairman and Managing Director, in addition to the above, was also evaluated on his achievements against various key performance parameters (financial / non-financial) for the financial year 2015-16.

### Details of remuneration including commission and other payments to the Directors

#### Executive Director

The brief terms and conditions of Mr. Kapil Wadhawan, upon re-appointment by the Members of the Company as the Managing Director (designated as Chairman & Managing Director) of the Company for a term of five years, as set out in the agreement dated October 4, 2015, entered into with the Company, are listed below:

**Remuneration :** Remuneration payable to Mr. Kapil Wadhawan, Chairman & Managing Director (w.e.f. October 4, 2015) is as under :

| [₹ in Lakh]             |   |
|-------------------------|---|
| Particulars             | Amount (p.a.)   |
| Basic Salary            | 100   |
| Perquisites/ Allowances | 85  |
| <b>Total</b>            | <b>185</b>  |
| Commission              | As decided by Nomination and Remuneration Committee/ Board of Directors |

**Commission :** Commission per annum shall be equivalent to such sum as fixed by the Board of Directors / Nomination and Remuneration Committee, in conformity with the applicable provisions of Companies Act 2013 and rules made thereunder. The said commission shall be payable based on the set goals and performance criteria/

parameters as defined by Nomination & Remuneration Committee and/ or the Board of Directors of the Company.

**Perquisites/Allowances :** The Perquisites and allowances, as aforesaid, shall include (a) Rent-free accommodation (furnished or otherwise) or House Rent Allowance, in lieu thereof; (b) House maintenance allowance together with reimbursement of expenses and / or allowances for utilisation of gas, electricity, water, furnishing & repairs, (c) Leave Travel Concession for self and family including dependents, (d) Fees for Club Membership, (e) Payment of Insurance Premium on policies relating to Health Insurance, Personal Accident Insurance and Others, (f) Reimbursement of Medical Expenses. The valuation of perquisites and allowances shall be as per the provisions of Income Tax Act, 1961 or any rules thereunder or any statutory modification(s) or re-enactment(s) thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

The Contribution to provident fund, superannuation or annuity fund, to the extent these, singly or together, are not taxable under the Income Tax law, gratuity payable and encashment of leave, as per the rules of the Company and to the extent not taxable under the Income Tax law, shall not be included for the purpose of computation of his overall ceiling of remuneration.

The expenses incurred by Mr. Kapil Wadhawan for travelling, boarding and lodging during business trips; provision of cars for official use and his telephone expenses shall be reimbursed at actuals and not considered as perquisites.

**Other terms:** The overall remuneration payable every year to Mr. Kapil Wadhawan – Chairman & Managing Director by way of basic salary, perquisites/ allowances and commission shall not exceed in aggregate, 1% (one percent) of the net profits of the Company as computed in the manner laid down in Section 198 of the Companies Act, 2013 and the rules made thereunder. In the event of any loss, or absence or inadequacy of profits in any financial year, during the term of office of Mr. Kapil Wadhawan, the remuneration payable to him by way of salary, allowances, commission and perquisites shall not be paid in excess of the limits prescribed in Schedule V of the Companies Act, 2013 or with the approval of the Central Government.

### Report on Corporate Governance

**Notice period/severance fee:** The office of the Chairman & Managing Director may be terminated either by the Company or by him, by way of giving 3 (three) months' prior notice in writing. Further, the Chairman & Managing Director shall not be entitled to any sitting fees for attending the meetings of the Board or of the Committee(s) of which he is a Member. There is no provision for payment of any severance fee to the Chairman & Managing Director.

The compensation paid to Mr. Kapil Wadhawan - Chairman & Managing Director for the year ended March 31, 2016 is as follows:-

| (in ₹)   |           |             |                       |                                |
|--|-----------|-------------|-----------------------|--------------------------------|
| Name   | Salary    | Commission  | Contribution to funds | Value of perquisites/Allowance |
| Mr. Kapil Wadhawan<br>(Chairman & Managing Director) | 79,67,740 | 1,04,26,229 | 9,56,129              | 45,96,709                      |

### Non-Executive and Independent Directors

None of the Non-Executive and Independent Directors of the Company have any pecuniary relationship with the Company except as mentioned herein below.

The Non-Executive and Independent Directors are paid sitting fees and other expenses (travelling, boarding and lodging) incurred for attending the Board/Committee meetings. In view of the provisions of Companies Act, 2013, which provides for higher ceiling of sitting fees payable to the Board of Directors, the sitting fees payable to Non-Executive and Independent Directors for attending each meeting is fixed at ₹ 45,000 for Board Meetings and ₹ 35,000 for Audit Committee Meeting. The sitting fees for other committee meetings namely Nomination & Remuneration Committee Meeting, Finance Committee Meeting, Risk Management Committee and Corporate Social Responsibility Committee Meeting is fixed at ₹ 18,000 per meeting, respectively and ₹ 10,000 per meeting for attending Stakeholders' Relationship Committee Meeting.

As per the approval of the Board of Directors and Members approval at the 31st Annual General Meeting of the Company held on July 23, 2015, Non-Executive Directors of the Board of the Company are also entitled to a commission not exceeding one percent (1%) of the net profits of the Company. On the basis of the recommendation of Nomination & Remuneration Committee, the Board of Directors at its meeting held on January 20, 2016, approved the payment of Commission of ₹ 10,00,000 per director to Non-Executive Directors (Independent and Non-Independent) for the financial year 2015-16 with effect from April 1, 2015, payable on pro rata basis, aggregate being within the overall ceiling of one percent (1%) of the net profits of the Company.

During the year, no stock options were granted to the Non Executive Directors and Independent Directors of the Company.

The compensation paid / payable by the Company to the Non-Executive and Independent Directors as at March 31, 2016 is as given below:

| (Amount in ₹)        |               |              |
|----------------------|---------------|--------------|
| Name                 | Sittings Fees | Commission * |
| Mr. G. P. Kohli      | 12,22,000     | 10,00,000    |
| Mr. V. K. Chopra     | 6,24,000      | 10,00,000    |
| Mr. Dheeraj Wadhawan | 9,00,000      | 10,00,000    |
| Mr. M. Venugopalan   | 5,16,000      | 10,00,000    |
| Ms. Vijaya Sampath   | 1,98,000      | 10,00,000    |
| Dr. Rajiv Kumar **   | 1,35,000      | 6,50,273     |

\* Subject to the approval at the ensuing Annual General Meeting

\*\* Appointed as an Additional (Independent) Director on August 7, 2015

### c. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee of the Board was constituted in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations.

The Terms of Reference of the Stakeholders' Relationship Committee is as follows:

- To redress the complaints of the members and investors, related to transfer and transmission of securities, non-receipt of annual reports, dividends and other securities related matter
- To review the requests/complaints received by the Registrar and Share Transfer Agent from the Members relating to transfer, transmission, consolidation, replacement of share certificates,



## Report on Corporate Governance (Contd.)

issue of duplicate certificates and dematerialization of securities certificates.

- To review the certificates and reports submitted by the Company to the Stock Exchanges under the SEBI Listing Regulations (erstwhile Listing Agreement) .
- To observe the quarterly status of the number of shares in physical as well as dematerialized form.
- To review the periodicity and effectiveness of the share transfer process, statutory certifications, depository related issues and activities of the Registrar and Share Transfer Agent.
- To monitor and resolve/redress the grievances of Security Holders i.e. Members, Fixed Depositors or Debenture Holders or Commercial Paper Investors or any other Investors of the security/ies issued by the Company.
- To recommend measures for overall improvement in the quality of investors services.
- Any other function as may be stipulated by the Companies Act , 2013, SEBI, Stock Exchange or any other regulatory authorities from time to time.

### Composition and Meetings

The Committee was last reconstituted on November 5, 2014. The composition of the Stakeholders Relationship Committee is as per the provisions of Companies Act, 2013 and SEBI Listing Regulations. The Chairman of the Stakeholders' Relationship Committee was present at the Thirty First (31st) Annual General Meeting of the Company.

Mrs. Niti Arya - Company Secretary acts as the Secretary to the Committee and is the Compliance Officer of the Company.

During the year under review, four (4) Committee meetings were held on April 29, 2015, July 23, 2015, October 20, 2015 and January 20, 2016. The composition and the attendance thereof of the members of the Committee are given herein below:

| Composition                                   | Category    | Meetings attended |
|---|-------------|-------------------|
| Mr. G.P. Kohli<br>(Chairman of the Committee) | Independent | 4                 |
| Mr. Kapil Wadhawan                            | Executive   | 4                 |

### Details of Complaints/grievances received

During the year, the Company has received 54 (Fifty four) complaints from its shareholders relating to non receipt of share transfer certificates, non receipt of dividend, non receipt of annual report etc. All the Complaints were redressed to the satisfaction of the shareholders and there were no pending/unresolved complaints at the end of the financial year.

The Company received 27 (Twenty Seven) complaints from the fixed deposit holders of the Company and all the complaints stands resolved as at the end of the financial year ending March 31, 2016. During the year, Company did not receive any complaint from its debenture holders.

### d. Risk Management Committee

The Risk Management Committee of the Board was constituted in compliance with the provisions of Regulation 21 of the SEBI Listing Regulations. The terms of Reference of the Risk Management Committee was last revised on January 20, 2016.

Terms of Reference of the Risk Management Committee is as follows:

- To review and monitor the Risk Management Policies and Procedures
- To ensure that the Credit Exposure of the Company to any single/group borrowers does not exceed, the internally set limits and the prescribed exposure ceilings by the Regulator
- To review the Risk Monitoring System
- To review and verify adherence to various risk parameters set-up for various Operations/Functions.
- To review the Asset-Liability Management Mechanism of the Company
- To undertake such other function as may be mandated by the Board or stipulated by the Companies Act, 2013, SEBI, Stock Exchanges or any other regulatory authorities from time to time.

### Composition and Meetings

The Composition of the Risk Management Committee is in compliance with the requirements of SEBI Listing Regulations. The Chief Risk Officer is a permanent invitee to the Committee. The Chief Executive Officer of the Company also attends the meetings of the Risk Management Committee as an invitee.



### Report on Corporate Governance

During the financial year 2015-16, two (2) Risk Management Committee meetings were held on September 10, 2015 and March 9, 2016. The composition and the attendance thereof of the members of the Committee are given herein below:

| Composition                                       | Category    | Meetings attended |
|---|-------------|-------------------|
| Mr. Kapil Wadhawan<br>(Chairman of the Committee) | Executive   | 2                 |
| Mr. V.K. Chopra                                   | Independent | 2                 |
| Mr. M. Venugopalan                                | Independent | 2                 |

#### e. Finance Committee

The terms of reference of Finance Committee were last amended on October 20, 2015.

Terms of Reference of the Finance Committee is as follows:

- To borrow moneys for the purpose of the Company's Business in accordance with the Companies Act, and any modification and enactment thereof, if any and but not exceeding the overall limit up to which the Board of Directors of the Company are authorized/ to be authorized under the Companies Act, and any modification and enactment thereof;
- To consider and approve/accept the letters of sanction by the term lending institutions/banks/NHB and other bodies corporate, opening and/or closing of the current accounts/cash credit/overdraft/fixed deposits or other account(s) with any bank and authorize the Directors/officers of the Company for the purpose;
- To authorize operation of such accounts of the Company with its bankers and to vary the existing authorization to operate the same and granting of general /specific power of attorney to the officers at the branches for routine matters and any such matters pertaining to the routine functions;
- To approve the change/s of rates of interest of all loan products and on public deposits or on debentures, debts or any other instruments/ financial products issued by the Company;
- To consider and approve the allotment of any issue of securities by the Company, be it by way of preference shares of all types, public issue of equity shares including Rights Offer, preferential issue of equity shares including firm allotment, employees

stock option plan/schemes, bonds, debentures and any other financial instrument of like nature;

- To grant approval of loans above ₹ 200 crore upto prudential exposure norms as per NHB guidelines to any person, firm or body corporate at any time or from time to time.
- To open and close the current account(s) with any banks at any place outside the territory of India and to finalize/vary the authorization (s) to operate the same.
- To open and close the securities/demat/custodian accounts(s) with any depository /participant at any place in India and abroad and to finalize/vary the authorization(s) to operate the same.

#### Composition and Meetings

The Finance Committee was last re-constituted on November 5, 2014. During the financial year 2015-16, the Committee met Thirty Five [35] times on April 9, 2015, April 20, 2015, April 28, 2015, May 14, 2015, May 20, 2015, May 29, 2015, June 23, 2015, June 29, 2015, July 8, 2015, July 16, 2015, August 6, 2015, August 20, 2015, August 25, 2015, August 31, 2015, September 8, 2015, September 15, 2015, September 28, 2015, October 13, 2015, October 23, 2015, October 30, 2015, November 9, 2015, November 30, 2015, December 9, 2015, December 23, 2015, December 30, 2015, January 12, 2016, January 27, 2016, February 19, 2016, March 8, 2016, March 9, 2016, March 15, 2016, March 21, 2016, March 23, 2016, March 29, 2016 and March 30, 2016 .

The composition and the attendance thereof of the members of the Committee are given herein below:

| Composition                                       | Category        | Meetings attended |
|---|-----------------|-------------------|
| Mr. Kapil Wadhawan<br>(Chairman of the Committee) | Executive       | 34                |
| Mr. G.P. Kohli                                    | Independent     | 33                |
| Mr. Dheeraj Wadhawan                              | Non - Executive | 35                |

#### f. Corporate Social Responsibility (CSR) Committee

The Corporate Social Responsibility Committee is constituted in line with the requirements of Section 135 of the Companies Act, 2013.

## Report on Corporate Governance (Contd.)

Terms of Reference of the CSR Committee is as follows:

- To establish and review of corporate social responsibility policies;
- To identify, segment and recommend the CSR projects/programs/activities to the Board of Directors;
- To recommend the amount of expenditure to be incurred on the activities as identified for CSR by the Company;
- To oversight the implementation of corporate social responsibility projects/ programs/ activities;
- To review the annual budgets/expenditure with respect to corporate social responsibility programs/ projects/activities;
- To work with management to establish and develop the Company's strategic framework and objectives with respect to corporate social responsibility matters;
- To receive reports on the Company's Corporate Social Responsibility programs/ projects/ activities;
- To establish and review the implementation mechanism for the CSR programs/ projects/activities undertaken by the Company;
- To establish and review the monitoring mechanism of CSR projects/programs/activities;
- To review the CSR initiatives and programs/projects/ activities undertaken by the Company;
- To review the Company's disclosure relating to corporate social responsibility matters in accordance with the requirements of the regulatory provisions;
- To obtain legal or other independent professional advice/assistance;
- To form and delegate authority to any sub-committee or employee(s) of the Company or one or more members of the committee
- Any other function as may be stipulated by the Companies Act, 2013, SEBI, Stock Exchanges or any other regulatory authorities from time to time.

### Composition and Meetings

The Corporate Social Responsibility Committee was constituted on October 22, 2012. During the financial year 2015-16, the Committee met three (3) times on April 29, 2015, September 14, 2015 and February 11, 2016. The composition and the attendance thereof of the members of the Committee are given herein below:

| Composition                                   | Category    | Meetings attended |
|---|-------------|-------------------|
| Mr. G.P. Kohli<br>(Chairman of the Committee) | Independent | 3                 |
| Mr. V. K. Chopra                              | Independent | 3                 |
| Mr. Kapil Wadhawan                            | Executive   | 3                 |

### SPECIAL COMMITTEES OF THE BOARD

The Board of Directors has constituted two committees with specific objectives, namely, Allotment Committee and Sub-Committee for Investment in Mutual Fund, the details of the composition along with the brief terms and meetings of the said Committees are as follows:

#### a. Allotment Committee

The Allotment Committee was constituted by the Board of Directors at their meeting held on January 20, 2016, to take decisions with regard to pricing of the convertible warrants as per Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 Tenure of Warrants, Tranches of exercise of warrants, time of conversion, entitlement against the warrants, mode of payment of consideration, rights of warrants holders and other related matters with regard of allotment of warrants convertible into equivalent number of Equity Shares on preferential basis to the Promoter Group entity i.e. Wadhawan Global Capital Private Limited. During the year under review, two meetings were held on January 29, 2016 and March 11, 2016 which were attended by both the Committee Members. The Composition of the Committee is as mentioned below:

| Composition                                | Category    |
|--|-------------|
| Mr. G.P. Kohli (Chairman of the Committee) | Independent |
| Mr. V. K. Chopra                           | Independent |

#### b. Sub-Committee for Investment in Mutual Fund

The Sub - Committee was constituted by the Board of Directors of the Company at their meeting held on October 21, 2014 to make decisions for making investments in mutual fund sector. As at March 31, 2016, four (4) Sub-Committee Meetings were held on October 28, 2014, September 25, 2015, February 9, 2016 and March 30, 2016, which were attended by all the Members of the Committee. The Board of Directors at their meeting held

### Report on Corporate Governance

on May 4, 2016, unanimously agreed to dissolve the said committee since the purpose of the constitution of this Committee was duly met with. The Composition of the Committee is as mentioned hereinafter:

| Composition                                    | Category    |
|--|-------------|
| Mr. Kapil Wadhawan (Chairman of the Committee) | Executive   |
| Mr. G.P. Kohli                                 | Independent |
| Mr. V. K. Chopra                               | Independent |

## GENERAL BODY MEETINGS

### i. Details of past three Annual General Meetings held by the Company

| Date and Time               | Location   | Details of Special Resolution passed   |
|-----------------------------|--|--|
| July 23, 2015 at 12.00 Noon | Exchange Plaza, National Stock Exchange Auditorium, NSE Building, Ground Floor, Bandra Kurla Complex, Bandra (East) Mumbai – 400 051 | Issuance of Non-Convertible Debentures and/or other hybrid instruments on Private Placement Basis. |
| July 24, 2014 at 12.00 Noon | Exchange Plaza, National Stock Exchange Auditorium, NSE Building, Ground Floor, Bandra Kurla Complex, Bandra (East) Mumbai – 400 051 | Approval for entering into Related Party Transactions by the Company.                              |
| July 23, 2013 at 12.00 Noon | Indian Merchant Chambers, WHH - Walchand Hirachand Hall, 4 <sup>th</sup> Floor, IMC Building, Churchgate, Mumbai- 400 020            | No Special Resolution was passed in the Meeting  |

### ii. Details of Postal Ballots conducted by the Company

During the financial year 2015-16, the Company has conducted two (2) Postal Ballots in accordance with Section 110 of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014.

The Company has provided its members with an e-voting facility through National Securities Depository Limited (NSDL), in accordance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies

(Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI Listing Regulations, in order to enable them to exercise their voting rights by way of electronic means on the resolution(s) proposed through Postal Ballot(s).

Mrs. Jayshree S. Joshi, Proprietress of M/s Jayshree Dagli & Associates, Practicing Company Secretaries, Mumbai, was appointed as a scrutiniser for scrutinizing voting (both physical and e-voting) in a fair and transparent manner for both the postal ballots conducted by the Company during the year.

The details of the Special resolution passed by way of postal ballots along with the voting pattern is mentioned below:

- I. The Board of Directors approved the Postal Ballot notice dated July 23, 2015 containing the below mentioned special resolution for the approval of the Members, which was passed with the requisite majority and the results thereof were announced on August 31, 2015.

| Name of the Resolution   | No. of Votes Polled | Votes cast in favour |        | Votes cast against |       |
|--|---------------------|----------------------|--------|--------------------|-------|
|  |                     | No. of Votes         | %      | No. of Votes       | %     |
| Approval for the Issue of Bonus Shares in the proportion of one equity share for every one equity share held by the Member(s). | 10,05,55,515        | 10,05,51,127         | 99.996 | 4,388              | 0.004 |

## Report on Corporate Governance (Contd.)

- II. The Board of Directors approved the Postal Ballot notice dated January 20, 2016 containing the below mentioned special resolution for the approval of the Members, which was passed by requisite majority and the results thereof were announced on February 29, 2016.

| Name of the Resolution   | No. of Votes Polled | Votes cast in favour |       | Votes cast against |      |
|--|---------------------|----------------------|-------|--------------------|------|
|  |                     | No. of Votes         | %     | No. of Votes       | %    |
| To consider and approve issue of warrants convertible into equivalent number of equity shares upto an amount of ₹ 500 crore on preferential basis to the Promoter Group Entity i.e. Wadhawan Global Capital Private Limited. | 8,85,41,602         | 8,60,26,062          | 97.16 | 25,15,540          | 2.84 |

iii. **Details of Proposed Postal Ballots**

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

### SUBSIDIARY COMPANIES

As at March 31, 2016, the Company has an unlisted Wholly Owned Subsidiary namely DHFL Advisory & Investments Private Limited which was incorporated on February 12, 2016.

As per the provisions of Regulation 16 (c) of the SEBI Listing Regulations, DHFL Advisory & Investments Private Limited is not a material subsidiary. The Company ensures compliance with the requirements as listed out under Regulation 24 of SEBI Listing Regulations in respect of its unlisted Subsidiary Company. The policy on determining material subsidiary (ies) as formulated by the Board of Directors of the Company is available on the website of the Company at URL: <http://www.dhfl.com/investors/policies-codes/policy-on-determining-material-subsiary/>. The subject policy inter-alia, lays down the criteria of determining material subsidiary/ies, governance requirements, manner of disposal of shares by the Company and selling/disposing/leasing of assets of the material subsidiary.

### MEANS OF COMMUNICATION

The primary source of information to the shareholders, customers, analysts and to the public at large is through the website of the Company i.e. [www.dhfl.com](http://www.dhfl.com). The Company maintains a functional website and disseminates, inter-alia, the following information:

- details of its business
- terms and conditions of appointment of independent directors
- composition of various committees of board of directors
- the email address for grievance redressal and other relevant details
- contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances
- financial information including notice of Board Meetings, financial results, annual report and other material information
- shareholding pattern
- schedule of analyst or institutional investors meet and/or presentations made by the Company to analyst or institutional investors and such other required information in terms of Regulation 46 of SEBI Listing Regulations.

The Company regularly updates any change in the content of the website within two working days of such change.

The Annual Report, annually/half yearly/ quarterly results, shareholding pattern, investors presentation, information on material events etc., are periodically filed in accordance with the SEBI Listing Regulations on BSE Listing and NSE electronic application processing system (NEAPS) portals. The financial results of the Company (quarterly and annually) are published in leading newspapers namely Financial Express, Navshakti and other leading newspapers.

### Report on Corporate Governance

Various investor relation activities such as analyst briefings, conference calls, global investor road shows, presentation on financials, discussion on Company strategy and development. etc. are undertaken by the senior management team and the Chief Investor Relations Officer.

## GENERAL SHAREHOLDERS INFORMATION

|   |  |   |
|---|--|---|
| <b>i. Date , Time and Venue of the 32nd Annual General Meeting</b>  | The 32nd Annual General Meeting of the Company will be held on Wednesday, July 20, 2016 at 12.00 noon at Exchange Plaza, National Stock Exchange Auditorium, Ground Floor, Bandra Kurla Complex, Bandra (East) Mumbai – 400 051. |   |
| <b>ii. Financial Year</b>   | The financial year of the Company is April to March.   |   |
| <b>iii. Dividend Payment date</b>   | The final dividend, if declared, by the shareholders at the ensuing Annual General Meeting shall be paid within 30 days from the date of declaration.  |   |
| <b>iv. Name and address of the Stock Exchanges on which the securities i.e. Equity and Debentures of the Company are listed</b> | <b>National Stock Exchange of India Ltd.(NSE)</b><br>Exchange Plaza,<br>Bandra – Kurla Complex,<br>Bandra (East), Mumbai 400 051.<br>Stock Code – DHFL   | <b>BSE Limited (BSE)</b><br>Phiroze Jeejeebhoy Towers<br>Dalal Street, Fort,<br>Mumbai 400 001<br>Stock Code – 511072 |
|   | The Annual Listing fees has been paid to both the Stock Exchanges for Financial year 2016-17.  |   |
| <b>v. ISIN Number for Equity Shares in NSDL &amp; CDSL :</b>  | INE 202B01012  |   |
| <b>vi. Date of Book Closure</b>   | Tuesday, July 12, 2016 to Wednesday, July 20, 2016 (both days inclusive)   |   |
| <b>vii. Market Price Data</b>   |  |   |

The monthly high and low closing prices during the financial year 2015-16 along with the volume of shares traded at BSE and NSE are as follows :

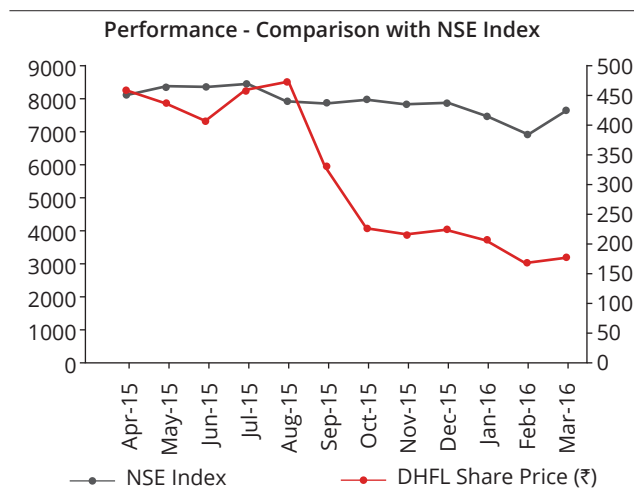
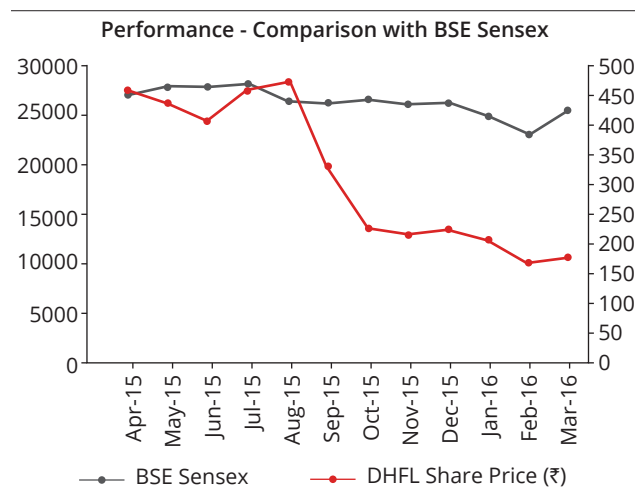
| Month   | BSE-Price |        |               |                 | NSE-Price |        |               |                 |
|---------|-----------|--------|---------------|-----------------|-----------|--------|---------------|-----------------|
|         | High      | Low    | Average Price | Quantity Traded | High      | Low    | Average Price | Quantity Traded |
| Apr-15  | 487.00    | 421.75 | 454.38        | 28,81,311       | 487.45    | 422.00 | 454.73        | 1,51,33,690     |
| May-15  | 460.00    | 415.70 | 437.85        | 13,51,547       | 459.20    | 418.00 | 438.60        | 1,77,91,480     |
| Jun-15  | 449.80    | 362.00 | 405.90        | 17,77,532       | 450.00    | 361.00 | 405.50        | 1,44,29,784     |
| Jul-15  | 504.90    | 406.60 | 455.75        | 36,03,703       | 504.50    | 408.05 | 456.28        | 2,71,15,195     |
| Aug-15  | 536.00    | 405.20 | 470.60        | 24,73,948       | 535.70    | 405.15 | 470.43        | 1,94,83,442     |
| Sep-15  | 460.00    | 198.20 | 329.10        | 36,03,703       | 462.00    | 198.30 | 330.15        | 2,01,10,596     |
| Oct-15# | 241.90    | 212.45 | 227.18        | 29,25,814       | 241.90    | 212.2  | 227.05        | 2,20,91,500     |
| Nov-15  | 226.05    | 205.40 | 215.73        | 17,56,342       | 226.50    | 205.35 | 215.93        | 1,62,54,522     |
| Dec-15  | 240.20    | 208.70 | 224.45        | 15,32,834       | 240.25    | 208.8  | 224.53        | 1,37,45,082     |
| Jan-16  | 238.40    | 176.50 | 207.45        | 20,99,595       | 238.40    | 176.3  | 207.35        | 1,89,79,451     |
| Feb-16  | 195.80    | 140.55 | 168.18        | 42,69,592       | 195.90    | 140.3  | 168.10        | 3,34,75,751     |
| Mar-16  | 197.50    | 155.40 | 176.45        | 35,17,478       | 197.00    | 155.1  | 176.05        | 2,92,00,838     |

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

# During the financial year 2015-16, pursuant to the approval of the Members of the Company, the Board issued and allotted 14,58,56,530 Bonus Equity Shares in the ratio of 1:1 (i.e. one bonus equity share of ₹ 10/- for every one fully paid up Equity Share of ₹ 10/- held), to the eligible equity shareholders, with the record date being September 10, 2015. The Bonus equity shares rank pari-passu with the existing Equity Shares in all respects, including dividend.

## Report on Corporate Governance (Contd.)

### viii. Performance in comparison to broad based indexes



### ix. Registrar and Share Transfer Agent

#### For Equity Shares

Link Intime India Private Ltd.  
C - 13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (W),  
Mumbai-400078  
Phone : 022-2594 6970 – 78,  
Fax : 022-25946969,  
e-mail : [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)  
Contact Person: Mr. Mahesh Masurkar  
Executive – Corporate Registry

#### For Debentures

M/s. System Support Services  
209, Shivai Industrial Estate,  
89, Andheri-Kurla Road, (Next to Logitech  
Park, Above McDonalds), Sakinaka,  
Andheri (E), Mumbai - 400072  
Tel : 91-22-28500835 (5 lines)  
Fax : 91-22-28501438  
e-mail : [sysss72@yahoo.com](mailto:sysss72@yahoo.com)  
Contact Person: Mr. Mahendra Mehta

### x. Secretarial Audit for Financial Year 2015-16

Mrs. Jayshree S. Joshi, Proprietress of M/s Jayshree Dagli & Associates, Practicing Company Secretaries, Mumbai, was appointed as a Secretarial Auditor to conduct Secretarial Audit of the Company for the financial year ended March 31, 2016 as per the provisions of Companies Act, 2013. The Secretarial Audit Report addressed to the Board of Directors of the Company forms part of this Annual Report.

### xi. Share Transfer System

In terms of Regulation 40 (2) of SEBI Listing Regulations, the Board of Directors have delegated the power to attend all the formalities relating to transfer of securities to the Registrar & Share Transfer Agent (RTA) pursuant to which the RTA reports on transfer of securities to the Board of Directors in each Board Meeting.

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 the Company. The Stakeholders' Relationship Committee is updated quarterly on the details of shares transferred/transmitted etc. as received from the RTA. 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.



### Report on Corporate Governance

The Company also obtains a certificate of compliance with the share transfer and other related formalities within the stipulated time period, from a Practicing Company Secretary, as required under Regulation 40(9) of the SEBI Listing Regulations and files a copy of the same on half yearly basis with the Stock Exchanges.

#### xii. Distribution of Shareholding as on March 31, 2016

| Shares holding of nominal Value<br>Rupees | Share Holders |                 | Share Amount          |                   |
|---|---------------|-----------------|-----------------------|-------------------|
|   | Number        | % to Total nos. | In ₹                  | % to Total Amount |
| 1   | 2             | 3               | 4                     | 5                 |
| Upto 5,000                                | 71,865        | 88.19           | 8,34,02,760           | 2.86              |
| 5,001 to 10,000                           | 5,079         | 6.23            | 3,93,39,310           | 1.35              |
| 10,001 to 20,000                          | 2,307         | 2.83            | 3,51,27,350           | 1.20              |
| 20,001 to 30,000                          | 636           | 0.78            | 1,60,75,400           | 0.55              |
| 30,001 to 40,000                          | 376           | 0.46            | 1,38,08,970           | 0.47              |
| 40,001 to 50,000                          | 215           | 0.26            | 99,71,810             | 0.34              |
| 50,001 to 1,00,000                        | 450           | 0.55            | 3,28,32,490           | 1.13              |
| 1,00,001 and above                        | 565           | 0.70            | 2,68,74,21,790        | 92.10             |
| <b>Total</b>                              | <b>81,493</b> | <b>100.00</b>   | <b>2,91,79,79,880</b> | <b>100.00</b>     |

#### xiii. Shareholding Pattern of the Company as on March 31, 2016

| Category   | No of Shares        | % of Shareholding |
|--|---------------------|-------------------|
| Promoters and Persons acting in concert with promoters | 10,18,19,644        | 34.89             |
| Bodies Corporate                                       | 4,13,33,905         | 14.17             |
| Government Companies                                   | 2,000               | 0.00              |
| Mutual Funds   | 73,66,226           | 2.52              |
| FII's  | 5,29,97,525         | 18.16             |
| Foreign Portfolio Investor (Corporate)                 | 4,36,61,269         | 14.96             |
| NRI  | 14,31,597           | 0.50              |
| Financial Institutions / Banks                         | 2,94,073            | 0.10              |
| Individual   | 4,02,14,995         | 13.78             |
| Directors (other than Promoters)                       | 11,800              | 0.00              |
| Trusts   | 11,385              | 0.00              |
| Others- Clearing Members                               | 9,09,768            | 0.31              |
| Hindu Undivided Family                                 | 17,43,801           | 0.60              |
| <b>Total</b>   | <b>29,17,97,988</b> | <b>100.00</b>     |

Note : None of the shares of the promoters/person acting in concert with promoters are pledged or encumbered with any of the banks or financial institutions.

#### xiv. Dematerialization of Shares and Liquidity

The Company's equity shares are in the list of compulsory demat settlement by all the investors. As on March 31, 2016, 99.56% of the total issued share capital of the Company representing 29,05,09,396 equity shares were held in dematerialized form and the balance 0.44% representing 12,88,592 equity shares were held in physical form by the shareholders of the Company.

## Report on Corporate Governance (Contd.)

The shares of the Company are frequently traded on both the Stock Exchanges.

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

As at March 31 2016, the Company does not have any outstanding GDR or ADR.

However, during the financial year 2015-16, the Members of the Company vide a special resolution, approved the issuance of warrants convertible into equivalent number of equity shares of ₹ 10 each (in one or more tranches) on preferential basis to the Promoter Group entity i.e. M/s Wadhawan Global Capital Private Limited ("WGC") upto an amount of ₹ 500 crore.

The Allotment Committee of the Board at its meeting held on March 11, 2016, allotted 2,12,30,070 warrants at an Issue Price of ₹ 235.515 per warrant [i.e. at a premium of 5% to the minimum price calculated as per SEBI (ICDR) Regulations], convertible into equivalent number of equity shares of ₹ 10/- each to WGC, upon receipt of 25% of the issue consideration.

The equity shares shall be allotted by way of conversion of warrants on receipt of balance 75% of the total issue consideration, in one or more tranches, within a period of eighteen (18) months from the date of allotment of warrants.

Upon conversion of all the warrants into equity shares of the Company, by WGC the paid up equity share capital of the Company shall increase by 2,12,30,070 number of equity shares.

### xvi. Commodity price risk or foreign exchange risk and hedging activities

The Company is not exposed to any commodity price risk. However, the Company has made borrowings in the form of External Commercial Borrowings (ECBs) and has managed its associated foreign exchange risk and hedged the same to the extent necessary. It entered into Principal/Interest rate Swap transactions for hedging foreign exchange risk. The details of the foreign currency exposure are disclosed at Note No. 6 of the annual (standalone) financial statements.

### xvii. Listing of Debt Securities

The secured debentures issued by the Company (includes those issued by amalgamated Company viz. First Blue Home Finance Ltd.) on private placement basis are listed in the Wholesale Debt Market (WDM) Segment of the National Stock Exchange of India Limited and BSE Ltd, respectively. GDA Trusteeship Limited and IDBI Trusteeship Services Limited act as the debenture trustees for the debentures issued by the Company. The Company is in compliance with the regulations as set out in Chapter V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### xviii. Redressal of Investor Grievances through SEBI Complaints Redress System (SCORES)

SCORES is a web based centralized grievance redressal system of SEBI that enables the investors to lodge, follow up and track the status of redressal of complaints online. The investor complaints are processed in a centralized web based complaints redressal system. The Company is registered with SEBI Complaints Redress System (SCORES) and ensures to file Action Taken Report under SCORES well within the prescribed timeframe.

### xix. 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](mailto: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 team at the correspondence mentioned hereinafter:

### Report on Corporate Governance

**Ms. Niti Arya**

Company Secretary and Compliance Officer  
TCG Financial Centre,  
10th Floor, BKC Road,  
Bandra Kurla Complex,  
Bandra (East),  
Mumbai – 400098.  
Tel: 91-22- 6600 6999  
email: secretarial@dhfl.com

**Mr. P. K. Kumar**

Sr. Chief Manager - Secretarial,  
TCG Financial Centre,  
10th Floor, BKC Road,  
Bandra Kurla Complex,  
Bandra (East),  
Mumbai – 400098.  
Tel: 91-22- 6600 6999  
email: pkkumar@dhfl.com

**Mr. Vijay Tambe**

Manager - Secretarial,  
TCG Financial Centre,  
10th Floor, BKC Road,  
Bandra Kurla Complex,  
Bandra (East),  
Mumbai – 400098.  
Tel: 91-22- 6600 6999  
email: vijay.tambe@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 the 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 :

**GDA Trusteeship Limited**

(formerly GDA Trustee & Consultancy Limited)  
GDA House, 94/95, Plot No. 85, Bhusari Colony, (Right)  
Paud Road, Pune – 411 038  
Telephone No. 020-25280081  
Fax No. 020 – 25280275  
e-mail : dt@gdatrustee.com  
Website : www.gdatrustee.com

**IDBI Trusteeship Services Limited**

Asian Building, Ground Floor,  
17, R Kamani Marg, Ballard Estate  
Mumbai – 400 001.  
Telephone No – 022 4080 7000  
Fax No. – 022 6631 1776 / 4080 7080  
e-mail : itsl@idbitrustee.com, response@idbitrustee.com  
Website : www.idbitrustee.com

## OTHER DISCLOSURES

### i. Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large.

There were no materially significant related party transactions i.e. transactions of material nature, with the promoters, directors or senior management, or their relatives etc., that may have potential conflict with the interest of the Company at large. Transactions entered with related parties as defined under the Companies Act, 2013 and SEBI Listing Regulations during the financial year were largely in the ordinary course of business and on an arm's length pricing basis. Suitable disclosure as per the

requirements of Accounting Standard 18 has been disclosed at Note No. 41 of the Notes forming part of the audited (standalone) financial statements annexed herewith.

The Company has in place a Board approved Related Party Transaction Policy which defines the materiality of related party transactions and lays down the procedures of dealing with Related Party Transactions.

The approval of the Board of Directors, as applicable, is obtained by the Company before entering into any related party transaction. However, prior approval of the Audit Committee is obtained for entering into

## Report on Corporate Governance (Contd.)

all related party transactions. A quarterly update is also given to the Audit Committee and the Board of Directors on the related party transactions undertaken by the Company with their respective approvals, for their review and consideration.

During the year, the Company has not entered into any material related party transaction as defined under SEBI Listing Regulations.

The Related Party Transaction Policy of the Company is uploaded on the Company's website and is available on URL: <http://www.dhfl.com/investors/policies-codes/related-party-transaction-policy>

**ii. Details of non-compliance by the Company, 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.**

The Company has complied with all the applicable requirements of Capital Markets and no strictures or penalties were imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority, on any matter relating to capital market, during the last three years.

**iii. Details of establishment of Vigil Mechanism, Whistle Blower Policy and affirmation that no personnel has been denied access to the Audit Committee.**

The Company has a duly adopted Whistle Blower Policy and established a vigil mechanism in line with the provisions of SEBI Listing Regulations and Companies Act, 2013, which aims to provide a mechanism to the employees and directors of the Company to report instances of unethical behavior, actual or suspected fraud or violation of the 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 Chairman of the Audit Committee, in exceptional cases.

It is affirmed that no personnel has been denied access to the Chairman of the Audit Committee during the financial year 2015-16.

**iv. Code of Conduct for the Board of Directors and Senior Management Personnel**

The Company has a duly approved Code of Conduct for the Board of Directors and Senior Management Personnel of the Company in place in terms of the requirements of SEBI Listing Regulations. The subject Code identifies and lists out various elements of commitment, duties and responsibilities that serves as a basis for taking ethical decision-making in the conduct of day to day professional work. The Code requires the Directors and employees to act honestly, ethically and with integrity and in a professional and respectful manner. The Board of Directors and members of the senior management personnel have provided their affirmation to the compliance with this code. A declaration regarding compliance by the Board of Directors and the Senior Management Personnel with the said Code of Conduct duly signed by the Chief Executive Officer forms part of this Annual Report.

The said code has been posted on the Company's website and is available at URL: <http://www.dhfl.com/investors/policies-codes/code-of-conduct-for-board-and-senior-management-personnel/>

**v. CEO /CFO Certification**

The Chief Executive Officer (CEO) and Chief Financial Officer (CFO) provides a certification on quarterly/ annual basis to the Audit Committee and Board of Directors in terms of Regulation 17 (8) and Regulation 33 (2) (a) of the SEBI Listing Regulations.

**vi. Auditors Certificate on Corporate Governance**

M/s. T. R. Chadha & Co. LLP (FRN: 06711N/N500028) & M/s. Rajendra Neeti & Associates (FRN: 006543C), Chartered Accountants, Mumbai, Joint- Statutory Auditors of the Company have certified that the Company has complied with the conditions of Corporate Governance as stipulated under SEBI Listing Regulations. The said certificate forms part of the Annual Report as an Annexure to the Board's Report.

**Report on  
Corporate Governance****vii. Details of compliance with Mandatory requirements and adoption of non mandatory requirements**

During the financial year 2015-16, the Company has complied with all mandatory requirements as specified in the SEBI Listing Regulations. The Company has adopted the below specified non-mandatory requirements in terms of Regulation 27(1) of SEBI Listing Regulations:

**1. Modified Opinion in Audit Report**

During the year under review, there was no audit qualification in the Auditors' Report on the Company's financial statements. The Company continues to adopt best practices to ensure a regime of financial statements with unmodified audit opinion.

**2. Separate posts of Chairman and Chief Executive Officer**

The Company has an Executive Director acting as the Chairman & Managing Director and has appointed a separate person as the Chief Executive Officer (designated as a Key Managerial Personnel) of the Company.

**3. Reporting of Internal Auditor**

The 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 the Company. The Internal Audit Head reports directly to the Audit Committee of the Board.

**DECLARATION ON COMPLIANCE WITH THE COMPANY'S CODE OF CONDUCT FOR THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL**

I, hereby, confirm and declare that in terms of Regulation 26(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Board members and Senior Management Personnel of the Company have affirmed compliance with the "Code of Conduct for the Board of Directors and the Senior Management Personnel", for the financial year 2015-16.

**Harshil Mehta**

Chief Executive Officer

Place : Mumbai

Date : May 4, 2016

# Independent Auditor's Report

## To the Members of

### **DEWAN HOUSING FINANCE CORPORATION LIMITED**

#### **REPORT ON THE STANDALONE FINANCIAL STATEMENTS**

We have audited the accompanying standalone financial statements of Dewan Housing Finance Corporation Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information in which are incorporated the Returns for the year ended on that date audited by the branch auditors of the Company's branches/offices at 241 locations.

#### **MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS**

The Company's Board of Directors 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 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

#### **OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, its profit and its cash flows for the year ended on that date.



# Independent Auditor's Report (contd.)

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

- 1) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
- 2) As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by the law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us;
  - c. The reports on the accounts of the branch offices of the Company audited under Section 143 (8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report;
  - d. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from branches not visited by us;
  - e. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - f. On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
  - g. With respect to the adequacy of internal financial controls over the financial reporting of the Company and the Operating effectiveness of such controls, refer to our separate report in "Annexure-B", and
  - h. 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, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 33 on Contingent Liabilities to the financial statements;
    - (ii) The Company has no material foreseeable losses on long-term contracts including derivative contracts as required under the applicable law or accounting standards;
    - (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 that the amount payable for the month of March, 2016, has been transferred to IEPF in the Month of April, 2016.

For **T R CHADHA & Co LLP**  
Chartered Accountants  
ICAI FRN:06711N/N500028

**Pramod Tilwani**  
Partner  
ICAI MN: 076650

Place: Mumbai  
Date : May 4, 2016

For **RAJENDRA NEETI & ASSOCIATES**  
Chartered Accountants  
ICAI FRN:06543C

**Rajendra K Gupta**  
Partner  
ICAI MN: 070165

# Annexure A to the Auditor's Report

The annexure required under CARO, 2016 referred to in our report to the members of Dewan Housing Finance Corporation Limited ("the company") for the year ended March 31, 2016. We report that:

- i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As explained to us, some of the fixed assets were physically verified during the year by the Management as per programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanation given to us and on the basis of examination of records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii) The nature of business of the Company does not require it to have any inventory. Hence, the requirement of clause (ii) of paragraph 3 of the said Order is not applicable to the Company.
- iii) During the year the company has granted interest free advance amounting to Rs. 137 lakhs to a party listed in the register maintained under Section 189 of the Act, being wholly owned subsidiary, out of which Rs. 87 lakhs were outstanding as on March 31, 2016. The rate of interest and other terms of conditions on which the advance has been granted were not prima facie prejudicial to the interest of the company. The said loan is repayable on demand.
- iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013, with respect to loans and investment made.
- v) The company has accepted deposits from the public. In our opinion and according to the information and explanations given to us, the company has, during the year, complied with the directives issued by the National Housing Bank under the Housing Finance Companies (NHB) Directions, 2010 with regard to deposits accepted from the public and the Rules frames there under and provisions of section 73 to 76 and other relevant provisions of the Act. According to the information and explanations given to us, no order has been passed by the Company Law Board, or the National Company Law Tribunal or the National Housing Bank or the Reserve Bank of India or any Court or any other Tribunal.
- vi) As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of the business of the company.
- vii) a) According to information and explanations given to us and on the basis of our examination of the records of the company, the company has been generally regular in depositing its undisputed statutory dues such as Provident Fund, Employees' State Insurance, Income tax, Wealth tax, Service tax and any other material statutory dues whichever is applicable to the company with the appropriate authorities during the year. According to the information and explanation given to us, no undisputed amounts payable in respect of income tax, service tax, and any other material statutory dues were in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
- b) According to information and explanations given to us, no statutory dues is outstanding on account of dispute.
- viii) According to the information and explanations given to us and based on the records of the company examined by us, the company has not defaulted in repayment of dues to any financial institutions, bank and debenture holders.
- ix) The company has generally applied the amount raised by it by way of term loans, debt instruments for the purpose for which those loans were obtained, other than temporary deployment pending application of those funds. The company did not raise money

## Annexure A to the Auditor's Report (Contd.)

by way of initial public offer or further public offer during the year.

- x) According to the information and explanation given to us, no material fraud on or by company has been noticed or reported during the year, except 14 instances of fraud on company by way of misrepresentation by borrower of loan by fabricating Financial and Property documents at the time of loan appraisal, in earlier year, involving an amount of Rs. 266 lacs. The details of the same have been reported to NHB by the company.
- xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, clause (xii) of paragraph 3 of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause (xv) of paragraph 3 of the Order is not applicable.

xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **T R CHADHA & Co LLP**  
Chartered Accountants  
ICAI FRN:06711N/N500028

**Pramod Tilwani**  
Partner  
ICAI MN: 076650

Place: Mumbai  
Date : May 4, 2016

For **RAJENDRA NEETI & ASSOCIATES**  
Chartered Accountants  
ICAI FRN:06543C

**Rajendra K Gupta**  
Partner  
ICAI MN: 070165

# Annexure B to the Auditor's Report

## **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Dewan Housing Finance Corporation Limited ("the Company") as of March 31, 2016 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 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 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.

### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **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 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 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 and directors 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 financial statements.

### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur

and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, 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.

For **T R CHADHA & Co LLP**

Chartered Accountants

ICAI FRN:06711N/N500028

**Pramod Tilwani**

Partner

ICAI MN: 076650

Place: Mumbai

Date : May 4, 2016

For **RAJENDRA NEETI & ASSOCIATES**

Chartered Accountants

ICAI FRN:06543C

**Rajendra K Gupta**

Partner

ICAI MN: 070165

# Balance Sheet

as at March 31, 2016

(₹ in lakh)

|   | Notes | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|---|-------|-------------------------|-------------------------|
| <b>Equity and Liabilities</b>   |       |                         |                         |
| <b>Shareholders' Funds</b>  |       |                         |                         |
| Share Capital   | 3     | 29,180                  | 14,568                  |
| Reserves and Surplus  | 4     | 4,60,020                | 4,49,010                |
| Money Received Against Share Warrants   | 5     | 12,500                  | -                       |
| <b>Total Shareholders' Funds</b>  |       | <b>5,01,700</b>         | <b>4,63,578</b>         |
| <b>Non Current Liabilities</b>  |       |                         |                         |
| Long-Term Borrowings  | 6     | 45,11,947               | 36,87,198               |
| Deferred Tax Liabilities (Net)  | 7     | 9,149                   | 6,579                   |
| Other Long-Term Liabilities   | 8     | -                       | 144                     |
| Long-Term Provisions  | 9     | 58,302                  | 43,015                  |
| <b>Total Non-Current Liabilities</b>  |       | <b>45,79,398</b>        | <b>37,36,936</b>        |
| <b>Current Liabilities</b>  |       |                         |                         |
| Short Term Borrowings   | 10    | 6,43,660                | 3,63,694                |
| Trade Payables  | 11    | 399                     | 747                     |
| Other Current Liabilities   | 12    | 10,53,025               | 8,92,949                |
| Short Term Provisions   | 9     | 7,131                   | 3,577                   |
| <b>Total Current Liabilities</b>  |       | <b>17,04,215</b>        | <b>12,60,967</b>        |
| <b>Total</b>  |       | <b>67,85,313</b>        | <b>54,61,481</b>        |
| <b>Assets</b>   |       |                         |                         |
| <b>Non-Current Assets</b>   |       |                         |                         |
| Fixed Assets  | 13    |                         |                         |
| Tangible Assets   |       | 19,802                  | 18,388                  |
| Intangible Assets   |       | 369                     | 457                     |
| Capital Work in Progress  |       | 54,615                  | 79,615                  |
| Intangible Assets under Development   |       | 3,266                   | -                       |
|   |       | <b>78,052</b>           | <b>98,460</b>           |
| Non-Current Investments   | 14    | 71,975                  | 61,053                  |
| Long-Term Housing and Property Loans  | 15    | 58,42,629               | 48,69,468               |
| Other Long-Term Loans and Advances  | 16    | 26,652                  | 28,279                  |
| Other Non-Current Assets  | 21    | 21,377                  | 20,163                  |
| <b>Total Non-Current Assets</b>   |       | <b>60,40,685</b>        | <b>50,77,423</b>        |
| <b>Current Assets</b>   |       |                         |                         |
| Current Investments   | 17    | 17,346                  | 39,569                  |
| Trade Receivables   | 18    | 20,092                  | 19,192                  |
| Cash and Bank Balances  | 19    | 3,40,834                | 67,644                  |
| Short Term portion of Housing and Property Loans  | 15    | 3,34,873                | 2,34,497                |
| Other Short Term Loans and Advances   | 20    | 25,352                  | 18,846                  |
| Other Current Assets  | 21    | 6,132                   | 4,310                   |
| <b>Total Current Assets</b>   |       | <b>7,44,629</b>         | <b>3,84,058</b>         |
| <b>Total</b>  |       | <b>67,85,313</b>        | <b>54,61,481</b>        |
| <b>Significant Accounting Policies and explanatory information forming part of the Financial Statements</b> |       |                         |                         |
|   | 1-45  |                         |                         |

This is the Balance Sheet referred to in our report of even date

For **T R CHADHA & Co. LLP**  
Chartered Accountants  
ICAI FRN:06711N/N500028

For **RAJENDRA NEETI & ASSOCIATES**  
Chartered Accountants  
ICAI FRN:06543C

**Kapil Wadhawan**  
Chairman & Managing Director  
(DIN - 00028528)

**Dheeraj Wadhawan**  
(DIN - 00096026)

**Pramod Tilwani**  
Partner  
ICAI MN: 076650

**Rajendra K Gupta**  
Partner  
ICAI MN: 070165

**Santosh R. Sharma**  
Chief Financial Officer  
(FCA - 112258)

**G. P. Kohli**  
(DIN - 00230388)

**V. K. Chopra**  
(DIN - 02103940)

Place: Mumbai  
Date : May 4, 2016

**Niti Arya**  
Company Secretary  
(FCS - 5586)

**M. Venugopalan**  
(DIN - 00255575)

**Vijaya Sampath**  
(DIN - 00641110)

**Rajiv Kumar**  
(DIN-02385076)  
**Directors**



# Statement of Profit and Loss

for the year ended March 31, 2016

|  |       | (₹ in lakh)                  |                              |
|--|-------|------------------------------|------------------------------|
|  | Notes | Year Ended<br>March 31, 2016 | Year Ended<br>March 31, 2016 |
| <b>Income</b>  |       |                              |                              |
| Revenue from Operations  | 22    | 7,31,183                     | 5,97,896                     |
| Other Income   | 23    | 489                          | 268                          |
| <b>Total Revenue</b>   |       | <b>7,31,672</b>              | <b>5,98,164</b>              |
| <b>Expenses</b>  |       |                              |                              |
| Interest & Finance Cost  | 24    | 5,49,003                     | 4,45,959                     |
| Employees Remuneration & Benefits  | 25    | 22,764                       | 19,633                       |
| Administrative & Other Expenses  | 26    | 29,758                       | 25,216                       |
| Depreciation & Amortisation  | 13    | 2,430                        | 2,552                        |
| Provision for Contingencies  | 9     | 17,500                       | 10,500                       |
| <b>Total Expenses</b>  |       | <b>6,21,455</b>              | <b>5,03,860</b>              |
| <b>Profit Before Tax</b>   |       | <b>1,10,217</b>              | <b>94,304</b>                |
| Less: Tax Expense  |       |                              |                              |
| - Current Tax  |       | 39,142                       | 29,244                       |
| - Related to earlier years   |       | (255)                        | 629                          |
| - Deferred Tax Charge/ (Credit)  |       | (1,590)                      | 2,302                        |
| <b>Profit For The Year</b>   |       | <b>72,920</b>                | <b>62,129</b>                |
| Earnings per Equity share (Face Value ₹ 10/-)  | 27    |                              |                              |
| Basic (₹)  |       | 25.00                        | 23.91                        |
| Diluted (₹)  |       | 23.10                        | 23.59                        |
| Significant Accounting Policies and explanatory information forming part of the Financial Statements | 1-45  |                              |                              |

This is the Statement of Profit & Loss referred to in our report of even date

For **T R CHADHA & Co. LLP**  
Chartered Accountants  
ICAI FRN:06711N/N500028

**Pramod Tilwani**  
Partner  
ICAI MN: 076650

Place: Mumbai  
Date : May 4, 2016

For **RAJENDRA NEETI & ASSOCIATES**  
Chartered Accountants  
ICAI FRN:06543C

**Rajendra K Gupta**  
Partner  
ICAI MN: 070165

**Kapil Wadhawan**  
Chairman & Managing Director  
(DIN - 00028528)

**Santosh R. Sharma**  
Chief Financial Officer  
(FCA - 112258)

**Niti Arya**  
Company Secretary  
(FCS - 5586)

**Dheeraj Wadhawan**  
(DIN - 00096026)

**G. P. Kohli**  
(DIN - 00230388)

**V. K. Chopra**  
(DIN - 02103940)

**M. Venugopalan**  
(DIN - 00255575)

**Vijaya Sampath**  
(DIN - 00641110)

**Rajiv Kumar**  
(DIN-02385076)  
**Directors**

# Cash Flow Statement

for the year ended March 31, 2016

(₹ in lakh)

|  | Year Ended March 31, 2016 | Year Ended March 31, 2015 |
|--|---------------------------|---------------------------|
| <b>A. Cash Flow From Operating Activities</b>          |                           |                           |
| Net Profit Before Tax                                  | 1,10,217                  | 94,304                    |
| Adjustments for:                                       |                           |                           |
| Depreciation   | 2,430                     | 2,552                     |
| Employees Stock Option Expenses                        | (202)                     | 90                        |
| (Profit)/Loss on Fixed Assets sold                     | 93                        | 92                        |
| Provision for Contingencies                            | 15,288                    | 10,500                    |
| Other Operational Treasury Income                      | (16,888) 721              | (7,694) 5,540             |
| <b>Operating Profit before Working Capital changes</b> | <b>1,10,938</b>           | <b>99,844</b>             |
| Adjustments for:                                       |                           |                           |
| Current & Non-Current Assets                           | (11,951)                  | (14,712)                  |
| Current & Non-Current Liabilities                      | 45,913                    | 12,695                    |
| Working Capital Changes                                | 33,962                    | (2,017)                   |
| <b>Cash Generated from Operations During the Year</b>  | <b>1,44,900</b>           | <b>97,827</b>             |
| Tax Paid   | (35,197)                  | (25,566)                  |
| <b>Net Cash from Operations</b>                        |                           |                           |
| Housing Loan Disbursed (Net)                           | (13,09,028)               | (9,62,972)                |
| Other Loans Disbursed (Net)                            | (1,04,024) (14,13,052)    | (3,54,979) (13,17,950)    |
| <b>Net Cash Flow from Operating Activities (A)</b>     | <b>(13,03,349)</b>        | <b>(12,45,690)</b>        |
| <b>B. Cash Flow From Investing Activities</b>          |                           |                           |
| Net Income from Treasury Investments                   | 16,888                    | 7,694                     |
| Net Addition to Investments                            | (2,511)                   | (28,788)                  |
| Class 'B' PTC movement                                 | 13,865                    | (7,380)                   |
| Movement In Bank Fixed Deposits                        | 4,329                     | (19,499)                  |
| Net Addition to Fixed Assets                           | 17,885                    | (2,625)                   |
| <b>Net Cash used in Investing Activities (B)</b>       | <b>50,456</b>             | <b>(50,598)</b>           |
| <b>C. Cash Flow From Financing Activities</b>          |                           |                           |
| Issue of Equity Shares                                 | 26                        | 1,726                     |
| Issue of Convertible Equity Warrants                   | 12,500                    | -                         |
| Premium on Issue of Equity Shares                      | 279                       | 79,651                    |
| Proceeds from Loan Securitised                         | 3,34,756                  | 2,54,634                  |
| Proceeds from ICDs                                     | -                         | 298                       |
| Cash Credits (Net)                                     | 1,71,809                  | 2,249                     |
| Loans Received from Banks/Institutions                 | 7,48,682                  | 6,47,059                  |
| Refinance Loans Received from NHB                      | 50,000                    | -                         |
| Proceeds from issue of NCD's and Sub Debts             | 6,99,101                  | 4,39,661                  |
| Proceeds from issue of CP                              | 19,12,700                 | 10,78,400                 |
| Fixed Deposits received                                | 3,73,637 43,03,490        | 2,62,676 27,66,354        |
| Loans repaid to Banks / Institution                    | (4,78,772)                | (3,60,814)                |
| Refinance loans repaid/Prepaid to NHB                  | (46,024)                  | (53,852)                  |
| Fixed Deposits Repaid                                  | (2,42,202)                | (1,49,391)                |

# Cash Flow Statement

for the year ended March 31, 2016

(₹ in lakh)

|   | Year Ended March 31, 2016 |             | Year Ended March 31, 2015 |             |
|---|---------------------------|-------------|---------------------------|-------------|
| Cash Credit Repayment ( Net)                                | (5,000)                   |             | -                         |             |
| Non-Convertible Debentures Redeemed                         | (1,66,341)                |             | (48,813)                  |             |
| CP Redeemed   | (17,99,300)               | (27,37,639) | (8,73,900)                | (14,86,770) |
| Dividend & Dividend Distribution Tax                        | (24,499)                  |             | (13,690)                  |             |
| Share Premium Utilised                                      | (10,392)                  | (34,891)    | (19,127)                  | (32,817)    |
| <b>Net Cash from Financing Activities (C)</b>               | <b>15,30,960</b>          |             | <b>12,46,767</b>          |             |
| <b>Net Increase in Cash &amp; Cash Equivalents (A+B+C)</b>  | <b>2,78,068</b>           |             | <b>(49,520)</b>           |             |
| Cash & cash equivalents at the beginning of the year        | 15,082                    |             | 64,602                    |             |
| <b>Cash &amp; Cash Equivalents at the Close of the Year</b> | <b>2,93,150</b>           |             | <b>15,082</b>             |             |

Negative figure (-) represent cash flow, This is the cash flow statement referred to in our report of even date

For **T R CHADHA & Co. LLP**  
Chartered Accountants  
ICAI FRN:06711N/N500028

**Pramod Tilwani**  
Partner  
ICAI MN: 076650

Place: Mumbai  
Date : May 4, 2016

For **RAJENDRA NEETI & ASSOCIATES**  
Chartered Accountants  
ICAI FRN:06543C

**Rajendra K Gupta**  
Partner  
ICAI MN: 070165

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(DIN - 00028528)

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Company Secretary  
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(DIN - 00255575)

**Vijaya Sampath**  
(DIN - 00641110)

**Rajiv Kumar**  
(DIN-02385076)  
**Directors**

# Notes

to financial statements for the year ended March 31, 2016

## 1 CORPORATE INFORMATION

Dewan Housing Finance Corporation Limited ('DHFL'), '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 and loans to real estate developers. The Company is registered with National Housing Bank (NHB) under section 29A of the National Housing Bank Act, 1987. DHFL has its registered office in Mumbai and has 182 branches, 146 service centres, 18 Circles / Clusters, 2 Disbursement Hubs and 1 Collection centre in India and 2 representative offices in UAE and UK.

## 2 SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation of financial statements

- a) These financial statements are prepared and presented in accordance with the Generally Accepted Accounting Principles (GAAP) under historical cost convention on accrual basis of accounting, unless otherwise stated, and comply with the Accounting Standards as prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, the relevant provisions of the Companies Act, 2013 and the guidelines issued by the National Housing Bank to the extent applicable.
- b) The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statement are prudent and reasonable. The future results could differ due to these estimates and the differences between the actual results and estimates are recognised in the periods in which the results are known / materialise.
- c) Based on the nature of its activities, the Company has determined its operating cycle as 12 months for the purpose of classification of its Assets and Liabilities as current and non-current.

- d) Amounts in the financial statements are presented in ₹ lakh, except for per share data and as otherwise stated. All exact amounts are stated with suffix "/-".

### 2.2 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. In addition, the following criterias must also be met before revenue is recognised:

- a) **Interest on housing loans / investments**  
Repayment of housing loans is by way of Equated Monthly Installments (EMI) comprising principal and interest. Interest is calculated each period on the outstanding balance at the beginning of the Company's financial year or on monthly reducing balance in terms of financing scheme opted by the borrower. EMI generally commences once the entire loan is disbursed. Pending commencement of EMI, pre-EMI monthly interest is payable.  
  
Interest on performing assets is recognised on accrual basis and on non-performing assets on realisation basis as per the guidelines prescribed by the National Housing Bank. The interest income (payment) is adjusted for gain (loss) on corresponding hedge contracts / interest swap derivatives, wherever executed.
- b) Dividend income on investments is recognised when the right to receive the same is established.
- c) Processing fees and other loan related charges are recognised only on receipt basis.
- d) Additional / Overdue / penal interest / charges on delayed EMI/PEMI are recognised only when it is reasonably certain that the ultimate collection will be made.
- e) Income from services including trade mark license fees is recognised after the service is rendered and to the extent it is probable that the economic benefits will flow to the company and that the revenue can be reliably measured.

# Notes

to financial statements for the year ended March 31, 2016

## 2.3 Interest & Other Related Financial Charges

Interest and other related financial charges are recognised as an expense in the period for which they relate as specified in Accounting Standard (AS 16) on "Borrowing Costs". Ancillary costs in connection with the borrowings and deposit are amortized to statement of profit and loss over the tenure of loan / deposit. Brokerage on deposits taken is amortized over the period of deposit.

Share / debenture issues expenses and premium / discount on issue of debentures (net of tax) are adjusted against the Securities premium account as permissible under the Companies Act, 2013.

Interest accrued on cumulative fixed deposits and payable at the time of maturity is clubbed with the principal amount on the date of periodical rest when interest is credited in Fixed Deposit account in accordance with the particular deposit scheme.

## 2.4 Foreign Exchange Transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction.

Monetary Assets and liabilities in foreign currencies are converted at the rates of exchange prevailing on the date of the financial statement, except those covered by forward contract / currency swap contracts. The net gain or loss on account of exchange differences either on settlement or on translation are recognised in the Statement of Profit and Loss.

In respect of Forward Exchange Contracts, the premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts on reporting dates are recognised in the Statement of Profit and Loss. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as income or as an expense in that year.

## 2.5 Provision for Contingencies

The Company makes provision towards Non Performing Assets and Standard Assets as per the Prudential Norms prescribed by the National Housing Bank. The Company also makes assessment of its

portfolio and creates additional provision to meet unforeseen contingencies.

A loan is recognised as Sub Standard Assets or Doubtful or Loss Assets based on the period for which the repayment instalment or interest has remained in arrears as prescribed under NHB Guidelines.

## 2.6 Investments

Investments are accounted at cost inclusive of brokerage, fees and stamp charges and are classified into two categories, viz. Current or Long-term based on management's intention at the time of purchase.

Current investments are carried category wise, at the lower of cost and fair value, whereas Long-term investments are carried category wise at cost less provision for diminution, other than temporary, in the value of such investments.

Provision for diminution in the value of investments is made in accordance with the guidelines issued by the National Housing Bank and the Accounting Standard on 'Accounting for Investments' (AS 13) and is recognised through the Provision for Contingencies Account.

## 2.7 Tangible Fixed Assets and Depreciation

Tangible Fixed Assets are stated at cost less accumulated depreciation and impaired losses, if any. All directly attributable costs including borrowing cost, net of cenvat credit, till the asset is put to use is shown as capital work in progress and is capitalised thereafter.

Depreciation on fixed assets is provided on straight-line method by considering useful lives of assets which are same as specified in part 'C' of schedule II to the Companies Act, 2013.

## 2.8 Intangible Assets and Amortisation

Intangible assets comprising of system software are stated at cost less accumulated amortisation.

Intangible assets are amortised over their estimated useful life of 3 to 6 years on straight line method.

## 2.9 Impairment of Assets

Impairment losses (if any) on fixed assets are recognised in accordance with the Accounting

# Notes

to financial statements for the year ended March 31, 2016

Standard 28 "Impairment of Assets" issued in this regard by The Institute of Chartered Accountants of India. The Company assesses at each Balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the assets. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value.

## 2.10 Leases

### Operating Leases

Lease rentals in respect of assets taken on "Operating Leases" are charged to the Statement of Profit and Loss on straight line basis over the lease term.

### Finance Leases

Finance leases, which effectively transfer to the Company substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the lower of the fair value and present value of the minimum lease payments at the inception of the lease and are accordingly disclosed. The capital element of the leasing commitments is shown as Secured Liabilities. Lease payments are apportioned between the finance charges and reduction of the corresponding liability based on the implicit rate of return.

## 2.11 Statutory / Special Reserve

The Company creates Statutory / Special Reserve every year out of its profits in terms of Sec 36(1) (viii) of the Income Tax Act, 1961 read with Sec 29C of the National Housing Bank Act, 1987.

## 2.12 Prepaid Expenses

Financial & Other Expenses incurred during the year which relates to future accounting years and brokerage paid on long-term fixed deposits has been treated as revenue expense only for the period relating to the current year and balance is treated as prepaid expenses to be adjusted on pro-rata time basis in the future accounting years.

## 2.13 Employees Benefits

- a) Company's contribution in respect of Employees' Provident Fund made to Government is considered as defined contribution plan and is charged to the Statement of Profit and Loss.

- b) Gratuity Fund Scheme is considered as defined benefit plan. The Company's liability is determined on the basis of an actuarial valuation using the Projected Unit Credit Method as at Balance Sheet date. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised in the Statement of Profit and Loss as Income or Expenses, as applicable in the period in which they occur.

- c) Compensated Absences are accounted for on the basis of actuarial valuation at the year end using the projected Unit Credit Method. Actuarial gains / losses are recognised in the Statement of Profit and Loss in the period in which they occur.

- d) Company has introduced the Employee Stock Option Scheme ('the Scheme') which provides the grant of options to acquire equity shares of the Company to its employees. The options granted to employees vest in a graded manner and these may be exercised by the employees within a specified period.

The Company has also approved the grant of Employee Stock Appreciation Rights (SARs) to the eligible employees of the Company. The said SARs shall carry the right to apply for number of equity shares of the Company, equivalent to Appreciation in those rights, over the grant price.

The Company follows the intrinsic value method to account for its stock-based employee compensation plans. Compensation cost is measured by the excess, if any, of the market price of the underlying stock over the exercise price as determined under the option plan. The market price is the closing price on the stock exchange where there is highest trading volume on the working day immediately preceding the date of grant. Compensation cost, if any, is amortised over the vesting period.

## 2.14 Earnings per share

The Basic earning per share and diluted earning per share have been computed in accordance with



# Notes

to financial statements for the year ended March 31, 2016

Accounting Standard (AS-20) on "Earnings Per Share" and is also shown in the Statement of Profit and Loss.

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit after tax relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares which are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Company also discloses EPS- both basic and diluted- for the accounting period, had the Fair value method being used for compensation cost for ESOS/SARs.

## 2.15 Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

Deferred tax arising on account of timing differences and which are capable of reversal in one or more subsequent periods is recognised using the tax rates and tax laws that have been enacted or substantially enacted as at the reporting date. Deferred Tax Assets are recognised for timing differences, only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred Tax Assets arising from the timing differences on account of carry forward of losses and unabsorbed depreciation are recognised to the extent there are virtual certainties that they would be realised in future.

Deferred Tax Liability on deduction claimed in earlier years u/s 36 (1)(viii) of the Income Tax Act, 1961 has been provided in terms of National Housing Bank (NHB) policy circular.

## 2.16 Provisions, Contingent Liability and Contingent Assets

A provision is recognised when the Company has a

present obligation 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 in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

## 2.17 Housing and Other Loans

Housing Loans include outstanding amount of Housing Loans disbursed directly or indirectly to individual, project loans for residential buildings and other borrowers. Other loans include mortgage loan, non residential property loan, plot loan for self construction where construction has not begun in last three years and loan against the lease rental income from properties in accordance with directions of National Housing Bank (NHB). Other loans also include loans granted to Small & Medium Enterprise (SME) and certain part there of are unsecured in terms of the particular scheme. EMI and PEMI installments due from borrowers against the housing loans receivable for less than equal to three months, are treated as trade receivables and are shown as current assets.

## 2.18 Securitised Assets

Securitised and Assigned Assets are derecognised in the books of the Company based on the principle of transfer of ownership interest over the assets. De-recognition of such assets and recognition of gain or loss arising on such securitisation is based on the Guidance Note on Accounting for Securitisation issued by the Institute of Chartered Accountants of India.

## 2.19 Cash Flow Statement

Cash flows are reported using the indirect method set out in Accounting Standard (AS 3) on Cash Flow Statement. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

# Notes

to financial statements for the year ended March 31, 2016

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short term investments with an original maturity of three months or less.

## 2.20 Assets acquired under SARFAESI Act

Assets acquired under SARFAESI Act are part of NPA Portfolio of loans for which necessary provisions are being made and such assets are to be disposed off at the earliest, subject to legal formalities. Losses / gains, if any, are being booked at the time of sales realisation of such assets.

## 3. SHARE CAPITAL

| Particulars   | (₹ in lakh)          |                      |
|---|----------------------|----------------------|
|   | As at March 31, 2016 | As at March 31, 2015 |
| <b>Authorised</b>   |                      |                      |
| 74,80,00,000 (74,80,00,000) equity shares of ₹10/- each                               | 74,800               | 74,800               |
| 7,50,00,000 (7,50,00,000) Redeemable, non convertible preference shares of ₹10/- each | 7,500                | 7,500                |
| 5,00,000 (5,00,000) Redeemable, non convertible preference shares of ₹100/- each      | 500                  | 500                  |
|   | <b>82,800</b>        | <b>82,800</b>        |
| <b>Issued, Subscribed and Paid up</b>   |                      |                      |
| 29,17,97,988 (14,56,76,742) equity shares of ₹10/- each fully paid                    | 29,180               | 14,568               |
|   | <b>29,180</b>        | <b>14,568</b>        |

**3.1** The Company has, at present, one class of issued, subscribed and paid up share referred to as equity shares having a par value of ₹ 10/- each. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The holders of equity shares are entitled to dividends, if any, proposed by the Board of Directors and approved by the Shareholders at the Annual General Meeting.

**3.2** The reconciliation of the number of shares outstanding and the amount of share capital as at the beginning and at the end of the reporting period:

| Particulars                                    | As at March 31, 2016 |               | As at March 31, 2015 |               |
|--|----------------------|---------------|----------------------|---------------|
|  | No. of shares        | Amount (lakh) | No. of shares        | Amount (lakh) |
| Equity shares at the beginning                 | 14,56,76,742         | 14,568        | 12,84,20,240         | 12,842        |
| Add: Shares issued during the year             | -                    | -             | 1,69,31,102          | 1,693         |
| Add: Bonus Shares issued during the year (1:1) | 14,58,56,530         | 14,586        | -                    | -             |
| Add: Shares issued during the year under ESOS  | 2,64,716             | 26            | 325,400              | 33            |
| Equity shares at the end                       | <b>29,17,97,988</b>  | <b>29,180</b> | <b>14,56,76,742</b>  | <b>14,568</b> |

**3.3** Details of shareholders holding more than five percent equity shares in the Company are as under:

| Particulars                                  | As at March 31, 2016 |           | As at March 31, 2015 |           |
|--|----------------------|-----------|----------------------|-----------|
|  | No. of shares        | % holding | No. of shares        | % holding |
| M/s. Wadhawan Global Capital Private Limited | 9,58,19,644          | 32.84     | 4,79,09,822          | 32.89     |

**3.4** During the year, Pursuant to the Shareholders approvals under Section 63 and other applicable provisions of the Companies Act, 2013, the Company has issued Bonus Shares in the ratio of 1:1 (i.e. one bonus equity share of ₹ 10/- each for every one fully paid up Equity Share of ₹ 10/- each), to the shareholders on record date of September 10, 2015, by capitalising existing reserve by a sum of ₹ 14,586 lakh.

# Notes

to financial statements for the year ended March 31, 2016

3.5 Company has allotted 14,58,56,530 no. of Equity Shares as fully paid up for consideration other than cash towards Bonus issue during the financial year 2015 - 16 (refer note no. 3.4). During the financial year 2012-13, as per the Scheme of Amalgamation the Company has allotted 1,08,86,375 no. of Equity Shares as fully paid up for consideration other than cash.

3.6 The allotment committee of the Board of Directors of the Company at its meeting held on March 11, 2016 based on the approval of the members of the Company and Board Of Directors has approved the issue and allotment of 2,12,30,070 number of warrants at the issue price of ₹ 235.52 per warrant. Each warrant is convertible into equivalent number of equity shares of ₹ 10/- each at premium of 225.52 per share, which shall be allotted within 18 months from the date of allotment of the said convertible warrants, in one or more tranches. (refer Note 5.1)

## 3.7 Employee Stock Option Plans:

a. Employee Stock Option Scheme 2008 (ESOS-2008) was implemented by the Company. 14,22,590 equity share options were granted under 'ESOS-2008' in 2008-09 to the employees as approved by the remuneration and compensation committee of directors of the Company at ₹ 53.65 per share, the reconsidered price approved in the EOGM dated March 31, 2009.

During the year, the Company has allotted, from time to time, 18,048 number of equity shares of ₹ 10/- each to various eligible employees under 'ESOS 2008' at the price of ₹ 26.83 (adjusted for bonus issue) per equity share (including a premium of ₹ 16.83 per equity share) for the aggregate face value of ₹ 2 lakh as approved in the AGM dated July 23, 2007 and allotted at the reconsidered price approved in the EOGM dated March 31, 2009,

b. Employee Stock Option Scheme 2009 (ESOS-2009) was implemented by the Company. 12,75,000 equity share options were granted under 'ESOS-2009, Plan II' in 2009-10 and additional 12,34,670 equity share options were approved to be granted under 'ESOS-2009, Plan III' in 2010-11 to the employees by the remuneration and compensation committee of directors of the Company at ₹ 141/- per share, the price approved in the remuneration and compensation committee meeting held on November 25, 2009.

During the year, the Company has allotted, from time to time,

- i). 61,678 number of equity shares of ₹ 10/- each to various eligible employees under 'ESOS 2009, Plan II' prior to the issue of Bonus at the price of ₹ 141/- per equity share (including a premium of ₹ 131/- per equity share) for the aggregate face value of ₹ 6 lakh and 12,880 number of equity shares of ₹ 10/- each after the issue of Bonus at the price of ₹ 70.50 per equity share (including a premium of ₹ 60.50 per equity share) for the aggregate face value of ₹ 1 lakh.
- ii). 118,110 number of equity shares of ₹ 10/- each to various eligible employees under 'ESOS 2009, Plan III' prior to the issue of Bonus at the price of ₹ 141/- per equity share (including a premium of ₹ 131/- per equity share) for the aggregate face value of ₹ 12 lakh and 54,000 number of equity shares of ₹ 10/- each after the issue of Bonus at the price of ₹ 70.50 per equity share (including a premium of ₹ 60.50 per equity share) for the aggregate face value of ₹ 5 lakh.
- c. The Company has approved the grant of 15,50,100 (Fifteen lakh, Fifty Thousand And One Hundred ) Employee Stock Appreciation Rights (SARs) to the eligible employees of the Company, in terms of Dewan Housing Finance Corporation Limited-Employee Stock Appreciation Rights Plan 2015 ("DHFL ESAR 2015"). The said SARs shall vest over a period of five years and to be exercised within three years from the date of vesting of SARs and carry the right to apply for number of equity shares of the Company of face value of ₹ 10/- each, equivalent to Appreciation in those rights, over the grant price i.e. SAR price of ₹ 380/- per SAR (₹ 190/- per SAR Post Bonus issue), the price approved in the Nomination and Remuneration Committee meeting held on March 21, 2015.

# Notes

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d. Movement in options under (ESOS-2008), (ESOS-2009) and (ESAR 2015).

| Particulars   | ESOS-2008 | ESOS-2009 | ESOS-2009 | ESAR 2015 |
|---|-----------|-----------|-----------|-----------|
|   |           | Plan II   | Plan III  |           |
| Options granted under the schemes   | 14,22,590 | 12,75,000 | 12,34,670 | 15,50,100 |
| Options exercised upto March 31, 2015                                       | 11,21,696 | 10,73,395 | -         | -         |
| Options exercised upto Pre-Bonus issue                                      | -         | 61,678    | 118,110   | -         |
| Options lapsed upto Pre-Bonus issue up to March 31, 2015                    | 2,56,310  | 90,305    | 10,89,560 | -         |
| Options lapsed upto Pre-Bonus issue during the year                         | 17,380    | 9,495     | -         | 94,900    |
| Total number of Options in force (exercisable options) before bonus effects | 27,204    | 40,127    | 27,000    | 14,55,200 |
| Additional Options by way of bonus  | 27,204    | 40,127    | 27,000    | 14,55,200 |
| Total number of Options in force with bonus effect (Ratio of 1:1)           | 54,408    | 80,254    | 54,000    | 29,10,400 |
| Options exercised from Post-Bonus issue                                     | 18,048    | 12,880    | 54,000    | -         |
| Options lapsed from Post-Bonus issue during the year                        | 800       | 67,374    | -         | 88,400    |
| Re-issued under the scheme (*)  | -         | -         | 2,00,000  | -         |
| Options Outstanding/Exercisable options at the end                          | 35,560    | -         | 2,00,000  | 28,22,000 |
| Options granted under the schemes including for Bonus                       | 14,49,794 | 13,15,127 | 12,61,670 | 30,05,300 |
| Options exercised up to March 31, 2016                                      | 11,39,744 | 11,47,953 | 1,72,110  | -         |
| Options lapsed up to March 31, 2016   | 2,74,490  | 1,67,174  | 10,89,560 | 1,83,300  |
| Re-issued under the scheme (*)  | -         | -         | 2,00,000  | -         |
| Options Outstanding/Exercisable options at the end                          | 35,560    | -         | 2,00,000  | 2,822,000 |
| Weighted average exercise price & option price (in ₹):                      |           |           |           |           |
| - Pre Bonus   | 53.65     | 141.00    | 141.00    | 380.00    |
| - Post Bonus  | 26.83     | 70.50     | 70.50     | 190.00    |

\* On January 20, 2016, grant of 2,00,000 stock options were reinstated for the eligible employees of the Company, as approved in the Nomination and Remuneration Committee.

The weighted average share price during the period over which the options were exercised was ₹ 448.80 (Pre Bonus) and ₹ 204.52 (Post Bonus) and weighted average remaining contractual life is 6.6 years

e. Fair Value Methodology:

The Company has followed intrinsic value based method of accounting for Stock options granted based on Guidance Note issued by the Institute of Chartered Accountant of India. Had the compensation cost for the stock options granted under ESOS-2008, ESOS-2009 II, ESOS-2009 III and ESAR -2015 been determined based on the fair value approach, the Company's net profit and earnings per share would have been as per the pro-forma amounts indicated below:

| (₹ in lakh)   |                |                |
|---|----------------|----------------|
| Particulars   | March 31, 2016 | March 31, 2015 |
| Net Profit (as reported)  | 72,920         | 62,129         |
| Less: Stock-based compensation expenses determined under fair value based method, net of tax: [Gross ₹ 20 lakh (₹ 56 lakh)] (pro-forma) | (13)           | 37             |
| Net Profit considered for computing EPS (pro-forma)   | 72,933         | 62,092         |

| (in ₹)                                   |                |                |
|--|----------------|----------------|
| Particulars                              | March 31, 2016 | March 31, 2015 |
| Basic Earnings per Share (as reported)   | 25.00          | 23.91          |
| Basic Earnings per Share (Pro-forma)     | 25.00          | 23.90          |
| Diluted Earnings per Share (as reported) | 23.10          | 23.59          |
| Diluted Earnings per Share (Pro-forma)   | 23.10          | 23.58          |

# Notes

to financial statements for the year ended March 31, 2016

## 4 RESERVES & SURPLUS

(₹ in lakh)

| Particulars   | As at<br>March 31, 2016 |                 | As at<br>March 31, 2015 |                 |
|---|-------------------------|-----------------|-------------------------|-----------------|
| <b>Capital Reserve</b>  |                         |                 |                         |                 |
| Balance as per last Balance Sheet   | 12,320                  |                 | 16,775                  |                 |
| Less: Utilised during the year (refer Note 29 )   | 4,759                   | 7,561           | 4,455                   | 12,320          |
| <b>Capital Redemption Reserve</b>   |                         |                 |                         |                 |
| Balance as per last Balance Sheet   | 775                     |                 | 775                     |                 |
| Less : Utilised during the year towards Bonus issue (refer Note 3.4)  | 775                     | -               | -                       | 775             |
| <b>Securities Premium</b>   |                         |                 |                         |                 |
| Balance as per last Balance Sheet   | 2,07,235                |                 | 1,46,606                |                 |
| Add : Addition during the year  | 501                     |                 | 79,772                  |                 |
| Less : Utilised during the year towards Bonus issue (refer Note 3.4)  | 13,811                  |                 | -                       |                 |
| Less : Utilised during the year [net of tax of ₹ 5,606 lakh (₹ 7,934 lakh)] (refer Note 4.2)  | 10,594                  | 1,83,331        | 19,143                  | 2,07,235        |
| <b>Employees Share Options Outstanding</b>  |                         |                 |                         |                 |
| Balance as per last Balance Sheet   | 1,718                   |                 | 1,628                   |                 |
| Add : Addition during the year  | 20                      |                 | 211                     |                 |
| Less: Transferred to Securities Premium A/c   | 222                     | 1,516           | 121                     | 1,718           |
| <b>General Reserve</b>  |                         |                 |                         |                 |
| Balance as per last Balance Sheet   | 89,007                  |                 | 73,363                  |                 |
| Add : Transferred from Statement of Profit and Loss   | 20,000                  |                 | 20,000                  |                 |
| Less: Utilisation on Depreciations [Net of Tax ₹ Nil (₹99 lakh)]  | -                       |                 | 194                     |                 |
| Less : Utilisation on Deferred Tax Liability on Special Reserve (refer Note 4.4)  | 4,162                   | 1,04,845        | 4,162                   | 89,007          |
| <b>Statutory Reserve (Special Reserve)</b>  |                         |                 |                         |                 |
| [In terms of Section 36(1)(viii) of the Income Tax Act, 1961 read with Section 29C of the National Housing Bank Act, 1987] (Refer note 4.3) |                         |                 |                         |                 |
| Balance as per last Balance Sheet   | 80,399                  |                 | 64,399                  |                 |
| Add: Transferred from Statement of Profit and Loss  | 18,000                  | 98,399          | 16,000                  | 80,399          |
| <b>Surplus in Statement of Profit and Loss:</b>   |                         |                 |                         |                 |
| As per last Balance Sheet   | 57,556                  |                 | 41,108                  |                 |
| Add : Profit for the year   | 72,920                  |                 | 62,129                  |                 |
|   | 1,30,476                |                 | 1,03,237                |                 |
| Less : Appropriations   |                         |                 |                         |                 |
| General Reserve   | 20,000                  |                 | 20,000                  |                 |
| Statutory Reserve   | 18,000                  |                 | 16,000                  |                 |
| Interim Equity Dividend   | 17,507                  |                 | 5,146                   |                 |
| Proposed Equity Dividend  | 5,836                   |                 | 2,914                   |                 |
| Dividend for earlier year   | 2                       |                 | 9                       |                 |
| Dividend Distribution Tax   | 4,763                   |                 | 1,612                   |                 |
|   | 66,108                  |                 | 45,681                  |                 |
| <b>Surplus closing balance</b>  |                         | 64,368          |                         | 57,556          |
| <b>Total Reserves &amp; Surplus</b>   |                         | <b>4,60,020</b> |                         | <b>4,49,010</b> |

# Notes

to financial statements for the year ended March 31, 2016

- 4.1** During the year, the Company has paid interim dividend on equity shares in two quarters, totalling to ₹ 6/- (₹ 4/-) per share. The Board of Directors, has recommended final dividend to be paid out of current year profits @ ₹ 2/- (₹ 2/-) per equity share to the equity shareholders. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- 4.2** In accordance with Section 52 of the Companies Act, 2013, during the year the company has utilized Securities Premium Account towards premium on redemption of Zero Coupon Secured Redeemable Non-Convertible Debentures amounting to ₹ 10,594 lakh (₹ 19,143 lakh) net of tax of ₹ 5,606 lakh (₹ 7,934 lakh).
- 4.3** Statement for Disclosure on Statutory / Special Reserves, as prescribed by NHB vide its circular no NHB(ND)/DRS/ Pol. Circular.61/2013-14, dated: April 7, 2014

| (₹ in lakh)   |                         |                         |
|---|-------------------------|-------------------------|
| Particulars   | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
| <b>Balance at the beginning of the year</b>   |                         |                         |
| a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987   | 17,423                  | 15,423                  |
| 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 | 62,975                  | 48,975                  |
| <b>c) Total</b>   | <b>80,399</b>           | <b>64,399</b>           |
| <b>Addition during the year</b>   |                         |                         |
| Add: a) Amount transferred u/s 29C of the National Housing Bank Act, 1987   | 500                     | 2,000                   |
| 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  | 17,500                  | 14,000                  |
| <b>c) Total</b>   | <b>18,000</b>           | <b>16,000</b>           |
| <b>Balance at the end of the year</b>   |                         |                         |
| a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987   | 17,923                  | 17,423                  |
| 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 | 80,475                  | 62,975                  |
| <b>c) Total</b>   | <b>98,399</b>           | <b>80,399</b>           |

- 4.4** National Housing Bank vide circular No.NHB(ND)/DRS/Policy Circular 65/2014-15 dated August 22, 2014 has clarified that deferred tax liability (contingent upon Company's withdrawal of Sec 36(1)(Viii) Reserves leading to tax liability) in respect of opening balance under special reserve as at April 1, 2014 may be adjusted from free opening reserves of the Company over a period of 3 years in the ratio of 25:25:50 respectively. Accordingly, the Company has proportionately adjusted its opening reserves as at April 1, 2014 with an amount of ₹ 4,162 lakh (₹ 4,162 lakh) as contingent deferred tax liability and unamortised amount against the same is ₹ 8,323 lakh. Deferred Tax Liability on current year Special Reserve has been appropriated to Statement of Profit and Loss amounting to ₹ 6,297 lakh.

## 5 MONEY RECEIVED AGAINST SHARE WARRANTS

| (₹ in lakh)  |                         |                         |
|--|-------------------------|-------------------------|
| Particulars  | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
| Money Received Against Share Warrants              | 12,500                  | -                       |
| <b>Total Money Received Against Share Warrants</b> | <b>12,500</b>           | <b>-</b>                |

- 5.1** Pursuant to the consent of Board of Directors of the Company on January 20, 2016, the special resolution passed by the members of the Company on February 26, 2016 and other necessary approvals as required, the allotment



# Notes

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committee of the Board of Directors of the Company at its meeting held on March 11, 2016 approved the issue and allotment of 212,30,070 number of warrants, at the issue price of ₹ 235.52 per warrants, upon receipt of 25% of total consideration of ₹ 50,000 lakh, to M/s Wadhawan Global Capital Pvt. Ltd, promoter entity of the Company. Each warrants is convertible into equivalent number of equity shares of ₹ 10/- each at premium of 225.52 per share, which shall be allotted within 18 months from the date of allotment of the said convertible warrants, in one or more tranches. Accordingly the Company has received ₹ 12,500 lakh as stated above.

As the Company has allotted warrants, there is no change in the paid-up equity share capital of the Company.

## 6 LONG-TERM BORROWINGS

(₹ in lakh)

| Particulars   | Non Current Portion        |                            | Current Portion            |                            |
|---|----------------------------|----------------------------|----------------------------|----------------------------|
|   | As at<br>March 31,<br>2016 | As at<br>March 31,<br>2015 | As at<br>March 31,<br>2016 | As at<br>March 31,<br>2015 |
| <b>Secured</b>  |                            |                            |                            |                            |
| Non-Convertible Debentures  | 11,99,795                  | 7,19,284                   | 2,14,701                   | 1,62,452                   |
| Term Loan from Banks  | 25,68,075                  | 24,03,075                  | 4,71,460                   | 4,37,065                   |
| Loan from Others  |                            |                            |                            |                            |
| National Housing Bank   | 1,19,324                   | 1,09,733                   | 28,765                     | 34,380                     |
| Foreign Financial Institutions  | 2,15,961                   | 1,51,384                   | 7,605                      | -                          |
| <b>Total Secured long-term borrowings</b>   | <b>41,03,155</b>           | <b>33,83,476</b>           | <b>7,22,531</b>            | <b>6,33,897</b>            |
| <b>Unsecured</b>  |                            |                            |                            |                            |
| Non-Convertible Debentures (perpetual)  | 18,570                     | 18,570                     | -                          | -                          |
| Non-Convertible Debentures (Subordinated issue)   | 1,19,150                   | 1,19,150                   | -                          | -                          |
| Deposits  |                            |                            |                            |                            |
| Fixed Deposit (including Cumulative Deposits)   | 2,69,968                   | 1,61,821                   | 2,22,817                   | 2,01,020                   |
| Other Deposits  | 1,104                      | 848                        | 668                        | 600                        |
| Term Loan from Banks  | -                          | 3,333                      | 3,333                      | 1,667                      |
| <b>Total Unsecured long-term borrowings</b>   | <b>4,08,792</b>            | <b>3,03,722</b>            | <b>2,26,818</b>            | <b>2,03,287</b>            |
| <b>Total Long-Term Borrowings</b>   | <b>45,11,947</b>           | <b>36,87,198</b>           | <b>9,49,349</b>            | <b>8,37,184</b>            |
| Current Portion of above liability is disclosed under the head "other current liabilities". (Refer Note 12) | -                          | -                          | (9,49,349)                 | (8,37,184)                 |
| <b>Net Amount</b>   | <b>45,11,947</b>           | <b>36,87,198</b>           | <b>-</b>                   | <b>-</b>                   |

**6.1** Non Convertible Debentures (NCD) (current and non current portion) amounting to ₹ 14,14,496 lakh (₹ 8,81,736 lakh) are secured by way of first charge read with Note 6.2 herein below and are redeemable at par, in one or more instalments, on various periods, as below.

Secured NCDs also include amount outstanding for Zero Coupon Secured Redeemable Non-Convertible Debentures (ZCD) aggregating to ₹ 3,35,884 lakh (₹ 3,11,897 lakh), which are redeemable at premium on maturity. The accumulated premium payable on outstanding ZCD accrued till March 31, 2016 amounting to ₹ 57,754 lakh (₹ 25,677 lakh) is included above and a part of which has been provided out of the Securities Premium Account (refer Note 4.2).

# Notes

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(₹ in lakh)

| Particulars (%)                           | 1-3 Years         | 3-5 Years         | >5 Years          | Grand Total       |
|---|-------------------|-------------------|-------------------|-------------------|
| <b>Secured</b>                            |                   |                   |                   |                   |
| Bank                                      |                   |                   |                   |                   |
| Linked with Base Rate of respective banks | 9,26,343          | 7,93,013          | 8,48,719          | 25,68,075         |
|   | (9,05,013)        | (6,71,685)        | (8,31,396)        | (24,08,094)       |
| Loan from Foreign Financial Institutions  |                   |                   |                   |                   |
| 7.72 - 11.00                              | 51,728            | 1,32,625          | 31,608            | 2,15,961          |
|   | (29,112)          | (60,443)          | (61,829)          | (1,51,384)        |
| Loan from National Housing Bank           |                   |                   |                   |                   |
| 7.00 - 9.00                               | 47,958            | 22,874            | 32,794            | 1,03,625          |
|   | (50,365)          | (25,171)          | (10,422)          | (85,958)          |
| 9.00 - 11.00                              | 5,628             | 5,574             | 4,496             | 15,699            |
|   | (8,107)           | (6,952)           | (8,717)           | (23,776)          |
| <b>N H B Total</b>                        | <b>53,586</b>     | <b>28,447</b>     | <b>37,290</b>     | <b>1,19,324</b>   |
|   | <b>(58,472)</b>   | <b>(32,123)</b>   | <b>(19,138)</b>   | <b>(1,09,734)</b> |
| Non-Convertible Debenture                 |                   |                   |                   |                   |
| 5.00 - 7.00                               | -                 | -                 | 25,000            | 25,000            |
|   | (27,572)          | -                 | (28,406)          | (55,979)          |
| 8.48-11.50                                | 3,62,529          | 4,53,227          | 3,59,040          | 11,74,796         |
|   | (2,06,554)        | (2,43,422)        | (2,13,330)        | (6,63,306)        |
| <b>NCD Total</b>                          | <b>3,62,529</b>   | <b>4,53,227</b>   | <b>3,84,040</b>   | <b>11,99,796</b>  |
|   | <b>(2,34,126)</b> | <b>(2,43,422)</b> | <b>(2,41,736)</b> | <b>(7,19,284)</b> |
| <b>Unsecured</b>                          |                   |                   |                   |                   |
| Term Loan from Bank                       |                   |                   |                   |                   |
| 10.00                                     | -                 | -                 | -                 | -                 |
|   | (3,333)           | -                 | -                 | -                 |
| Perpetual Debt                            |                   |                   |                   |                   |
| 12.00 -12.75                              | -                 | -                 | 18,570            | 18,570            |
|   | -                 | -                 | (18,570)          | (18,570)          |
| Sub - Debt                                |                   |                   |                   |                   |
| 9.00 - 11.50                              | 37,250            | 44,600            | 37,300            | 1,19,150          |
|   | (25,970)          | (18,380)          | (74,800)          | (1,19,150)        |

**6.2** All Secured loans (Current and Non Current portion) from the National Housing Bank, Other Banks, Foreign Financial Institution, Financial Institutions and Secured Non Convertible Debentures / ZCD are secured by way of first charge to and in favor of participating banks, Institutions, National Housing Bank and Debenture Trustees jointly ranking pari passu (read with Note 10.1), inter-se, on the Company's whole of the present and future book debts, housing loan Installments/receivables, investments including all the receivables of the Company and other movable assets, wherever situated, excluding SLR assets, read with Note 6.3 & 6.4 hereinafter. They are further secured on pari passu basis by constructive delivery of various title deeds of certain immovable properties of the Company to Union Bank of India, acting for itself and as an agent of other participating lenders and Debenture trustees, and are also guaranteed by the promoter directors of the Company.

**6.3** During the year Company has availed ECB of USD 110 millions from following parties for a period of 5 years. The principal amount has been hedged by way of currency swaps to protect the foreign currency risk and converted into rupee liability of ₹ 72,182 lakh in compliance of statutory requirement.

# Notes

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| Name of the Party                 | USD (in millions) | Loan Amount<br>(₹ in lakh) |
|-----------------------------------|-------------------|----------------------------|
| State Bank Of India, South Africa | 55                | 36,091                     |
| The Korea Development Bank, Korea | 15                | 9,843                      |
| Taiwan Cooperative Bank, Taiwan   | 10                | 6,562                      |
| Bank Of Baroda, Bahrain           | 10                | 6,562                      |
| Barclays Bank Plc, London         | 10                | 6,562                      |
| CTBC Bank Co. Ltd. Singapore      | 5                 | 3,281                      |
| KDB Ireland Limited, Ireland      | 5                 | 3,281                      |
| <b>Total</b>                      | <b>110</b>        | <b>72,182</b>              |

In the previous years, Company had availed ECB of USD 125 millions from Asian Development Bank (ADB), USD 50 millions from Deutsche Investitions U. E. aggregating to USD 175 millions and USD 70 millions from IFC Washington for a period of 7, 8 and 8 years respectively. The principal amount has been hedged by way of currency swaps to protect the foreign currency risk and converted into rupee liability aggregating to ₹ 1,51,384 lakh, in compliance of statutory requirement.

As a part of Assets Liability management on account of the Companies adjustable rate home loan products as well as to reduce the overall cost of borrowing, during the year, the Company has entered into Interest Rate swaps wherein it has converted its variable rate rupee liability of notional amount of USD 175 millions into fixed rate rupee liability.

As on March 31, 2016 the Company has foreign currency borrowing of USD 355 millions (USD 245 millions) equivalent to ₹ 2,23,566 lakh (₹ 1,51,384 lakh).

- 6.4** The National Housing Bank directives require all HFC's accepting public deposits to create a floating charge on the statutory liquid assets maintained in favor 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.
- 6.5** Unsecured Redeemable Non Convertible Subordinated Debentures aggregating to ₹ 1,19,150 lakh (₹ 1,19,150 lakh), outstanding as at March 31, 2016, are subordinated to present and future senior indebtedness of the company. It qualifies as Tier II capital in accordance with National Housing Bank (NHB) guidelines for assessing capital adequacy based on balance term to maturity. These debentures are redeemable at par on maturity on various periods read with note no. 6.1.
- 6.6** 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.
- 6.7** Department of Company Affairs with reference to the General Circular no. 4/2003 dated 16.01.2003, has clarified that, Housing Finance Companies registered with National Housing Bank are exempted from the requirement of creating Debenture Redemption Reserve (DRR) in case of privately placed debentures. Since the Debenture issues of the Company till date are through private placement, as such no DRR has been created.

# Notes

to financial statements for the year ended March 31, 2016

## 7 DEFERRED TAX LIABILITY / (ASSET)

| (₹ in lakh)  |                         |                         |
|--|-------------------------|-------------------------|
| Particulars  | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
| <b>A. Deferred Tax Liability / (Asset)</b>                         |                         |                         |
| <b>Deferred Tax Asset</b>  |                         |                         |
| On account of provision for contingency & employee benefits        | (20,383)                | (10,354)                |
| <b>Deferred Tax Liability</b>                                      |                         |                         |
| On difference between book balance and tax balance of other assets | 10,186                  | 8,045                   |
| <b>(A)</b>   | <b>(10,197)</b>         | <b>(2,309)</b>          |
| <b>B. Deferred Tax Liability on Special IT Reserve</b>             | 19,346                  | 8,888                   |
| <b>(B)</b>   | <b>19,346</b>           | <b>8,888</b>            |
| <b>Net Deferred Tax Liability / (Asset)</b>                        | <b>(A+B)</b>            | <b>6,579</b>            |

## 8 OTHER LONG-TERM LIABILITIES

| (₹ in lakh)                              |                         |                         |
|--|-------------------------|-------------------------|
| Particulars                              | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
| Advance from customers                   | -                       | 56                      |
| Others                                   | -                       | 88                      |
| <b>Total Other Long-Term Liabilities</b> | <b>-</b>                | <b>144</b>              |

## 9 PROVISIONS

| (₹ in lakh)  |                            |                            |                            |                            |
|--|----------------------------|----------------------------|----------------------------|----------------------------|
| Particulars  | Long-Term Provision        |                            | Short Term Provision       |                            |
|  | As at<br>March 31,<br>2016 | As at<br>March 31,<br>2015 | As at<br>March 31,<br>2016 | As at<br>March 31,<br>2015 |
| <b>Provision for Contingencies</b>                                     |                            |                            |                            |                            |
| <b>Against Standard Assets:</b>  |                            |                            |                            |                            |
| As per last Balance Sheet  | 27,822                     | 21,570                     |                            |                            |
| Add : Provision during the year  | 6,908                      | 6,252                      |                            |                            |
| <b>Provision on standard loan portfolio</b>                            | <b>(A)</b>                 | <b>34,730</b>              | <b>27,822</b>              | <b>-</b>                   |
| <b>Against NPA:</b>  |                            |                            |                            |                            |
| As per last Balance sheet  | 13,910                     | 10,765                     |                            |                            |
| Add : Provision during the year  | 9,441                      | 3,765                      |                            |                            |
| Less : Utilised During the year  | 2,146                      | 620                        |                            |                            |
| <b>Provision on NPA loan portfolio</b>                                 | <b>(B)</b>                 | <b>21,205</b>              | <b>13,910</b>              | <b>-</b>                   |
| <b>Against Investment:</b>   |                            |                            |                            |                            |
| As per last Balance Sheet  | -                          | -                          |                            |                            |
| Add : Provision during the year  | 66                         | -                          |                            |                            |
|  | 66                         | -                          |                            |                            |
| Less : Transfer to Provision for diminution in the value of investment | (66)                       | -                          |                            |                            |
| <b>(C)</b>   | <b>-</b>                   | <b>-</b>                   |                            |                            |
| <b>Against ICDS:</b>   |                            |                            |                            |                            |
| As per last Balance Sheet  | 964                        | 605                        |                            |                            |
| Provision during the year  | 483                        | 359                        |                            |                            |
| <b>Provision on ICDS</b>   | <b>(D)</b>                 | <b>1,447</b>               | <b>964</b>                 | <b>-</b>                   |

# Notes

to financial statements for the year ended March 31, 2016

| Particulars  | Long-Term Provision  |                      | Short Term Provision |                      |
|--|----------------------|----------------------|----------------------|----------------------|
|  | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2016 | As at March 31, 2015 |
| <b>Against Other Assets</b>                          |                      |                      |                      |                      |
| As per last Balance Sheet                            | 319                  | 195                  |                      |                      |
| Provision during the year                            | 601                  | 124                  |                      |                      |
| <b>Provision on Other Assets (E)</b>                 | <b>920</b>           | <b>319</b>           |                      |                      |
| <b>Total Provision for Contingencies (A+B+C+D+E)</b> | <b>58,302</b>        | <b>43,015</b>        | <b>-</b>             | <b>-</b>             |
| Provision for employee benefits                      | -                    | -                    | 107                  | 80                   |
| Provision for Proposed Dividend                      | -                    | -                    | 5,836                | 2,914                |
| Provision for Dividend Distribution Tax              | -                    | -                    | 1,188                | 583                  |
| <b>Total Provisions</b>                              | <b>58,302</b>        | <b>43,015</b>        | <b>7,131</b>         | <b>3,577</b>         |

**9.1** The Company has written off ₹ 2,146 lakh (₹ 620 lakh) as bad debts and by way of one time settlement to recover some of its old NPA and Loss Accounts. The Company has withdrawn ₹ 2,146 lakh (₹ 620 lakh) from contingency provisions created out of profits of earlier years.

**9.2 Details of Housing and Property Loans and Contingency Provisions**

Housing and property loans and provision in respect thereof on account of standard, sub standard, doubtful and loss assets are recorded in accordance with the guidelines on prudential norms as specified by National Housing Bank are as follows:

| Particulars                | As at March 31, 2016 |               | As at March 31, 2015 |               |
|----------------------------|----------------------|---------------|----------------------|---------------|
|                            | Portfolio            | Provisions    | Portfolio            | Provisions    |
| <b>Standard Assets</b>     |                      |               |                      |               |
| Housing Loans              | 48,75,732            | 21,549        | 39,06,500            | 16,628        |
| Other Property Loans       | 12,44,463            | 12,464        | 11,48,960            | 11,069        |
| <b>(A)</b>                 | <b>61,20,195</b>     | <b>34,013</b> | <b>50,55,460</b>     | <b>27,697</b> |
| <b>Sub Standard Assets</b> |                      |               |                      |               |
| Housing Loans              | 8,665                | 1,300         | 14,558               | 2,185         |
| Other Property Loans       | 4,230                | 634           | 7,255                | 1,088         |
| <b>(B)</b>                 | <b>12,895</b>        | <b>1,934</b>  | <b>21,813</b>        | <b>3,273</b>  |
| <b>Doubtful Assets</b>     |                      |               |                      |               |
| Housing Loans              | 27,454               | 13,126        | 16,521               | 7,741         |
| Other Property Loans       | 16,958               | 6,145         | 10,171               | 2,896         |
| <b>(C)</b>                 | <b>44,412</b>        | <b>19,271</b> | <b>26,692</b>        | <b>10,637</b> |
| Additional Provision       |                      | 717           |                      | 125           |
| Provisions on ICDs         |                      | 1,447         |                      | 964           |
| Provisions on Other Assets |                      | 920           |                      | 319           |
| <b>Total (A+B+C)</b>       | <b>61,77,502</b>     | <b>58,302</b> | <b>51,03,965</b>     | <b>43,015</b> |
| <b>Summary:</b>            |                      |               |                      |               |
| Housing Loans              | 49,11,851            | 35,975        | 39,37,579            | 26,554        |
| Other Property Loans       | 12,65,651            | 19,243        | 11,66,386            | 15,053        |
| Additional Provision       |                      | 717           |                      | 125           |
| Provisions on ICDs         |                      | 1,447         |                      | 964           |
| Provisions on Other Assets |                      | 920           |                      | 319           |
| <b>Total</b>               | <b>61,77,502</b>     | <b>58,302</b> | <b>51,03,965</b>     | <b>43,015</b> |

# Notes

to financial statements for the year ended March 31, 2016

## 9.3 Provision for Contingencies

The Company has made full provisions for Contingencies for diminution in investment value and on standard as well as on non-performing housing loans and other property loans as per the Prudential Norms prescribed by the National Housing Bank. The Company has maintained additional provision amounting to ₹ 717 lakh (₹ 125 lakh).

## 10 SHORT TERM BORROWINGS

| (₹ in lakh)                                |                         |                         |
|--|-------------------------|-------------------------|
| Particulars                                | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
| <b>Secured</b>                             |                         |                         |
| Loans repayable on demand                  |                         |                         |
| From Banks                                 | 1,74,460                | 7,651                   |
| <b>Secured short term borrowings (A)</b>   | <b>1,74,460</b>         | <b>7,651</b>            |
| <b>Unsecured</b>                           |                         |                         |
| Deposits                                   |                         |                         |
| Fixed Deposits (Refer Note 6.6)            | 3,691                   | 3,988                   |
| Other Deposits (Refer Note 6.6)            | 609                     | 555                     |
| Other short term loans and advances        |                         |                         |
| Commercial Papers                          | 4,64,900                | 3,51,500                |
| <b>Unsecured short term borrowings (B)</b> | <b>4,69,200</b>         | <b>3,56,043</b>         |
| <b>Total Short Term Borrowings (A+B)</b>   | <b>6,43,660</b>         | <b>3,63,694</b>         |

**10.1** Loans repayable on demand and other short term loans comprising of Cash credit facilities from banks and are secured by a first charge by way of hypothecation of book debts of specific loan assets of the Company and are further secured by negative lien on the underlying specific properties and / or secured by demand promissory notes. Certain Cash credit facilities are also secured by way of a first pari passu charge along with other secured loans read with Note 6.2. All Cash credit facilities are repayable as per the contracted/ rollover term.

## 11 TRADE PAYABLES

| (₹ in lakh)                 |                         |                         |
|-----------------------------|-------------------------|-------------------------|
| Particulars                 | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
| MSME                        | -                       | -                       |
| Others                      | 399                     | 747                     |
| <b>Total Trade Payables</b> | <b>399</b>              | <b>747</b>              |

There is no amount due and payable to 'Suppliers' registered under the Micro, Small and Medium Enterprises Development Act, 2006 at the end of the year. No interest has been paid/ is payable by the Company during/for the year to these 'Suppliers'. The above information takes into account only those suppliers who have submitted their registration details or has responded to the inquiries made by the Company for this purpose.



# Notes

to financial statements for the year ended March 31, 2016

## 12 OTHER CURRENT LIABILITIES

(₹ in lakh)

| Particulars  | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|--|-------------------------|-------------------------|
| Current maturities of long-term borrowing (Refer Note 6)           | 9,49,349                | 8,37,184                |
| Interest accrued but not due on borrowings                         | 52,929                  | 26,335                  |
| Unclaimed Dividends  | 171                     | 89                      |
| Unclaimed matured deposits and interest accrued thereon            | 5,410                   | 3,998                   |
| <b>Other payables</b>  |                         |                         |
| Advance from customers   | 15,762                  | 3,276                   |
| Amount payable under securitisation/ joint syndication transaction | 21,605                  | 15,128                  |
| Statutory Dues   | 2,105                   | 1,352                   |
| Other current liabilities  | 5,694                   | 5,587                   |
| <b>Total Other Current Liabilities</b>                             | <b>10,53,025</b>        | <b>8,92,949</b>         |

**12.1** As required under section 124 of the Companies Act, 2013, the Company has transferred unclaimed dividend of the year 2007-08 ₹ 3 lakh (₹ 9 lakh), unclaimed interim dividend of the year 2007-08 ₹ Nil (₹ 5 lakh) and towards unclaimed Deposits and interest accrued thereon ₹ 39 lakh (₹ 21 lakh) to Investor Education & Protection Fund (IEPF) during the year. The amounts payable for March, 2016 has been transferred to IEPF in the month of April, 2016.

## 13 FIXED ASSETS

(₹ in lakh)

| Assets                              | GROSS BLOCK         |              |                    |                     | DEPRECIATION/ AMORTISATION |                 |                    |                     | NET BLOCK           |                     |
|-------------------------------------|---------------------|--------------|--------------------|---------------------|----------------------------|-----------------|--------------------|---------------------|---------------------|---------------------|
|                                     | As at<br>01.04.2015 | Addition     | Deduction/<br>Sale | As at<br>31.03.2016 | As at<br>01.04.2015        | for<br>the year | Deduction/<br>Sale | Up to<br>31.03.2016 | As at<br>31.03.2016 | As at<br>31.03.2015 |
| <b>Tangible:</b>                    |                     |              |                    |                     |                            |                 |                    |                     |                     |                     |
| Building                            | 3,059               | 2,584        | -                  | 5,643               | 520                        | 65              | -                  | 585                 | 5,058               | 2,539               |
| Leasehold Premises                  | 9,999               | -            | -                  | 9,999               | 347                        | 163             | -                  | 510                 | 9,489               | 9,652               |
| Furniture & Fixture                 | 5,609               | 434          | 332                | 5,711               | 2,141                      | 1,014           | 259                | 2,896               | 2,815               | 3,468               |
| Office Equipments                   | 2,334               | 240          | 193                | 2,381               | 858                        | 348             | 147                | 1,059               | 1,322               | 1,476               |
| Vehicles                            | 121                 | -            | 7                  | 114                 | 55                         | 18              | 3                  | 70                  | 44                  | 66                  |
| Computer (Hardware)                 | 3,031               | 453          | 500                | 2,984               | 1,844                      | 553             | 487                | 1,910               | 1,074               | 1,187               |
| <b>Sub Total</b>                    | <b>24,153</b>       | <b>3,711</b> | <b>1,032</b>       | <b>26,832</b>       | <b>5,765</b>               | <b>2,161</b>    | <b>896</b>         | <b>7,030</b>        | <b>19,802</b>       | <b>18,388</b>       |
| <b>Intangible:</b>                  |                     |              |                    |                     |                            |                 |                    |                     |                     |                     |
| Computer (Software)                 | 1,454               | 181          | -                  | 1,635               | 997                        | 269             | -                  | 1,266               | 369                 | 457                 |
| <b>Fixed Assets</b>                 | <b>25,607</b>       | <b>3,892</b> | <b>1,032</b>       | <b>28,467</b>       | <b>6,762</b>               | <b>2,430</b>    | <b>896</b>         | <b>8,296</b>        | <b>20,171</b>       | <b>18,845</b>       |
| Capital Work in Process             | 79,615              | -            | 25,000             | 54,615              | -                          | -               | -                  | -                   | 54,615              | 79,615              |
| Intangible Assets under Development | -                   | 3,266        | -                  | 3,266               | -                          | -               | -                  | -                   | 3,266               | -                   |
| <b>Total</b>                        | <b>1,05,222</b>     | <b>7,158</b> | <b>26,032</b>      | <b>86,348</b>       | <b>6,762</b>               | <b>2,430</b>    | <b>896</b>         | <b>8,296</b>        | <b>78,052</b>       | <b>98,460</b>       |
| <b>Previous Year</b>                | <b>1,03,028</b>     | <b>2,992</b> | <b>798</b>         | <b>1,05,222</b>     | <b>4,255</b>               | <b>2,845</b>    | <b>338</b>         | <b>6,762</b>        | <b>98,460</b>       |                     |

# Notes

to financial statements for the year ended March 31, 2016

## 14 NON-CURRENT INVESTMENTS (AT COST)

(₹ in lakh)

| Particulars   | As at March 31, 2016 |               | As at March 31, 2015 |               |
|---|----------------------|---------------|----------------------|---------------|
|   | Nos                  | Amount        | Nos                  | Amount        |
| <b>Trade Investments</b>  |                      |               |                      |               |
| <b>Investment in Unquoted Equity Instruments (Face value of ₹ 10 each)</b>                      |                      |               |                      |               |
| <b>Investment in Subsidiary Companies</b>   |                      |               |                      |               |
| DHFL Advisory & Investments Pvt Ltd (refer note 14.2)   | 7,50,10,000          | 7,501         | -                    | -             |
| <b>Investment in Associates:</b>  |                      |               |                      |               |
| Aadhar Housing Finance Ltd  | 1,49,00,000          | 1,490         | 1,49,00,000          | 1,490         |
| DHFL Vysya Housing Finance Ltd.   | 10,48,989            | 315           | 10,48,989            | 315           |
| DHFL Venture Trustee Company Private Limited  | 22,500               | 2             | 22,500               | 2             |
| Avanse Financial Services Ltd.  | 1,21,97,522          | 4,988         | 1,21,97,522          | 4,988         |
| <b>Investment in Joint Venture</b>  |                      |               |                      |               |
| DHFL Pramerica Life Insurance Co Ltd.   | 18,70,30,931         | 3,107         | 18,70,30,931         | 3,107         |
| DHFL Pramerica Asset Managers Pvt Ltd (refer note 14.3)   | 15,61,36,360         | 3,770         | -                    | -             |
| DHFL Pramerica Trustees Pvt Ltd (refer note 14.3)   | 50,000               | 5             | -                    | -             |
| <b>Investment in Others:</b>  |                      |               |                      |               |
| The Kalyan Janta Sahakari Bank Limited  | 10,000               | 1             | 10,000               | 1             |
| <b>(A)</b>  |                      | <b>21,179</b> |                      | <b>9,903</b>  |
| <b>Investment in Unquoted Optionally Convertible Preference Share (Face value of ₹ 10 each)</b> |                      |               |                      |               |
| Sunborne Energy Services India Private Limited  | 31,775               | 1,271         | 31,775               | 1,271         |
| <b>(B)</b>  |                      | <b>1,271</b>  |                      | <b>1,271</b>  |
| <b>Other Investments</b>  |                      |               |                      |               |
| <b>Investment in Mutual Funds/Venture Capital Fund - unquoted</b>                               |                      |               |                      |               |
| DHFL Venture Capital Fund   | 1                    | 0             | 1                    | 0             |
| (100% Trust Corpus - Settlement Money) (₹ 10,000/- only)  |                      |               |                      |               |
| DHFL Real Estate Assets Management Fund -   | -                    | -             | 10,998               | 1,100         |
| Dream Fund I Units Class A  |                      |               |                      |               |
| Arthveda Star Fund  | 1,97,753             | 2,000         | 1,97,753             | 2,000         |
| <b>(C)</b>  |                      | <b>2,000</b>  |                      | <b>3,100</b>  |
| <b>Investment in Pass Through Certificates</b>  |                      |               |                      |               |
| Pass Through certificates -Class B  |                      | 7,641         |                      | 20,845        |
| <b>(D)</b>  |                      | <b>7,641</b>  |                      | <b>20,845</b> |
| <b>Investment in Government Securities (SLR) - Quoted</b>                                       |                      |               |                      |               |
| 0.00% Punjab Infrastructure Development Board 2023 Bonds  | 10                   | 25            | 10                   | 25            |
| 8.56% Kerala SDL 2020   | 2,00,000             | 203           | 2,00,000             | 203           |
| 8.09% Gujarat SDL 2020  | -                    | -             | 5,00,000             | 504           |
| 8.52% Tamilnadu SDL 2020  | 2,00,000             | 206           | 2,00,000             | 206           |
| 8.42% Andhra Pradesh SDL 2020   | 4,25,000             | 430           | 4,25,000             | 430           |
| 8.40% Gujarat SDL 2020  | 2,50,000             | 252           | 2,50,000             | 252           |
| 8.08% GS 2022   | 1,00,000             | 98            | 1,00,000             | 98            |
| 8.28% GS 2032   | 1,00,000             | 98            | 1,00,000             | 98            |
| 9.23% Gujarat SDL 2021  | 2,50,000             | 257           | 2,50,000             | 257           |

# Notes

to financial statements for the year ended March 31, 2016

(₹ in lakh)

| Particulars   | As at March 31, 2016 |               | As at March 31, 2015 |               |
|---|----------------------|---------------|----------------------|---------------|
|   | Nos                  | Amount        | Nos                  | Amount        |
| 9.51% Rajasthan Rajya Vidyut Prasaran Nigam Ltd 2024                      | 10                   | 500           | 10                   | 500           |
| 9.30% RrvpnI Bonds 2025   | 150                  | 1,491         | 150                  | 1,491         |
| 8.97% Bihar SDL 2022  | 5,70,000             | 584           | 5,70,000             | 584           |
| 8.66% West Bengal SDL 2023  | -                    | -             | 5,00,000             | 502           |
| 5.87% GOI 2022  | 3,000                | 3             | 3,000                | 3             |
| 6.05% GOI 2019  | 14,000               | 14            | 14,000               | 14            |
| 6.13% GOI 2028  | 5,000                | 5             | 5,000                | 5             |
| 5.69% GOI 2018  | 41,800               | 39            | 41,800               | 39            |
| 7.99% GOI 2017  | 30,000               | 30            | 30,000               | 30            |
| 7.16% GOI 20/05/2023  | 1,1,00,000           | 993           | 21,00,000            | 1,996         |
| 8.33% GOI 09/07/2026  | 20,00,000            | 2,108         | 20,00,000            | 2,108         |
| 8.97% GOI 05/12/2030  | 20,00,000            | 2,227         | 20,00,000            | 2,227         |
| 8.71% WSPF Bonds 09/05/2023   | 1,900                | 1,920         | 1,900                | 1,920         |
| 9.72% Kerala SDL 28/08/2023   | -                    | -             | 70                   | 728           |
| 8.80% FCI Bonds (Series -VB) 22/03/2028                                   | -                    | -             | 139                  | 1,349         |
| 9.85% TIIC Bonds (TIIC Bonds_2014-I) 07/03/2024                           | 83                   | 828           | 83                   | 828           |
| 9.00% RRVUNL Bonds 24/12/2026   | 210                  | 2,127         | 210                  | 2,127         |
| 9.20% Tangedco 2024 18/12/2024  | 200                  | 2,025         | 200                  | 2,025         |
| 8.75% Krishna Bhagya Jal Nigam Limited 31/12/2024                         | 110                  | 1,095         | 110                  | 1,095         |
| 8.25% Maharashtra SDL 13/05/2025  | 150                  | 1,514         | -                    | -             |
| 8.74% RRVUNL 2027   | 150                  | 1,497         | -                    | -             |
| 9.95% FCI 2022  | 100                  | 1,084         | -                    | -             |
| 9.20% GOI 2030  | 20,00,000            | 2,192         | -                    | -             |
| 8.83% GOI 2023  | 20,00,000            | 2,101         | -                    | -             |
| 8.72% Chhattisgarh State Power Distribution Limited 27/03/2035            | 210                  | 2,100         | -                    | -             |
| 7.95% GOI 2032  | 16,00,000            | 1,606         | -                    | -             |
| <b>(E)</b>  |                      | <b>29,652</b> |                      | <b>21,646</b> |
| <b>Investment in Government Securities (Non - SLR) - Quoted</b>           |                      |               |                      |               |
| 7.15% UBI Bonds 2015  | -                    | -             | 75                   | 750           |
| 7.22% REC Bonds 19/12/2022  | 10,000               | 100           | 10,000               | 100           |
| 7.19% NHB TAX Free Bonds 14/12/2022                                       | 10                   | 100           | 10                   | 100           |
| 6.82% NHB TAX Free Bonds 28/05/2023                                       | 5,000                | 500           | 5,000                | 500           |
| 8.01% NHB Tax Free Bonds  | 50                   | 500           | 50                   | 500           |
| 8.26% NHB Tax Free Bonds  | 3,610                | 181           | 3,610                | 181           |
| 8.41% NTPC Tax free Bonds - Series 1A                                     | 15,832               | 158           | 15,832               | 158           |
| 8.51% HUDCO Secured Non-Convertible Tax Free Bonds. Tranche II. Series 1A | 50,000               | 500           | 50,000               | 500           |
| 8.23% Indian Railway Finance Corporation 18/02/2024 (Tax Free)            | 50,000               | 500           | 50,000               | 500           |
| 8.41% IIFCL Bonds 22/01/2024  | 1,00,000             | 1,000         | 1,00,000             | 1,000         |
| 7.72% GOI 2025  | 10,00,000            | 1,010         | -                    | -             |
| 7.88% GS 2030   | 30,00,000            | 3,011         | -                    | -             |
| 7.49% IREDAL Tax Free Bonds 21/01/2031                                    | 1,02,181             | 1,022         | -                    | -             |
| 7.39% HUDCO Tax Free Bonds 08/02/2031                                     | 28,028               | 280           | -                    | -             |
| 7.39% NHAI Tax Free Bonds 09/03/2031                                      | 61,674               | 617           | -                    | -             |

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to financial statements for the year ended March 31, 2016

(₹ in lakh)

| Particulars  | As at March 31, 2016 |               | As at March 31, 2015 |               |
|--|----------------------|---------------|----------------------|---------------|
|  | Nos                  | Amount        | Nos                  | Amount        |
| 7.39% HUDCO Tax Free Bonds 15/03/2031                  | 7,529                | 753           | -                    | -             |
| (F)  |                      | 10,232        |                      | 4,289         |
| (A+B+C+D+E+F)  |                      | 71,975        |                      | 61,053        |
| Less: Provision for diminution in value of investments |                      | -             |                      | -             |
| <b>Total Non Current Investments</b>                   |                      | <b>71,975</b> |                      | <b>61,053</b> |
| Aggregate amount of Quoted Investments                 |                      | 39,884        |                      | 25,935        |
| Market value of Quoted Investments                     |                      | 41,025        |                      | 26,326        |
| Aggregate amount of Unquoted Investments               |                      | 32,091        |                      | 35,118        |

**14.1** Investment in Government and other SLR Securities aggregating to ₹ 29,652 lakh (₹ 21,646 lakh) carry a floating charge created in favor of depositors in the Fixed Deposit schemes of the Company (read with Note 6.2 and Note 6.4 above).

**14.2** During the year, the Company incorporated wholly owned subsidiary viz DHFL Advisory & Investments Private Limited (DAIPL) on February 12, 2016 to carry on the business of providing all kinds of advisory/consultancy services and fees based intermediation activities and to promote / sponsor trusts or funds including Mutual Funds / Venture Capital Funds etc.

**14.3** During the year, the Company acquired 50% (Fifty Percent) of the equity share capital of (i) erstwhile Pramerica Asset Managers Private Limited (renamed as DHFL Pramerica Asset Managers Private Limited), the asset management company of erstwhile Pramerica Mutual Fund (renamed as DHFL Pramerica Mutual Fund); and (ii) erstwhile Pramerica Trustees Private Limited (renamed as DHFL Pramerica Trustees Private Limited), the trustee for the erstwhile Pramerica Mutual Fund (renamed as DHFL Pramerica Mutual Fund). The said acquisition was consummated on August 11, 2015 pursuant to the approval received from Competition Commission of India and SEBI.

## 15 HOUSING AND PROPERTY LOANS

(₹ in lakh)

| Particulars   | Non-Current Portion  |                      | Current Portion      |                      |
|---|----------------------|----------------------|----------------------|----------------------|
|   | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2016 | As at March 31, 2015 |
| <b>Secured, considered good unless stated otherwise</b> |                      |                      |                      |                      |
| <b>Housing Loans</b>                                    |                      |                      |                      |                      |
| Standard loans  | 53,05,934            | 42,90,717            | 2,87,708             | 1,78,170             |
| Sub-Standard loans                                      | 8,934                | 15,099               | -                    | -                    |
| Doubtful loans  | 27,653               | 16,682               | -                    | -                    |
|   | 53,42,521            | 43,22,498            | 2,87,708             | 1,78,170             |
| Less : Securitised Housing Loans & Funded by Syndicate  | 6,79,569             | 5,35,825             | 38,808               | 27,264               |
| <b>A Total Housing Loans</b>                            | <b>46,62,952</b>     | <b>37,86,673</b>     | <b>2,48,900</b>      | <b>1,50,906</b>      |
| <b>Other Property Loans</b>                             |                      |                      |                      |                      |
| Standard loans  | 12,11,854            | 10,85,378            | 88,984               | 84,969               |
| Sub-Standard loans                                      | 4,363                | 7,255                | -                    | -                    |
| Doubtful loans  | 16,958               | 10,171               | -                    | -                    |
|   | 12,33,175            | 11,02,804            | 88,984               | 84,969               |
| Less : Other Property Securitised Loans                 | 53,498               | 20,009               | 3,011                | 1,378                |
| <b>B Total Other Property Loans</b>                     | <b>11,79,677</b>     | <b>10,82,795</b>     | <b>85,973</b>        | <b>83,591</b>        |
| <b>Total Loan book (A+B)</b>                            | <b>58,42,629</b>     | <b>48,69,468</b>     | <b>3,34,873</b>      | <b>2,34,497</b>      |

# Notes

to financial statements for the year ended March 31, 2016

| Particulars  | (₹ in lakh)                |                            |                            |                            |
|--|----------------------------|----------------------------|----------------------------|----------------------------|
|  | Non-Current Portion        |                            | Current Portion            |                            |
|  | As at<br>March 31,<br>2016 | As at<br>March 31,<br>2015 | As at<br>March 31,<br>2016 | As at<br>March 31,<br>2015 |
| <b>Summary:</b>  |                            |                            |                            |                            |
| Housing Loans  | 53,42,521                  | 43,22,498                  | 2,87,708                   | 1,78,170                   |
| Other Property Loans   | 12,33,175                  | 11,02,804                  | 88,984                     | 84,969                     |
| <b>Total Housing &amp; Property Loans under Company's management</b> | <b>65,75,696</b>           | <b>54,25,302</b>           | <b>3,76,692</b>            | <b>2,63,139</b>            |
| Less : Securitised and Syndicated portion                            | 7,33,067                   | 5,55,834                   | 41,819                     | 28,642                     |
| <b>Total Housing and Property Loans</b>                              | <b>58,42,629</b>           | <b>48,69,468</b>           | <b>3,34,873</b>            | <b>2,34,497</b>            |

- 15.1** Other loans include mortgage loan, non residential property loan, plot loan for self construction where construction has not began in last three years and loan against the lease rental income from properties in accordance with directions of National Housing Bank (NHB). Other loans 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 ₹ 6,327 lakh (₹ 478 lakh).
- 15.2** As certified by the management, 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.
- 15.3** Composite Loans sanctioned (i.e. loans allowed for purchase of plot and self construction of house) on or before March 31, 2013, in which construction has not started till March 31, 2016, as per information available with the Company, is excluded from Housing Loans and regrouped under Other Loans (Non Housing) in above outstanding as on March 31, 2016 aggregating to ₹ 18,106 lakh (₹ 8,918 lakh).
- 15.4** Insurance portion of Housing Loan is excluded from Housing Loan and regrouped in Other Property Loan. The insurance portion amounting to ₹ 109,612 lakh (₹ 74,225) 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.
- 15.5** The Company has entered into Loan Syndication arrangements with certain public and private sector banks to provide Housing loan to borrowers wherein DHFL originates the loan files and gets it processed under common credit norms. The said banks have agreed to participate upto 50% of the disbursed loan portfolio under loan syndication arrangement. Entire/partial processing fees and other charges/ income on these loans, depending upon the syndication arrangements, accrues to DHFL. The Company has derecognised the said loan portion syndicated to others in its books.
- 15.6** The Company has entered into Loan Syndication arrangements with DHFL Vysya Housing Finance Limited and Aadhar Housing Finance Limited in the earlier year to provide Housing and Property Loans to borrowers wherein DHFL originates the loan files through its branches and gets it processed under common credit norms at the Central Processing Unit. The loan syndicate participants have agreed to participate in the disbursed loan portfolio under loan syndication arrangement. During the year Company has disbursed ₹ 700 lakh (₹ 475 lakh) under joint syndication out of which ₹ 105 lakh (₹ 155 lakh) has been shared by syndicate partners, which has been derecognised.
- 15.7** The Company has acquired certain assets under SARFAESI Act which are retained for the purpose of sale under the rules and regulations of SARFAESI Act involving ₹ 4,756 lakh (₹ 8,093 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.
- 15.8** 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 to ₹ 7,74,886 lakh

# Notes

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(₹ 5,84,476 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.

15.9 Housing and other property loans (current and non-current) includes ₹ 507 lakh (₹ 331 lakh) given to the key managerial persons of the company under the normal course of business.

## 16 OTHER LONG-TERM LOANS AND ADVANCES

| Particulars   | (₹ in lakh)          |                      |                      |                      |
|---|----------------------|----------------------|----------------------|----------------------|
|   | Non Current Portion  |                      | Current Portion      |                      |
|   | As at March 31, 2016 | As at March 31, 2015 | As at March 31, 2016 | As at March 31, 2015 |
| <b>Secured and considered good</b>  |                      |                      |                      |                      |
| Loans against Fixed Deposits  | -                    | -                    | 698                  | 367                  |
| Loans and advances to employees (Refer Note 16.1)                               | 14                   | 18                   | -                    | 25                   |
| Other loans and advances  | 13                   | 13                   | -                    | -                    |
| <b>Unsecured, considered good unless stated otherwise</b>                       |                      |                      |                      |                      |
| Capital advances  | 481                  | 1,228                | -                    | -                    |
| Security deposits   | 1,378                | 1,176                | 4                    | 205                  |
| Loans and advances to employees   | 23                   | 20                   | -                    | 6                    |
| Advances recoverable in cash or in kind   | 21,428               | 18,819               | 20,902               | 13,059               |
| Advance Income Tax (Net of Provisions)  | 3,315                | 7,005                |                      |                      |
| <b>Total Other Long-Term Loans and Advances</b>                                 | <b>26,652</b>        | <b>28,279</b>        | <b>21,604</b>        | <b>13,662</b>        |
| Current Portion Disclosed under "short term loans and advances" (refer Note 20) | -                    | -                    | (21,604)             | (13,662)             |
| <b>Net Amount</b>   | <b>26,652</b>        | <b>28,279</b>        | <b>-</b>             | <b>-</b>             |

16.1 Loans to employees are secured by the hypothecation of respective assets against which these loans have been granted

## 17 CURRENT INVESTMENTS

(at lower of cost and fair value unless stated otherwise)

| Particulars                                       | (₹ in lakh)          |        |                      |        |
|---|----------------------|--------|----------------------|--------|
|   | As at March 31, 2016 |        | As at March 31, 2015 |        |
|   | Nos                  | Amount | Nos                  | Amount |
| <b>Trade Investments</b>                          |                      |        |                      |        |
| <b>Investment in equity instruments- quoted</b>   |                      |        |                      |        |
| ACC Ltd (F.V. per Share ₹ 10/-)                   | 349                  | 5      | 349                  | 5      |
| Ambuja Cements Ltd (F.V. per Share ₹ 2/-)         | 6,893                | 15     | 6,893                | 15     |
| Asian Paints Ltd (F.V. per Share ₹ 1/-)           | 741                  | 5      | 741                  | 5      |
| Axis Bank Ltd (F.V. per Share ₹ 2/-)              | 12,706               | 48     | 12,706               | 48     |
| Bajaj Auto Ltd (F.V. per Share ₹ 10/-)            | 2,070                | 48     | 2,070                | 48     |
| Bank Of Baroda (F.V. per Share ₹ 2/-)             | 23,845               | 41     | 23,845               | 41     |
| Bharat Petroleum Corp Ltd (F.V. per Share ₹ 10/-) | 2,886                | 20     | 2,886                | 20     |
| Bharti Airtel Ltd (F.V. per Share ₹ 5/-)          | 1,229                | 5      | 1,229                | 5      |
| BHEL (F.V. per Share ₹ 2/-)                       | 6,669                | 15     | 6,669                | 15     |
| Cairn India Ltd (F.V. per Share ₹ 10/-)           | 16,781               | 48     | 16,781               | 48     |
| Cipla Ltd (F.V. per Share ₹ 2/-)                  | 829                  | 5      | 829                  | 5      |



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(₹ in lakh)

| Particulars  | As at March 31, 2016 |        | As at March 31, 2015 |        |
|--|----------------------|--------|----------------------|--------|
|  | Nos                  | Amount | Nos                  | Amount |
| Coal India Ltd (F.V. per Share ₹ 10/-)                 | 14,301               | 48     | 14,301               | 48     |
| DLF Ltd (F.V. per Share ₹ 2/-)                         | 3,218                | 5      | 3,218                | 5      |
| Dr Reddy'S Laboratories (F.V. per Share ₹ 5/-)         | 487                  | 14     | 487                  | 14     |
| Gail (India) Ltd (F.V. per Share ₹ 10/-)               | 3,316                | 14     | 3,316                | 14     |
| Grasim Industries Ltd (F.V. per Share ₹ 10/-)          | 423                  | 14     | 423                  | 14     |
| HCL Technologies Ltd (F.V. per Share ₹ 2/-)            | 5,624                | 48     | 5,624                | 48     |
| HDFC Bank Ltd (F.V. per Share ₹ 2/-)                   | 1,678                | 15     | 1,678                | 15     |
| HDFC Ltd (F.V. per Share ₹ 2/-)                        | 480                  | 5      | 480                  | 5      |
| Hero Motocorp Ltd (F.V. per Share ₹ 2/-)               | 684                  | 20     | 684                  | 20     |
| Hindalco Industries Ltd (F.V. per Share ₹ 1/-)         | 3,191                | 5      | 3,191                | 5      |
| Hindustan Unilever Ltd (F.V. per Share ₹ 1/-)          | 2,008                | 15     | 2,008                | 15     |
| ICICI Bank Ltd (F.V. per Share ₹ 2/-)                  | 10,030               | 20     | 6,630                | 20     |
| IDFC Ltd (F.V. per Share ₹ 10/-)                       | 10,522               | 7      | 10,522               | 15     |
| IDFC Bank (F.V. per Share ₹ 10/-)                      | 10,522               | 8      | -                    | -      |
| Indusind Bank Ltd (F.V. per Share ₹ 10/-)              | 2,342                | 15     | 2,342                | 15     |
| Infosys Ltd (F.V. per Share ₹ 5/-)                     | 5,068                | 48     | 2,534                | 48     |
| ITC Ltd (F.V. per Share ₹ 1/-)                         | 4,081                | 15     | 4,081                | 15     |
| Jindal Steel & Power Ltd (F.V. per Share ₹ 1/-)        | 3,007                | 5      | 3,007                | 5      |
| Kotak Mahindra Bank Ltd (F.V. per Share ₹ 5/-)         | 964                  | 5      | 482                  | 5      |
| Larsen & Toubro Ltd (F.V. per Share ₹ 2/-)             | 784                  | 5      | 334                  | 5      |
| Lupin Ltd (F.V. per Share ₹ 2/-)                       | 1,098                | 15     | 1,098                | 15     |
| Mahindra & Mahindra Ltd (F.V. per Share ₹ 5/-)         | 2,045                | 27     | 2,045                | 27     |
| Maruti Suzuki India Ltd (F.V. per Share ₹ 5/-)         | 410                  | 12     | 410                  | 12     |
| NMDC Ltd (F.V. per Share ₹ 1/-)                        | 31,172               | 48     | 31,172               | 48     |
| NTPC Ltd (F.V. per Share ₹ 10/-)                       | 3,451                | 5      | 3,451                | 5      |
| Oil And Natural Gas Corp (F.V. per Share ₹ 5/-)        | 4,796                | 20     | 4,796                | 20     |
| Power Grid Corp Ltd (F.V. per Share ₹ 10/-)            | 3,558                | 5      | 3,558                | 5      |
| Punjab National Bank (F.V. per Share ₹ 2/-)            | 10,845               | 20     | 10,845               | 20     |
| Reliance Industries Ltd (F.V. per Share ₹ 10/-)        | 768                  | 7      | 768                  | 7      |
| Sesa Sterlite Ltd (F.V. per Share ₹ 1/-)               | 7,650                | 20     | 7,650                | 20     |
| State Bank Of India (F.V. per Share ₹ 1/-)             | 7,930                | 20     | 7,930                | 20     |
| Sun Pharmaceuticals Ind (F.V. per Share ₹ 1/-)         | 1,792                | 15     | 1,792                | 15     |
| Tata Consultancy Serv Ltd (F.V. per Share ₹ 1/-)       | 719                  | 19     | 719                  | 19     |
| Tata Motors Ltd (F.V. per Share ₹ 2/-)                 | 10,253               | 51     | 9,719                | 48     |
| Tata Power Co Ltd (F.V. per Share ₹ 1/-)               | 5,869                | 5      | 5,869                | 5      |
| Tata Steel Ltd (F.V. per Share ₹ 10/-)                 | 3,222                | 15     | 3,222                | 15     |
| Tech Mahindra Ltd (F.V. per Share ₹ 5/-)               | 3,296                | 20     | 3,296                | 20     |
| Ultratech Cement Ltd (F.V. per Share ₹ 10/-)           | 194                  | 5      | 194                  | 5      |
| Wipro Ltd (F.V. per Share ₹ 2/-)                       | 8,316                | 48     | 8,316                | 48     |
| Zee Entertainment Ent Ltd (F.V. per Share ₹ 1/-)       | 4,606                | 15     | 4,606                | 15     |
| Gujarat Ambuja Exports Ltd (F.V. per Share ₹ 1/-)      | 21,750               | -      | -                    | -      |
| Dhampr Sugar Mill Ltd (F.V. per Share ₹ 10/-)          | 2                    | -      | -                    | -      |
| J K Tyre & Industries Ltd (F.V. per Share ₹ 1/-)       | 270                  | -      | -                    | -      |
| Less: Provision for diminution in value of investments |                      | (66)   |                      | -      |

# Notes

to financial statements for the year ended March 31, 2016

| Particulars  | As at March 31, 2016 |               | As at March 31, 2015 |               |
|--|----------------------|---------------|----------------------|---------------|
|  | Nos                  | Amount        | Nos                  | Amount        |
| <b>Debentures</b>                                      |                      |               |                      |               |
| NTPC Ltd SR-54 8.49 NCD 25MR25 - (Bonus)               | 13                   | -             | -                    | -             |
| <b>(A)</b>   |                      | <b>912</b>    |                      | <b>975</b>    |
| <b>Other Investments</b>                               |                      |               |                      |               |
| <b>Investment in Mutual Funds - Unquoted</b>           |                      |               |                      |               |
| DSP BlackRock Income Opportunities Fund - Reg - Growth | -                    | -             | 1,20,63,134          | 2,500         |
| HDFC FMP - 384D - March 2014 (29) - 1 - Reg - Growth   | -                    | -             | 5,00,00,000          | 5,000         |
| L&T Triple Ace Bond Fund                               | 8,03,92,314          | 10,000        | 8,03,92,314          | 10,000        |
| Pramerica Liquid Fund - Dir - Growth                   | -                    | -             | 6,69,876             | 10,000        |
| Pramerica Dynamic Bond Fund - Dir - Growth             | -                    | -             | 7,70,690             | 10,000        |
| Birla Sun Life Short Term Fund - Dir - Growth          | 35,96,469            | 2,000         | -                    | -             |
| SBI Short Term Debt Fund - Dir - Growth                | 1,17,13,305          | 2,000         | -                    | -             |
| UTI Short Term Income Fund - Dir - Growth              | 1,11,10,494          | 2,000         | -                    | -             |
| UTI - Equity Fund - Existing Plan                      | 2,400                | -             | -                    | -             |
| UTI - Top 100 Fund - Existing Plan                     | 20,000               | 2             | -                    | -             |
| <b>(B)</b>   |                      | <b>16,002</b> |                      | <b>37,500</b> |
| <b>Investment in Pass Through Certificates</b>         |                      |               |                      |               |
| Pass Through certificates -Class B                     |                      | 432           |                      | 1,094         |
| <b>(C)</b>   |                      | <b>432</b>    |                      | <b>1,094</b>  |
| <b>Total Current Investments</b>                       | <b>(A+B+C)</b>       | <b>17,346</b> |                      | <b>39,569</b> |
| Aggregate amount of quoted investments                 |                      | 912           |                      | 975           |
| Market value of Quoted investments                     |                      | 912           |                      | 1,016         |
| Aggregate amount of Unquoted investments               |                      | 16,434        |                      | 38,594        |

## 18 TRADE RECEIVABLES

| Particulars   | As at          |                |
|---|----------------|----------------|
|   | March 31, 2016 | March 31, 2015 |
| <b>Secured, considered good, less than six months</b> |                |                |
| EMI/PEMI, other receivable from customers             | 20,092         | 19,192         |
| <b>Total Trade Receivables</b>                        | <b>20,092</b>  | <b>19,192</b>  |

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to financial statements for the year ended March 31, 2016

## 19 CASH AND BANK BALANCES

| (₹ in lakh)  |                         |                         |
|--|-------------------------|-------------------------|
| Particulars  | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
| <b>Cash and Cash Equivalents</b>   |                         |                         |
| <b>Balances with Banks</b>   |                         |                         |
| in Current Accounts  | 66,688                  | 13,159                  |
| in Deposits accounts with original maturity of<br>less than 3 months   | -                       | 1,500                   |
| Remittance in Transit *  | 2,25,857                | -                       |
| Cash on hand   | 605                     | 423                     |
| <b>Total Cash and Cash Equivalents</b> A   | <b>2,93,150</b>         | <b>15,082</b>           |
| * Remittance in Transit of ₹ 225,857 lakh (₹ Nil) credited by bank on 4th April, 2016 due to banking holidays. |                         |                         |
| <b>Other Bank Balances</b>   |                         |                         |
| Other Deposits accounts having balance maturity of less than 12 months   | 47,513                  | 52,473                  |
| Deposits having balance maturity of more than 12 months (Refer Note 21)  | 20,222                  | 19,673                  |
| Balances in unpaid dividend bank accounts  | 171                     | 89                      |
| <b>Total Other Bank Balances</b> B   | <b>67,906</b>           | <b>72,235</b>           |
| <b>Total Cash and Bank Balances</b> C = (A + B)  | <b>3,61,056</b>         | <b>87,317</b>           |
| Less : Amounts disclosed under non-current assets (Refer Note 21) D  | 20,222                  | 19,673                  |
| <b>Total Net Cash and Bank Balances</b> E = (C - D)  | <b>3,40,834</b>         | <b>67,644</b>           |
| <b>Summary:</b>  |                         |                         |
| Total Cash and Cash Equivalents  | 293,150                 | 15,082                  |
| Other Bank Balances  | 67,906                  | 72,235                  |
| Amounts disclosed under non-current assets   | (20,222)                | (19,673)                |
| <b>Total Net Cash and Bank Balances</b>  | <b>3,40,834</b>         | <b>67,644</b>           |

**19.1** Current portion of balances with Banks in Deposit Accounts includes deposits under lien aggregating to ₹ 21,495 lakh (₹ 17,153 lakh) being earmarked for SLR requirements of NHB, ₹ 644 lakh (₹ 643 lakh) being margin money for bank guarantees, ₹ 19,156 lakh (₹ 25,853 lakh) being securitization comforts provided to various Trustees/ buyer, ₹ 1,225 lakh (₹ Nil) toward sinking fund requirement of debenture provided to Trustee of debentures and ₹ 4,145 lakh (₹ 4,495 lakh) under lien against Interest rate swaps.

## 20 SHORT TERM LOANS & ADVANCES

| (₹ in lakh)  |                         |                         |
|--|-------------------------|-------------------------|
| Particulars  | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
| <b>Secured and considered good</b>                                       |                         |                         |
| Current maturities of other long-term loans and advances (Refer Note 16) | 698                     | 392                     |
| <b>Unsecured, considered good</b>  |                         |                         |
| Current maturities of other long-term loans and advances (Refer Note 16) | 4                       | 211                     |
| Loans and advances/Recoverable - related parties (refer note 42)         | 2,301                   | 2,861                   |
| Inter Corporate Deposits (Refer Note 9 for provision)                    | 1,447                   | 2,323                   |
| Advances recoverable in cash or in kind (Refer Note 16)                  | 20,902                  | 13,059                  |
| <b>Total Short Term Loans and Advances</b>                               | <b>25,352</b>           | <b>18,846</b>           |

# Notes

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## 21 OTHER NON CURRENT & CURRENT ASSETS

| Particulars   | Non Current Portion        |                            | Current Portion            |                            |
|---|----------------------------|----------------------------|----------------------------|----------------------------|
|   | As at<br>March 31,<br>2016 | As at<br>March 31,<br>2015 | As at<br>March 31,<br>2016 | As at<br>March 31,<br>2015 |
| Non current portion of balances with banks in deposit accounts (Refer Note 19 & 21.1) | 20,222                     | 19,673                     | -                          | -                          |
| Interest accrued but not due  | 1,155                      | 490                        | 6,132                      | 4,310                      |
|   | <b>21,377</b>              | <b>20,163</b>              | <b>6,132</b>               | <b>4,310</b>               |

**21.1** Non Current portion of balances with Banks in Deposit Accounts includes deposits under lien aggregating to ₹ 8,082 lakh (₹ 7,918 lakh) being securitization comforts provided to various Trustees/ buyer, ₹ 10,790 lakh (₹ 9,180 lakh) being earmarked for SLR requirements of NHB and ₹ 1,350 (₹ 2,575 lakh) towards sinking fund requirement of debenture provided to Trustee of debentures.

## 22 REVENUE FROM OPERATIONS

| Particulars                                   | (₹ in lakh)     |                 |
|---|-----------------|-----------------|
|   | March 31, 2016  | March 31, 2015  |
| Interest on Housing and Property Loans        | 6,88,392        | 5,63,151        |
| Interest on Bank Deposits                     | 5,926           | 6,056           |
| Interest on Long Term Investments             | 2,622           | 1,862           |
| Other Interest                                | 119             | 534             |
| Revenue from other services (Refer note 22.1) | 17,236          | 18,599          |
| Operational treasury income (Refer note 22.2) | 16,888          | 7,694           |
| <b>Total Revenue from operations</b>          | <b>7,31,183</b> | <b>5,97,896</b> |

### 22.1 Revenue from other services includes

| Particulars                              | (₹ in lakh)    |                |
|--|----------------|----------------|
|  | March 31, 2016 | March 31, 2015 |
| Loan related Services                    | 12,416         | 14,115         |
| Advisory Services                        | 4,820          | 4,484          |
| <b>Total Revenue from other services</b> | <b>17,236</b>  | <b>18,599</b>  |

Revenue from other services is net of the amount paid / payable towards Business Sourcing and related expenses ₹ 13,368 lakh (₹ 14,701 lakh)

### 22.2 Operational treasury income includes:

| Particulars                              | (₹ in lakh)    |                |
|--|----------------|----------------|
|  | March 31, 2016 | March 31, 2015 |
| Net Income from mutual fund              | 16,669         | 7,416          |
| Profit on sale of investments            | 53             | 240            |
| Dividend Income                          | 166            | 38             |
| <b>Total Operational treasury income</b> | <b>16,888</b>  | <b>7,694</b>   |

# Notes

to financial statements for the year ended March 31, 2016

## 23 OTHER INCOME

| (₹ in lakh)               |                |                |
|---------------------------|----------------|----------------|
| Particulars               | March 31, 2016 | March 31, 2015 |
| Rent Income               | 364            | 146            |
| Miscellaneous Income      | 125            | 122            |
| <b>Total Other Income</b> | <b>489</b>     | <b>268</b>     |

## 24 INTEREST AND FINANCE COST

| (₹ in lakh)  |                 |                 |
|--|-----------------|-----------------|
| Particulars  | March 31, 2016  | March 31, 2015  |
| Interest expenses                                  | 5,16,321        | 4,40,426        |
| Premium on redemption of Debentures                | 39,051          | 23,341          |
| Less: Securities premium utilized (Refer note 4.2) | (16,200)        | (23,341)        |
| Other Borrowing Costs                              | 9,831           | 5,533           |
| <b>Total Interest and Finance charges</b>          | <b>5,49,003</b> | <b>4,45,959</b> |

## 25 EMPLOYEES REMUNERATION AND BENEFITS

| (₹ in lakh)                                      |                |                |
|--|----------------|----------------|
| Particulars                                      | March 31, 2016 | March 31, 2015 |
| (refer note 42)                                  |                |                |
| Salaries and Bonus                               | 20,985         | 18,453         |
| Contribution to Provident Fund & Other Funds     | 1,187          | 669            |
| Staff Welfare Expenses                           | 592            | 511            |
| <b>Total Employees Remuneration and benefits</b> | <b>22,764</b>  | <b>19,633</b>  |

## 26 ADMINISTRATIVE AND OTHER EXPENSES

| (₹ in lakh)                                   |                |                |
|---|----------------|----------------|
| Particulars                                   | March 31, 2016 | March 31, 2015 |
| Rent, Rates & Taxes                           | 2,962          | 2,509          |
| Training & Conference Expenses                | 710            | 337            |
| Travelling & Conveyance                       | 3,009          | 2,684          |
| Printing & Stationery                         | 488            | 608            |
| Advertisement and Business Promotion expenses | 9,836          | 7,393          |
| Insurance                                     | 423            | 342            |
| Legal & Professional Charges                  | 5,671          | 5,410          |
| Communication Expenses                        | 1,420          | 1,362          |
| General Repairs & Maintenance                 | 1,905          | 2,056          |
| Electricity                                   | 731            | 652            |
| Directors Sitting Fees                        | 38             | 33             |
| Loss on sale of Fixed Assets (net)            | 93             | 92             |
| Managerial remuneration (Refer Note 37)       | 298            | 203            |
| CSR Expenses *                                | 703            | 45             |

# Notes

to financial statements for the year ended March 31, 2016

(₹ in lakh)

| Particulars   | March 31, 2016 | March 31, 2015 |
|---|----------------|----------------|
| Office Maintenance                                      | 827            | 866            |
| Auditors' Remuneration (Refer Note 38)                  | 238            | 223            |
| Bad Debts [Net of Provisions ₹ 2,146 lakh (₹ 620 lakh)] | 2,146          | 620            |
| Less provision for Non Performing Assets utilized       | 2,146          | -              |
| Provision for diminution in investments                 | 66             | -              |
| Less provision for Non Performing Assets utilized       | (66)           | -              |
| Miscellaneous Expenses                                  | 406            | 401            |
| <b>Total Administrative and Other expenses</b>          | <b>29,758</b>  | <b>25,216</b>  |

\* Company is required to spend money on Corporate Social Responsibility (CSR) activity as per CSR Rules under the Companies Act 2013. During the year Company has spent ₹ 703 lakh (₹ 45 lakh) out of required sum of ₹ 1,519 lakh (₹ 1,158 lakh). The CSR committee is in the process of evaluating various scheme to meet the requirement of the law on the subject.

## 27 EARNING PER SHARE

| Particulars   | March 31, 2016 | March 31, 2015 |
|---|----------------|----------------|
| <b>Net Profit Attributable to Equity Shareholders</b> |                |                |
| Profit after tax (₹ in lakh)                          | 72,920         | 62,129         |
| <b>Net Profit attributable to equity shareholders</b> | <b>72,920</b>  | <b>62,129</b>  |
| No. of Equity shares (Number)                         | 29,17,97,988   | 14,56,76,742   |
| Weighted Average No. of Equity Shares                 | 29,17,12,744   | 25,98,44,795   |
| Nominal value of Equity Shares (₹)                    | 10             | 10             |
| Earning Per Share (₹)#                                |                |                |
| Basic   | 25.00          | 23.91          |
| Diluted   | 23.10          | 23.59          |

#The Earnings Per Share (EPS) have been calculated on enhanced capital post bonus issue and accordingly EPS is adjusted for previous periods also, based on enhanced capital.

**27.1** The reconciliation between the Basic and the Diluted Earning per Share is as follows:

### For Amount

(in ₹)

| Particulars  | March 31, 2016 | March 31, 2015 |
|--|----------------|----------------|
| Basic Earning per share                              | 25.00          | 23.91          |
| Effect of outstanding Stock options / Share Warrants | (1.90)         | (0.32)         |
| Diluted Earning per share                            | 23.10          | 23.59          |

### For number of share

| Particulars   | March 31, 2016 | March 31, 2015 |
|---|----------------|----------------|
| Weighted average number of shares for Basic Earning per share   | 29,17,12,744   | 25,98,44,795   |
| Dilutive effect of outstanding Stock options / Share Warrants   | 2,39,99,348    | 34,72,806      |
| Weighted average number of shares for Diluted Earning per share | 31,57,12,092   | 26,33,17,601   |



# Notes

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## 28 LEASES

### Operating Lease

The company has taken certain premises for office and residential use for its employees under cancellable and non cancellable operating lease agreements. Terms of the lease include terms for renewal, increase in rents in future periods and terms of cancellation. The total lease rent recognized as an expense during the year under the lease agreements amounts to ₹ 2,691 lakh (₹ 2,385 lakh).

Expected future minimum commitments during the non-cancellable period under the lease arrangements are as follows:

| Particulars                                       | (₹ in lakh)    |                |
|---|----------------|----------------|
|   | March 31, 2016 | March 31, 2015 |
| Within one year                                   | 503            | 453            |
| Later than one year but not later than five years | 492            | 422            |
| Later than five years                             | 111            | 93             |

**29** Two subsidiaries of the Company were amalgamated into the company pursuant to the Scheme of amalgamation (Scheme) under Section 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 ₹ 4,759 lakh (₹ 4,455 lakh) has been amortized out of the capital reserve in terms of the valuation report of the scheme.

**30** In the opinion of the Board, the assets of the Company have a value on realization in the ordinary course of business atleast equal to the amount at which they are stated, net of contingency provisions.

## 31 INTEREST RATE SWAPS:

In compliance with Asset Liability Management Policy, the company had in past entered into interest rate swaps of notional value aggregating to ₹ 9,500 lakh to hedge its interest rate risk which were designated as fair value hedges, in accordance with the generally accepted accounting principles.

The changes in the fair value of these derivatives are recorded in the income statement, together with any changes in the fair value of the underlying asset or liability that are attributable to the hedged risk. The Mark to Market (MTM) losses on these swaps recognized in past, is amortized over the period of the hedges. Accordingly, net gain in current year on hedging of interest rate swaps and write back of MTM losses amounting to ₹ 27 lakh (₹ 27 lakh) has been adjusted in "Interest and Finance charges".

**32** The Company operates under the principal business segment viz. "Providing loans for construction or purchase of residential property and loans against property". Further, the Company is operating in a single geographical segment. Accordingly, disclosures relating to primary and secondary business segments under the Accounting Standard on Segment Reporting (AS-17) notified u/s 133 of the Companies Act, 2013 are not applicable to the Company.

## 33 CONTINGENT LIABILITY:

| Particulars   | (₹ in lakh)    |                |
|---|----------------|----------------|
|   | March 31, 2016 | March 31, 2015 |
| Guarantees provided by the Company  | 10,003         | 10,003         |
| Claims against the Company not acknowledged as debts                        | 706            | 546            |
| Income Tax Demand [Net of amount deposited under protest ₹ Nil (₹ 50 lakh)] | -              | 480            |

# Notes

to financial statements for the year ended March 31, 2016

**33.1** Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances) is ₹ 8,422 lakh (₹ Nil) .

**34** Contingent Liability in respect of undertaking provided by the Company for meeting the shortfall in collection, if any, at the time of securitisation of receivables outstanding as at 31st March, 2016 amounting to ₹ 27,238 lakh (₹ 34,271 lakh) . The outflows would arise in the event of short collection, in the Cash inflows of the pool of securitised receivable.

**35** Capital Work in Progress includes ₹ 54,615 lakh (₹ 79,615 lakh) paid as part consideration for acquiring office premises under construction, as per revised agreement.

**36** The Company has paid dividend ₹ 2 lakh (₹ 9 lakh) and ₹ 0.48 lakh (₹ 2 lakh) as tax on distribution of dividend thereon to new shareholders on account of Final Dividend for the year 2014-15 as required under the Listing Agreement as those shares were allotted prior to record date for the dividend payment and after the date of earlier year balance sheet.

**37** The managerial remuneration including perquisites, ₹ 240 lakh (₹ 171 lakh) paid to Chairman and Managing Director and ₹ 58 lakh (₹ 30 lakh) as commission to other non executive directors.

## 38 AUDITORS REMUNERATION\*

| (₹ in lakh)                      |                |                |
|----------------------------------|----------------|----------------|
| Particulars                      | March 31, 2016 | March 31, 2015 |
| Audit Fees                       | 127            | 110            |
| Tax Audit Fees                   | 10             | 10             |
| Certification and Other Matters* | 26             | 55             |
| Audit Fees of Branch Auditors    | 53             | 54             |
| Reimbursement of expenses        | 22             | 25             |
|                                  | <b>238</b>     | <b>254</b>     |

\* Certification and other matters includes ₹ Nil (₹ 32 lakh) paid towards fees for QIP issue and debited to Securities Premium account.

## 39 FOREIGN CURRENCY TRANSACTIONS

| (₹ in lakh)                 |                |                |
|-----------------------------|----------------|----------------|
| Particulars                 | March 31, 2016 | March 31, 2015 |
| <b>a) VALUE OF IMPORTS:</b> |                |                |
| Capital Goods               | -              | 66             |

| (₹ in lakh)                                |                |                |
|--|----------------|----------------|
| Particulars                                | March 31, 2016 | March 31, 2015 |
| <b>b) Expenditure in foreign Currency:</b> |                |                |
| Foreign Travelling                         | 62             | 59             |
| Membership and subscription                | 317            | 165            |
| Foreign Liaison Office Expenses            | 481            | 371            |
| Interest Payment                           | 6,723          | 2,664          |
| Others                                     | 214            | 361            |

# Notes

to financial statements for the year ended March 31, 2016

| (₹ in lakh)  |                |                |
|--|----------------|----------------|
| Particulars  | March 31, 2016 | March 31, 2015 |
| <b>c) Foreign Currency Outgo:</b>  |                |                |
| Investment in Equity Shares of Pramerica Trustee Pvt. Ltd and Pramerica Asset Managers Pvt Ltd, purchase from PGLH of Delaware, INC, USA | 2,449          | -              |

| (₹ in lakh)                           |                |                |
|---------------------------------------|----------------|----------------|
| Particulars                           | March 31, 2016 | March 31, 2015 |
| <b>d) Foreign Currency Borrowing:</b> |                |                |
| ECBs                                  | 72,182         | 109,559        |

## 40 REMITTANCE IN FOREIGN CURRENCIES ON ACCOUNT OF DIVIDEND

The particulars of dividends payable to non-resident shareholders (including Foreign Institutional Investors) is as under, however, the Company does not have information as to the extent to which remittances, if any, has been made in foreign currencies on account of such dividend during the year on behalf of non-resident share holders.

| Particulars                             | March 31, 2016                        |                                       | March 31, 2015                    |
|---|---------------------------------------|---------------------------------------|-----------------------------------|
| <b>Interim Dividend</b>                 |                                       |                                       |                                   |
| No. of Non-Resident Shareholders / FILs | 1,205                                 | 1,475                                 | 493                               |
| No. of equity Shares held               | 10,53,20,037                          | 9,71,42,694                           | 3,77,20,822                       |
| Amount of Dividend Paid (₹ in lakh)     | 3,160                                 | 2,914                                 | 1,509                             |
| Year to which dividend relates          | FY 2015-16<br>1st Interim<br>Dividend | FY 2015-16<br>2nd Interim<br>Dividend | FY 2014-15<br>interim<br>Dividend |

| Particulars                             | March 31, 2016               |  | March 31, 2015               |
|---|------------------------------|--|------------------------------|
| <b>Final Dividend</b>                   |                              |  |                              |
| No. of Non-Resident Shareholders / FILs | 1,023                        |  | 418                          |
| No. of equity Shares held               | 4,98,58,864                  |  | 3,97,45,504                  |
| Amount of Dividend Paid (₹ in lakh)     | 997                          |  | 1,987                        |
| Year to which dividend relates          | FY 2014-15 Final<br>Dividend |  | FY 2013-14 Final<br>Dividend |

## 41 RELATED PARTY TRANSACTIONS

As per Accounting Standard (AS 18) on "Related Party Disclosures" details of transactions with related parties as defined therein are given below:

### A) List of related parties with whom transactions have taken place during the year and relationship:

#### 1) Companies

##### (i) Subsidiaries

- a. DHFL Advisory & Investments Private Limited (w.e.f. February 12, 2016)

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to financial statements for the year ended March 31, 2016

## (ii) Joint Ventures

- a. DHFL Pramerica Life Insurance Company Limited
- b. DHFL Pramerica Asset Managers Private Limited (w.e.f. August 11, 2015)
- c. DHFL Pramerica Trustees Private Limited (w.e.f. August 11, 2015)

## (iii) Associate Companies / Other related parties

- a. Arthveda Fund Management Private Limited
- b. Avanse Financial Services Limited
- c. DHFL Venture Trustee Company Private Limited
- d. DHFL Vysya Housing Finance Limited
- e. Aadhar Housing Finance Limited
- f. Wadhawan Global Capital Private Limited
- g. Wadhawan Holdings Private Limited
- h. Dish Hospitality Private Limited
- i. WGC Management Services Private Limited
- j. Wadhawan Sports Private Limited

## 2) Key Management Personnel

- |                             |   |
|-----------------------------|---|
| a. Mr. Kapil Wadhawan       | Chairman & Managing Director                                |
| b. Mr. Harshil Mehta        | Chief Executive Officer                                     |
| c. Mr. Santosh Sharma       | Chief Financial Officer                                     |
| d. Mrs. Niti Arya           | Company Secretary   |
| e. Mr. Deo Shankar Tripathy | President & Chief Operating Officer (upto January 16, 2015) |
| f. Mr. Rakesh Makkar        | President (upto August 11, 2014)                            |

## B) Nature of Transactions:

| Particulars   | (₹ in lakh)    |                |                |                |                              |                |                          |                |
|---|----------------|----------------|----------------|----------------|------------------------------|----------------|--------------------------|----------------|
|   | Subsidiaries   |                | Joint Ventures |                | Associate / Related Entities |                | Key Management Personnel |                |
|   | March 31, 2016 | March 31, 2015 | March 31, 2016 | March 31, 2015 | March 31, 2016               | March 31, 2015 | March 31, 2016           | March 31, 2015 |
| <b>1) Investments</b>                               |                |                |                |                |                              |                |                          |                |
| Investment Made                                     | 7,501          |                | 3,775          | 1,684          | -                            | 3,364          | -                        | -              |
| Investment Redeemed\Sold                            | -              |                | -              | -              | 1,100                        | 2,070          | -                        | -              |
| <b>2) Advances Recoverable in cash or in kind *</b> |                |                |                |                |                              |                |                          |                |
| Advance given                                       | 137            |                | 34,972         | 3,007          | 1,031                        | 4,100          | 269                      | 261            |
| Recovered   | 50             |                | 35,102         | 966            | 1,174                        | 4,897          | 22                       | 2              |
| <b>3) Amount Payable</b>                            |                |                |                |                |                              |                |                          |                |
| Addition during the year                            | -              | -              | -              | -              | 154                          | 7,648          | -                        | -              |
| Payment during the year                             | -              | -              | -              | -              | 149                          | 7,474          | -                        | -              |
| <b>4) Income</b>                                    |                |                |                |                |                              |                |                          |                |
| Commission  | -              | -              | 684            | 982            | -                            | -              | -                        | -              |
| Trademark Licence Fees                              | -              | -              | 3,500          | 1,750          | -                            | -              | -                        | -              |
| Dividend  | -              | -              | -              | -              | 115                          | 30             | -                        | -              |
| Interest  | -              | -              | 288            | -              | -                            | 69             | 28                       | 11             |
| Rent  | -              | -              | 1              | -              | 352                          | 146            | -                        | -              |
| Arthveda -Dream Fund and Star Fund                  | -              | -              | -              | -              | 391                          | 445            | -                        | -              |
| Other income  | -              | -              | 0.10           | -              | 118                          | 83             | -                        | 0.04           |

## Standalone

# Notes

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(₹ in lakh)

| Particulars                              | Subsidiaries   |                | Joint Ventures |                | Associate / Related Entities |                | Key Management Personnel |                |
|--|----------------|----------------|----------------|----------------|------------------------------|----------------|--------------------------|----------------|
|  | March 31, 2016 | March 31, 2015 | March 31, 2016 | March 31, 2015 | March 31, 2016               | March 31, 2015 | March 31, 2016           | March 31, 2015 |
| <b>5) Expenditure</b>                    |                |                |                |                |                              |                |                          |                |
| Remuneration                             | -              | -              | -              | -              | -                            | -              | 744                      | 536            |
| Rent Expenses                            | -              | -              | -              | -              | 46                           | 12             | -                        | -              |
| Professional Fees                        | -              | -              | -              | -              | -                            | 13             | -                        | -              |
| Brokerage and Marketing Fees             | -              | -              | -              | -              | 11                           | 16             | -                        | -              |
| Retainers Charges                        | -              | -              | -              | -              | -                            | 6,722          | -                        | -              |
| Interest Expenses                        | -              | -              | 28             | 28             | -                            | -              | -                        | -              |
| Insurance Charges                        | -              | -              | 58             | 52             | -                            | -              | -                        | -              |
| Dividend                                 | -              | -              | -              | -              | 6,707                        | 4,267          | -                        | -              |
| Purchase of Investments                  | -              | -              | -              | -              | -                            | 200            | -                        | -              |
| Sponsorship                              | -              | -              | -              | -              | 135                          | -              | -                        | -              |
| Other Expenditures                       | -              | -              | -              | -              | 86                           | 73             | -                        | -              |
| <b>6) Purchase of Investments</b>        | -              | -              | -              | -              | -                            | 200            | -                        | -              |
| <b>7) Sale/Redemption of Investments</b> | -              | -              | -              | -              | 1,100                        | 704            | -                        | -              |
| <b>8) Loan Syndication</b>               | -              | -              | -              | -              | 185                          | 155            | -                        | -              |

## C) Details of Transactions

(₹ in lakh)

| Particulars                              | Subsidiaries   |                | Joint Ventures |                | Associate / Related Entities |                | Key Management Personnel |                |
|--|----------------|----------------|----------------|----------------|------------------------------|----------------|--------------------------|----------------|
|  | March 31, 2016 | March 31, 2015 | March 31, 2016 | March 31, 2015 | March 31, 2016               | March 31, 2015 | March 31, 2016           | March 31, 2015 |
| <b>Income received from</b>              |                |                |                |                |                              |                |                          |                |
| <b>1) Commission</b>                     |                |                |                |                |                              |                |                          |                |
| DHFL Pramerica Life Insurance Co Ltd     | -              | -              | 684            | 982            | -                            | -              | -                        | -              |
| <b>2) Trademark Licence Fees</b>         |                |                |                |                |                              |                |                          |                |
| DHFL Pramerica Life Insurance Co Ltd     | -              | -              | 3,500          | 1,750          | -                            | -              | -                        | -              |
| <b>3) Dividend</b>                       |                |                |                |                |                              |                |                          |                |
| DHFL Vysya Housing Finance Limited       | -              | -              | -              | -              | 115                          | 26             | -                        | -              |
| Arthveda Fund (Dream Fund and Star Fund) | -              | -              | -              | -              | -                            | 4              | -                        | -              |
| <b>4) Interest</b>                       |                |                |                |                |                              |                |                          |                |
| DHFL Pramerica Asset Managers Pvt Ltd    | -              | -              | 288            | -              | -                            | -              | -                        | -              |
| Avanse Financial Services Ltd            | -              | -              | -              | -              | -                            | 69             | -                        | -              |
| Mr Harshil Mehta                         | -              | -              | -              | -              | -                            | -              | 0.44                     | -              |
| Mr Santosh Sharma                        | -              | -              | -              | -              | -                            | -              | 18                       | 4              |
| Ms Niti Arya                             | -              | -              | -              | -              | -                            | -              | 10                       | 3              |
| Mr Rakesh Makkar                         | -              | -              | -              | -              | -                            | -              | -                        | 3              |

# Notes

to financial statements for the year ended March 31, 2016

(₹ in lakh)

| Particulars                                     | Subsidiaries   |                | Joint Ventures |                | Associate / Related Entities |                | Key Management Personnel |                |
|---|----------------|----------------|----------------|----------------|------------------------------|----------------|--------------------------|----------------|
|   | March 31, 2016 | March 31, 2015 | March 31, 2016 | March 31, 2015 | March 31, 2016               | March 31, 2015 | March 31, 2016           | March 31, 2015 |
| <b>5) Rent</b>                                  |                |                |                |                |                              |                |                          |                |
| DHFL Property Services Ltd                      | -              | -              | -              | -              | -                            | 1              | -                        | -              |
| DHFL Pramerica Asset Managers Pvt Ltd           | -              | -              | 1              | -              | -                            | -              | -                        | -              |
| Arthveda Fund Management Private Limited        | -              | -              | -              | -              | 71                           | 4              | -                        | -              |
| Aadhar Housing Finance Limited                  | -              | -              | -              | -              | 79                           | 72             | -                        | -              |
| Wadhawan Global Capital Private Limited         | -              | -              | -              | -              | -                            | 66             | -                        | -              |
| Avanse Financial Services Ltd                   | -              | -              | -              | -              | 3                            | 3              | -                        | -              |
| WGC Management Services Private Limited         | -              | -              | -              | -              | 198                          | -              | -                        | -              |
| <b>6) Income from Funds</b>                     |                |                |                |                |                              |                |                          |                |
| DHFL Venture Capital Dream Fund                 | -              | -              | -              | -              | 148                          | 302            | -                        | -              |
| Arthveda Star Fund                              | -              | -              | -              | -              | 242                          | 143            | -                        | -              |
| <b>7) Other Income</b>                          |                |                |                |                |                              |                |                          |                |
| Aadhar Housing Finance Limited                  | -              | -              | -              | -              | 74                           | 56             | -                        | -              |
| DHFL Vysya Housing Finance Limited              | -              | -              | -              | -              | 29                           | 22             | -                        | -              |
| Avanse Financial Services Pvt Ltd               | -              | -              | -              | -              | 15                           | 5              | -                        | -              |
| DHFL Pramerica Asset Managers Pvt Ltd           | -              | -              | 0.10           | -              | -                            | -              | -                        | -              |
| Mr Santosh Sharma                               | -              | -              | -              | -              | -                            | -              | -                        | 0.03           |
| Ms Niti Arya                                    | -              | -              | -              | -              | -                            | -              | -                        | 0.01           |
| <b>8) Sale of Fixed Assets</b>                  |                |                |                |                |                              |                |                          |                |
| Aadhar Housing Finance Limited                  | -              | -              | -              | -              | -                            | 0.45           | -                        | -              |
| <b>9) Sale of Investments</b>                   |                |                |                |                |                              |                |                          |                |
| Wadhawan Global Capital Private Limited         | -              | -              | -              | -              | -                            | 704            | -                        | -              |
| <b>EXPENDITURE:</b>                             |                |                |                |                |                              |                |                          |                |
| <b>1) Rent, Rates &amp; Taxes</b>               |                |                |                |                |                              |                |                          |                |
| Wadhawan Holdings Private Limited               | -              | -              | -              | -              | 46                           | 12             | -                        | -              |
| <b>2) Professional Fees</b>                     |                |                |                |                |                              |                |                          |                |
| Arthveda Fund Management Private Limited        | -              | -              | -              | -              | -                            | 13             | -                        | -              |
| <b>3) Remuneration</b>                          |                |                |                |                |                              |                |                          |                |
| Mr. Kapil Wadhawan                              | -              | -              | -              | -              | -                            | -              | 239                      | 171            |
| Mr. Harshil Mehta                               | -              | -              | -              | -              | -                            | -              | 278                      | 28             |
| Mr. Santosh Sharma                              | -              | -              | -              | -              | -                            | -              | 87                       | 70             |
| Ms. Niti Arya                                   | -              | -              | -              | -              | -                            | -              | 140                      | 41             |
| Mr. Rakesh Markkar                              | -              | -              | -              | -              | -                            | -              | -                        | 109            |
| Mr. Deo Shankar Tripathy                        | -              | -              | -              | -              | -                            | -              | -                        | 116            |
| <b>4) Brokerage and Marketing Fees</b>          |                |                |                |                |                              |                |                          |                |
| DHFL Property Services Limited                  | -              | -              | -              | -              | -                            | 1              | -                        | -              |
| Avanse Financial Services Ltd                   | -              | -              | -              | -              | 11                           | 15             | -                        | -              |
| <b>5) Retainers Charges (Direct Sales Team)</b> |                |                |                |                |                              |                |                          |                |
| DHFL Sales and Services Limited                 | -              | -              | -              | -              | -                            | 6,722          | -                        | -              |



# Notes

to financial statements for the year ended March 31, 2016

(₹ in lakh)

| Particulars                                      | Subsidiaries   |                | Joint Ventures |                | Associate / Related Entities |                | Key Management Personnel |                |
|--|----------------|----------------|----------------|----------------|------------------------------|----------------|--------------------------|----------------|
|  | March 31, 2016 | March 31, 2015 | March 31, 2016 | March 31, 2015 | March 31, 2016               | March 31, 2015 | March 31, 2016           | March 31, 2015 |
| <b>6) Dividend Paid</b>                          |                |                |                |                |                              |                |                          |                |
| Wadhawan Global Capital Private Limited          | -              | -              | -              | -              | 6,707                        | 4,267          | -                        | -              |
| <b>7) Purchase of Investments</b>                |                |                |                |                |                              |                |                          |                |
| Wadhawan Consolidated Holdings Private Limited   | -              | -              | -              | -              | -                            | 200            | -                        | -              |
| <b>8) Insurance Charges</b>                      |                |                |                |                |                              |                |                          |                |
| DHFL Pramerica Life Insurance Co Ltd             | -              | -              | 58             | 52             | -                            | -              | -                        | -              |
| <b>9) Other Expenditures</b>                     |                |                |                |                |                              |                |                          |                |
| Dish Hospitality Private Limited                 | -              | -              | -              | -              | 86                           | 71             | -                        | -              |
| Wadhawan Holding Private Limited                 | -              | -              | -              | -              | -                            | 2              | -                        | -              |
| <b>10) Sponsorship</b>                           |                |                |                |                |                              |                |                          |                |
| Wadhawan Sports Private Limited                  | -              | -              | -              | -              | 135                          | -              | -                        | -              |
| <b>11) Interest Paid</b>                         |                |                |                |                |                              |                |                          |                |
| DHFL Pramerica Life Insurance Co Ltd             | -              | -              | 28             | -              | -                            | -              | -                        | -              |
| <b>ASSETS \ LIABILITIES</b>                      |                |                |                |                |                              |                |                          |                |
| <b>1) Investments made</b>                       |                |                |                |                |                              |                |                          |                |
| Avanse Financial Services Ltd                    | -              | -              | -              | -              | -                            | 1,964          | -                        | -              |
| Arthveda Star Fund                               | -              | -              | -              | -              | -                            | 1,400          | -                        | -              |
| DHFL Pramerica Asset Managers Pvt Ltd            | -              | -              | 3,770          | -              | -                            | -              | -                        | -              |
| DHFL Pramerica Trustee Pvt Ltd                   | -              | -              | 5              | -              | -                            | -              | -                        | -              |
| DHFL Pramerica Life Insurance Co Ltd             | -              | -              | -              | 1,684          | -                            | -              | -                        | -              |
| DHFL Advisory & Investments P Ltd                | 7,501          | -              | -              | -              | -                            | -              | -                        | -              |
| <b>2) Investments sold / redeemed</b>            |                |                |                |                |                              |                |                          |                |
| Arthveda Fund Management Private Limited         | -              | -              | -              | -              | -                            | 586            | -                        | -              |
| Units of DHFL Pramerica Mutual Fund              | -              | -              | -              | -              | -                            | -              | -                        | -              |
| DHFL Venture Capital Dream Fund                  | -              | -              | -              | -              | 1,100                        | 1,484          | -                        | -              |
| <b>3) Inter Corporate Deposit / Loans given</b>  |                |                |                |                |                              |                |                          |                |
| Avanse Financial Services Ltd                    | -              | -              | -              | -              | -                            | 2,500          | -                        | -              |
| DHFL Pramerica Asset Managers Pvt Ltd            | -              | -              | 30,000         | -              | -                            | -              | -                        | -              |
| DHFL Advisory & Investments P Ltd                | 137            | -              | -              | -              | -                            | -              | -                        | -              |
| Mr Harshil Mehta                                 | -              | -              | -              | -              | -                            | -              | 25                       | -              |
| Mr Santosh Sharma                                | -              | -              | -              | -              | -                            | -              | 30                       | 201            |
| Ms Niti Arya                                     | -              | -              | -              | -              | -                            | -              | 213                      | 60             |
| <b>4) Inter Corporate Deposit / Loans Repaid</b> |                |                |                |                |                              |                |                          |                |
| Avanse Financial Services Ltd                    | -              | -              | -              | -              | -                            | 2,500          | -                        | -              |
| DHFL Pramerica Asset Managers Pvt Ltd            | -              | -              | 30,000         | -              | -                            | -              | -                        | -              |
| DHFL Advisory & Investments P Ltd                | 50             | -              | -              | -              | -                            | -              | -                        | -              |
| Mr Santosh Sharma                                | -              | -              | -              | -              | -                            | -              | 15                       | -              |
| Ms Niti Arya                                     | -              | -              | -              | -              | -                            | -              | 7                        | -              |
| Mr Rakesh Makkar                                 | -              | -              | -              | -              | -                            | -              | -                        | 2              |

# Notes

to financial statements for the year ended March 31, 2016

(₹ in lakh)

| Particulars                              | Subsidiaries   |                | Joint Ventures |                | Associate / Related Entities |                | Key Management Personnel |                |
|--|----------------|----------------|----------------|----------------|------------------------------|----------------|--------------------------|----------------|
|  | March 31, 2016 | March 31, 2015 | March 31, 2016 | March 31, 2015 | March 31, 2016               | March 31, 2015 | March 31, 2016           | March 31, 2015 |
| <b>5) Security Deposit Received</b>      |                |                |                |                |                              |                |                          |                |
| Aadhar Housing Finance Limited           | -              | -              | -              | -              | 6                            | -              | -                        | -              |
| <b>Closing Balances</b>                  |                |                |                |                |                              |                |                          |                |
| <b>1) Advances Recoverable from</b>      |                |                |                |                |                              |                |                          |                |
| DHFL Advisory & Investments P Ltd        | 87             | -              | -              | -              | -                            | -              | -                        | -              |
| DHFL Property Services Limited           | -              | -              | -              | -              | -                            | 174            | -                        | -              |
| Aadhar Housing Finance Limited           | -              | -              | -              | -              | 0.36                         | 0.39           | -                        | -              |
| DHFL Venture Capital Dream Fund          | -              | -              | -              | -              | -                            | 281            | -                        | -              |
| Arthveda Star Fund                       | -              | -              | -              | -              | 271                          | 155            | -                        | -              |
| DHFL Sales and Services Limited          | -              | -              | -              | -              | -                            | 200            | -                        | -              |
| DHFL Pramerica Life Insurance Co Ltd     | -              | -              | 1,920          | 2,051          | -                            | -              | -                        | -              |
| DHFL Pramerica Asset Managers Pvt Ltd    | -              | -              | 1              | -              | -                            | -              | -                        | -              |
| Arthveda Fund Management Private Limited | -              | -              | -              | -              | 22                           | -              | -                        | -              |
| Mr Harshil Mehta                         | -              | -              | -              | -              | -                            | -              | 25                       | -              |
| Mr Santosh Sharma                        | -              | -              | -              | -              | -                            | -              | 216                      | 201            |
| Ms Niti Arya                             | -              | -              | -              | -              | -                            | -              | 266                      | 60             |
| Mr Rakesh Makkar                         | -              | -              | -              | -              | -                            | -              | -                        | 70             |
| <b>2) Amount Payable to</b>              |                |                |                |                |                              |                |                          |                |
| Aadhar Housing Finance Limited           | -              | -              | -              | -              | 16                           | 10             | -                        | -              |
| DHFL Vysya Housing Finance Limited       | -              | -              | -              | -              | -                            | 2              | -                        | -              |
| Wadhawan Global Capital Private Limited  | -              | -              | -              | -              | -                            | 0.06           | -                        | -              |
| DHFL Sales and Services Limited          | -              | -              | -              | -              | -                            | 206            | -                        | -              |
| Dish Hospitality Private Limited         | -              | -              | -              | -              | 8                            | 5              | -                        | -              |
| Wadhawan Holding Private Limited         | -              | -              | -              | -              | 10                           | 12             | -                        | -              |
| DHFL Pramerica Life Insurance Co Ltd     | -              | -              | 250            | 250            | -                            | -              | -                        | -              |
| <b>3) Loan Syndication</b>               |                |                |                |                |                              |                |                          |                |
| Aadhar Housing Finance Limited           | -              | -              | -              | -              | 185                          | 55             | -                        | -              |
| DHFL Vysya Housing Finance Limited       | -              | -              | -              | -              | -                            | 100            | -                        | -              |

## Notes

- 1) Related party relationship is as identified by the Company and relied upon by the Auditors.
- 2) \* Advances includes amounts debited towards expenses and reimbursement of expenses and income receivable
- 3) The figures of income and expenses are net of service tax
- 4) Transactions with the related parties are disclosed only till the relationship exists.
- 5) The Company, in its capacity as Life Insurance Corporate Agent, has entered into an agreement with DHFL Pramerica Life Insurance Company Limited (Insurance Company) to distribute their life insurance products. During the year, the Company has earned an insurance commission of ₹ 684 lakh (₹ 982 lakh) from the Insurance Company. Insurance premium paid on behalf of borrowers has not been considered for the aforesaid disclosure.
- 6) The remuneration to KMP is inclusive of salary & perquisites.

# Notes

to financial statements for the year ended March 31, 2016

## 42 RETIREMENT BENEFIT PLANS

The Company makes contributions towards provident fund for qualifying employees to Regional Provident Fund Commissioner. Contribution to Defined Contribution Plan, recognised as expense for the year are as under:

| (₹ in lakh)                               |         |         |
|---|---------|---------|
| Particulars                               | 2015-16 | 2014-15 |
| Employer's Contribution to Provident Fund | 583     | 509     |
| Employer's Contribution to Pension Fund   | 306     | 217     |

As required under Accounting Standard 15 [AS-15 Revised, 2005] the Company has made full provision for future gratuity liability & leave encashment liability payable at the time of retirement as on March 31, 2016. On the basis of Gratuity and GLES report under Accounting Standard 15 [AS-15 Revised, 2005] provided by Independent Actuary, the Company has made necessary full contribution to life insurance companies including LIC of India of its own liabilities.

The details of post retirement benefits for the employees (including Key Management Personnel) as mentioned hereunder are based on the above report as provided by Independent Actuary as mentioned above and relied upon by the auditors :

| (₹ in lakh)  |                   |              |                           |              |
|--|-------------------|--------------|---------------------------|--------------|
| Particulars  | Gratuity (Funded) |              | Leave Encashment (Funded) |              |
|  | 2015-16           | 2014-15      | 2015-16                   | 2014-15      |
| <b>A. Change in the Defined Benefit Obligations:</b>   |                   |              |                           |              |
| Liability at the beginning of the year   | 815               | 926          | 1,378                     | 862          |
| Current Service Cost   | 173               | 305          | 137                       | 129          |
| Interest Cost  | 65                | 83           | 110                       | 78           |
| Benefits Paid  | (137)             | (154)        | (478)                     | (443)        |
| Actuarial Loss/ (Gain)   | 72                | (345)        | 539                       | 752          |
| <b>Liability at the end of the year</b>  | <b>988</b>        | <b>815</b>   | <b>1,685</b>              | <b>1,378</b> |
| <b>B. Fair Value of Plan Assets :</b>  |                   |              |                           |              |
| Fair Value of Plan Assets at the beginning of the year   | 1,128             | 928          | 1,299                     | 1,007        |
| Expected Return on Plan Assets   | 90                | 84           | 103                       | 91           |
| Contributions  | 287               | 170          | 544                       | 615          |
| Benefits Paid  | (99)              | (124)        | (365)                     | (339)        |
| Actuarial Loss/ (Gain)   | 10                | 70           | (1)                       | (75)         |
| <b>Fair Value of Plan Assets at the end of the year</b>  | <b>1,415</b>      | <b>1,128</b> | <b>1,578</b>              | <b>1,299</b> |
| <b>C. Actual Return on Plan Assets: :</b>  | <b>100</b>        | <b>153</b>   | <b>102</b>                | <b>16</b>    |
| <b>D. Amount Recognised in the Balance Sheet:</b>  |                   |              |                           |              |
| Liability at the end of the year   | 988               | 815          | 1,685                     | 1,378        |
| Fair Value of Plan Assets at the end of the year   | 1,415             | 1,128        | 1,578                     | 1,298        |
| <b>Net Asset / (Liability) recognized in the Balance Sheet</b>   | <b>427</b>        | <b>313</b>   | <b>(107)</b>              | <b>(80)</b>  |
| <b>E. Expense Recognised in the Profit and Loss Account:</b>   |                   |              |                           |              |
| Current Service Cost   | 173               | 305          | 137                       | 129          |
| Interest Cost  | 65                | 83           | 110                       | 78           |
| Expected Return on Plan Assets   | (90)              | (84)         | (103)                     | (91)         |
| Net Actuarial Loss/(Gain)  | 62                | (415)        | 540                       | 828          |
| <b>Expense recognised in the Profit &amp; Loss Account under Employees Remuneration &amp; Benefits</b> | <b>211</b>        | <b>(110)</b> | <b>684</b>                | <b>944</b>   |

# Notes

to financial statements for the year ended March 31, 2016

(₹ in lakh)

| Particulars  | Gratuity (Funded) |              | Leave Encashment (Funded) |           |
|--|-------------------|--------------|---------------------------|-----------|
|  | 2015-16           | 2014-15      | 2015-16                   | 2014-15   |
| <b>F. Reconciliation of the Liability at the end of the year</b> |                   |              |                           |           |
| Opening Net Liability  | (313)             | (2)          | 80                        | (144)     |
| Expense Recognised   | 211               | (110)        | 684                       | 944       |
| Benefits Paid  | 325               | 200          | 657                       | 719       |
| <b>Liability at the end of the year</b>                          | <b>(427)</b>      | <b>(313)</b> | <b>107</b>                | <b>80</b> |
| <b>G. Actuarial Assumptions</b>                                  |                   |              |                           |           |
| Mortality Table (LIC)  | 2006-08           | 2006-08      | 2006-08                   | 2006-08   |
| Discount Rate (P. A.)  | 8.01%             | 7.96%        | 8.01%                     | 7.96%     |
| Rate of Escalation in Salary (P.A.)                              | 5.00%             | 5.00%        | 5.00%                     | 5.00%     |

The estimates of rate of escalation in salary considered in the above report, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

(₹ in lakh)

| Particulars   | 2015-16 | 2014-15 | 2013-14 | 2012-13 | 2011-12 |
|---|---------|---------|---------|---------|---------|
| Amount Recognised in the Balance Sheet:             | 427     | 313     | (2)     | (103)   | 115     |
| Liability at the end of the year                    | 988     | 815     | 926     | 645     | 401     |
| Fair Value of Plan Assets at the end of the year    | 1,415   | 1,128   | 928     | 749     | 516     |
| <b>Amount recognised in the Balance Sheet under</b> |         |         |         |         |         |
| Long-term Provision for Employee Benefit            | -       | -       | -       | -       | -       |
| Short-term Provision for Employee Benefits          | 427     | 313     | (2)     | (103)   | 115     |
| <b>Experience Adjustment:</b>                       |         |         |         |         |         |
| On Plan Liabilities                                 | 78      | (345)   | 487     | -       | -       |
| On Plan Assets                                      | 10      | 70      | 263     | -       | -       |
| Estimated Contribution for next year                | -       | -       | 38      | 41      | -       |

## 43 IN RESPECT OF JOINTLY CONTROLLED ENTITY, THE COMPANY'S SHARE OF ASSETS, LIABILITIES, INCOME & EXPENSES ARE AS FOLLOWS:

(₹ in lakh)

| Name of the Entity     | DHFL Pramerica Life Insurance Co Ltd |                              | DHFL Pramerica Asset Managers Pvt Ltd * |                              | DHFL Pramerica Trustees Pvt Ltd * |                              |
|------------------------|--------------------------------------|------------------------------|---|------------------------------|-----------------------------------|------------------------------|
| Interest in the Entity | 50%                                  |                              | 50%                                     |                              | 50%                               |                              |
|                        | 31st March 2016<br>(Audited)         | 31st March 2015<br>(Audited) | 31st March 2016<br>(Audited)            | 31st March 2015<br>(Audited) | 31st March 2016<br>(Audited)      | 31st March 2015<br>(Audited) |
| I) Assets              | 1,13,884                             | 87,361                       | 33,779                                  | -                            | 15                                | -                            |
| II) Liabilities        | 1,13,884                             | 87,361                       | 33,779                                  | -                            | 15                                | -                            |
| III) Income            | 52,816                               | 44,070                       | 1,163                                   | -                            | 14                                | -                            |
| IV) Expenses           | 49,898                               | 41,777                       | 2,125                                   | -                            | 10                                | -                            |

\* Acquired w.e.f August 11, 2015

**44** As required by the revised guidelines dated October 11, 2010 by NHB, read with additional requirement/guidelines with reference to the interpretation of various terms/classifications, the following additional disclosures are given as under:

### I Capital to Risk Assets Ratio (CRAR):

| Items                       | March 31, 2016 | March 31, 2015 |
|-----------------------------|----------------|----------------|
| i) CRAR (%)                 | 16.74%         | 16.56%         |
| ii) CRAR – Tier I Capital   | 12.97%         | 12.53%         |
| iii) CRAR – Tier II Capital | 3.77%          | 4.04%          |

# Notes

to financial statements for the year ended March 31, 2016

## II Exposure to Real Estate Sector:

| (₹ in lakh)   |                |                |
|---|----------------|----------------|
| Category  | March 31, 2016 | March 31, 2015 |
| <b>a) Direct Exposure</b>   |                |                |
| <b>(i) Residential Mortgages -</b>  |                |                |
| Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented  | 57,66,630      | 49,33,935      |
| Individual Housing loans upto ₹ 15 lakh (Included In above)   | 22,64,658      | 15,75,514      |
| <b>(ii) Commercial Real Estate -</b>  |                |                |
| 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 | 4,10,870       | 1,70,030       |
| <b>(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -</b>  |                |                |
| a. Residential  | 8,073          | 21,939         |
| b. Commercial Real Estate   | Nil            | Nil            |
| <b>b) Indirect Exposure</b>   |                |                |
| Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)   | Nil            | Nil            |

In computing the above information, certain estimates, assumptions and adjustment have been made by the Management which have been relied upon by the Auditors.

## III Asset Liability Management: Maturity pattern of certain items of assets and liabilities

### For the year ended March 31, 2016

| (₹ in lakh)                       |                       |                   |                           |               |                       |
|-----------------------------------|-----------------------|-------------------|---------------------------|---------------|-----------------------|
|                                   | Liabilities           |                   | Assets                    |               |                       |
|                                   | Borrowings from Banks | Market Borrowings | Housing & Property Loan * | Investments   | Liquid Current Assets |
| 1 day to 14 days                  | 6,998                 | 22,000            | -                         | 16,914        | 2,95,132              |
| 14 days to 30-31 days (one month) | 1,90,800              | 31,423            | 26,446                    | -             | 1,500                 |
| Over one month to 2 months        | 24,675                | 2,85,376          | 27,472                    | -             | 1,198                 |
| Over 2 months upto 3 months       | 76,848                | 2,78,663          | 26,991                    | -             | 4,145                 |
| Over 3 months to 6 months         | 1,34,299              | 96,790            | 81,442                    | -             | 9,587                 |
| Over 6 months to 1 year           | 2,52,002              | 1,98,543          | 1,72,524                  | 3,703         | 29,271                |
| Over 1 year to 3 years            | 10,31,658             | 6,19,077          | 6,98,673                  | 7,641         | 20,222                |
| Over 3 to 5 years                 | 9,54,085              | 5,41,199          | 7,94,868                  | -             | -                     |
| Over 5 to 7 years                 | 5,91,101              | 1,50,638          | 7,95,699                  | -             | -                     |
| Over 7 to 10 years                | 3,22,605              | 2,76,903          | 11,05,772                 | 39,886        | -                     |
| Over 10 years                     | 3,912                 | 20,770            | 24,47,615                 | 21,176        | -                     |
| Unpaid EMI/PEMI on Housing Loan   | -                     | -                 | -                         | -             | -                     |
| <b>Total</b>                      | <b>35,88,984</b>      | <b>25,21,383</b>  | <b>61,77,501</b>          | <b>89,320</b> | <b>3,61,056</b>       |

\* without considering prepayment of Loans given

# Notes

to financial statements for the year ended March 31, 2016

## For the year ended March 31, 2015

(₹ in lakh)

|                                   | Liabilities           |                   | Assets                    |                 |                       |
|-----------------------------------|-----------------------|-------------------|---------------------------|-----------------|-----------------------|
|                                   | Borrowings from Banks | Market Borrowings | Housing & Property Loan * | Investments     | Liquid Current Assets |
| 1 day to 14 days                  | -                     | -                 | -                         | 39,569          | 13,671                |
| 14 days to 30-31 days (one month) | 14,025                | 1,00,367          | 18,727                    | -               | -                     |
| Over one month to 2 months        | 26,582                | 2,11,077          | 18,897                    | -               | -                     |
| Over 2 months upto 3 months       | 46,470                | 1,02,052          | 19,057                    | -               | 1,500                 |
| Over 3 months to 6 months         | 1,37,840              | 64,959            | 58,028                    | -               | -                     |
| Over 6 months to 1 year           | 2,46,528              | 2,45,658          | 1,19,788                  | -               | 52,473                |
| Over 1 year to 3 years            | 10,00,251             | 3,88,800          | 5,06,360                  | 4,371           | 19,673                |
| Over 3 to 5 years                 | 7,64,251              | 2,90,077          | 5,67,996                  | -               | -                     |
| Over 5 to 7 years                 | 5,80,307              | 1,93,604          | 5,37,575                  | -               | -                     |
| Over 7 to 10 years                | 3,26,304              | 1,26,423          | 8,27,228                  | 25,935          | -                     |
| Over 10 years                     | 5,730                 | 20,770            | 24,30,310                 | 30,748          | -                     |
| Unpaid EMI/PEMI on Housing Loan   | -                     | -                 | -                         | -               | -                     |
| <b>Total</b>                      | <b>31,48,289</b>      | <b>17,43,787</b>  | <b>51,03,965</b>          | <b>1,00,623</b> | <b>87,317</b>         |

\* without considering prepayment of Loans given

In computing the above information, certain estimates, assumptions and adjustment have been made by the Management which have been relied upon by the Auditors.

**45** Figures for the previous year have been regrouped, rearranged and reclassified wherever necessary. Figures in brackets represent previous year's figures.

For **T R CHADHA & Co. LLP**  
Chartered Accountants  
ICAI FRN:06711N/N500028

**Pramod Tilwani**  
Partner  
ICAI MN: 076650

Place: Mumbai  
Date : May 4, 2016

For **RAJENDRA NEETI & ASSOCIATES**  
Chartered Accountants  
ICAI FRN:06543C

**Rajendra K Gupta**  
Partner  
ICAI MN: 070165

**Kapil Wadhawan**  
Chairman & Managing Director  
(DIN - 00028528)

**Santosh R. Sharma**  
Chief Financial Officer  
(FCA - 112258)

**Niti Arya**  
Company Secretary  
(FCS - 5586)

**Dheeraj Wadhawan**  
(DIN - 00096026)

**G. P. Kohli**  
(DIN - 00230388)

**V. K. Chopra**  
(DIN - 02103940)

**M. Venugopalan**  
(DIN - 00255575)

**Vijaya Sampath**  
(DIN - 00641110)

**Rajiv Kumar**  
(DIN-02385076)  
**Directors**



# Independent Auditor's Report

## To the Members of

### DEWAN HOUSING FINANCE CORPORATION LIMITED (DHFL)

We have audited the accompanying Consolidated Financial Statements of Dewan Housing Finance Corporation Limited ("the Holding Company") and its subsidiaries, jointly controlled entities and associates (collectively referred to as 'the Company' or 'the Group') comprising the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended and a summary of Significant Accounting Policies and other explanatory information (herein after referred to as "the Consolidated Financial Statements").

### MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Board of Directors is responsible for the preparation and presentation of the consolidated financial statements in terms of the requirement of the Companies Act, 2013 (the Act) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the Company is responsible for 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 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 statements 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 the preparation and presentation of the Consolidated Financial Statements by the directors of the Holding Company, as aforesaid.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors of in terms of their reports referred to in sub paragraph (a) of the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated

# Independent Auditor's Report (contd.)

state of affairs of the Group as at March 31, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

## OTHER MATTERS

- (a) The financial statements of one subsidiary included in the consolidated financial statement, whose financial statements reflect total assets of Rs.7,500.95 lakh as at March 31, 2016 and total revenue of Rs. NIL and Net Cash Flows amounting to Rs. 7500.95 lakh for the year ended on that date, as considered in the consolidated financial results has been audited by one of joint auditors and our opinion on the Statement, in so far as it to amounts and disclosures included in respect of this subsidiary, is based solely on the report of the said joint auditor.
- (b) We did not audit the financial statements of 3 Jointly Controlled Entities ventures whose financial statements reflect total assets of Rs. 147,678.40 lakh, total revenue of Rs. 53,639.51 lakh and net cash flows amounting to Rs. 247.52 lakh for the year ended on that dated as considered in the consolidated financial statements. The consolidated financial statements also includes the Group' share of the net profit of Rs. 515 lakh for the year ended March 31, 2016, as considered in the consolidated financial statements in respect of 4 associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose report have been furnished to us by the Management and our opinion on the consolidated financial statement, in so far as it relates to the amounts and disclosures included in respect of these jointly controlled entities and associates, and our report in terms of sub-section (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid jointly controlled entities and associates is based solely on the reports of the other auditors.
- (c) In respect of a joint venture company (JV Company), the Actuarial Valuation of liabilities for life policies in force is the responsibility of the Company's Appointed Actuary ('the Appointed Actuary'). The Actuarial valuation of these liabilities as at March, 31, 2016 has been certified by the appointed Actuary, and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by

the Insurance Regulatory and Development Authority of India (IRDAI) and the Institute of Actuaries of India in concurrence with the IRDAI. The respective auditors of above JV Company have relied upon the Appointed Actuary's Certificate in this regard for forming of their opinion on the Financial Statements of the JV Company.

Our opinion on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditors.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by Section 143(3) of the Act, we report to the extent applicable, that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b. In our opinion, proper books of account as required by the law relating to preparation of the aforesaid consolidated financial statements have been kept by so far as it appears from our examination of those books.
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of accounts maintained for the purpose of preparation of the consolidated financial statements.
- e. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- f. On the basis of written representations received from the directors of the Holding Company as on March 31, 2016, and taken on record by the Board of Directors of the Holding Company, and the report of statutory auditors of its subsidiary, jointly controlled entities and associate companies incorporated in

# Independent Auditor's Report (contd.)

India, none of the directors of the Group Companies incorporated in India is disqualified as on March 31, 2016 from being appointed as a director of that company in terms of Section 164 (2) of the Act.

- g. With respect to the adequacy of internal financial controls over the financial reporting of the Group and the Operating effectiveness of such controls, refer to our separate report in "Annexure-A", and
- h. 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, in our opinion and to the best of our information and according to the explanations given to us:

- (i) The consolidated financial statement disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 32 on Contingent Liabilities to the consolidated financial statements;
- (ii) The Group has no material foreseeable losses on long-term contracts including derivative contracts as required under the applicable law or accounting standards;
- (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 that the amount payable for the month of March, 2016, has been transferred to IEPF in the Month of April, 2016 in respect of the Holding Company.

For **T R CHADHA & Co LLP**  
Chartered Accountants  
ICAI FRN:06711N/N500028

**Pramod Tilwani**  
Partner  
ICAI MN: 076650

Place: Mumbai  
Date : May 4, 2016

For **RAJENDRA NEETI & ASSOCIATES**  
Chartered Accountants  
ICAI FRN:06543C

**Rajendra K Gupta**  
Partner  
ICAI MN: 070165

# Annexure A to the Auditor's Report

## **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of Dewan Housing Finance Corporation Limited (the Holding Company), Subsidiary, Jointly Controlled Entities and Associates Companies (hereinafter collectively referred to as the Group) incorporated in India, as of that date.

### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The respective board of the directors of the Group companies which are companies incorporated 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 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.

### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit

to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **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 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

# Annexure A to the Auditor's Report (contd.)

## INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## OPINION

In our opinion, the Group Companies which are companies incorporated in India, have, in all material respects, an

adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, 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.

## OTHER MATTER

Our aforesaid report under Section 143 (3)(i) of the Act on the adequacy and operating effectiveness of the internal financial control over financial reporting in so far as it relates to a subsidiary company,<sup>3</sup> Jointly Controlled Entities and <sup>4</sup> Associates Companies, which are companies incorporated in India is based on the corresponding reports of the auditors of such companies incorporated in India.

For **T R CHADHA & Co LLP**  
Chartered Accountants  
ICAI FRN:06711N/N500028

**Pramod Tilwani**  
Partner  
ICAI MN: 076650

Place: Mumbai  
Date : May 4, 2016

For **RAJENDRA NEETI & ASSOCIATES**  
Chartered Accountants  
ICAI FRN:06543C

**Rajendra K Gupta**  
Partner  
ICAI MN: 070165

# Consolidated Balance Sheet

as at March 31, 2016

| (₹ in lakh)  |       |                         |                         |
|--|-------|-------------------------|-------------------------|
|  | Notes | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
| <b>Equity and Liabilities</b>  |       |                         |                         |
| <b>Shareholders' Funds</b>   |       |                         |                         |
| Share Capital  | 3     | 29,180                  | 14,568                  |
| Reserves and Surplus   | 4     | 4,97,299                | 4,83,575                |
| Money Received Against Share Warrants  | 5     | 12,500                  | -                       |
| <b>Total Shareholders' Funds</b>   |       | <b>5,38,979</b>         | <b>4,98,143</b>         |
| <b>Non Current Liabilities</b>   |       |                         |                         |
| Long Term Borrowings   | 6     | 45,11,947               | 36,87,198               |
| Long-term policy liabilities (Policyholders' Fund)   |       | 712                     | 596                     |
| Deferred Tax Liabilities (Net)   | 7     | 6,074                   | 3,128                   |
| Other Long Term Liabilities  | 8     | 61                      | 447                     |
| Long Term Provisions   | 9     | 58,489                  | 43,015                  |
| <b>Total Non-Current Liabilities</b>   |       | <b>45,77,283</b>        | <b>37,34,384</b>        |
| <b>Current Liabilities</b>   |       |                         |                         |
| Short Term Borrowings  | 10    | 6,43,660                | 3,63,694                |
| Short-term policy liabilities (Policyholders' Fund)  |       | 63,122                  | 41,624                  |
| Trade Payables   | 11    | 3,302                   | 917                     |
| Other Current Liabilities  | 12    | 10,90,788               | 9,00,314                |
| Short Term Provisions  | 9     | 7,321                   | 3,838                   |
| <b>Total Current Liabilities</b>   |       | <b>18,08,193</b>        | <b>13,10,387</b>        |
| <b>Total</b>   |       | <b>69,24,455</b>        | <b>55,42,914</b>        |
| <b>Assets</b>  |       |                         |                         |
| <b>Non-Current Assets</b>  |       |                         |                         |
| <b>Fixed Assets</b>  |       |                         |                         |
| Tangible Assets  | 13    | 20,591                  | 18,617                  |
| Intangible Assets  |       | 30,198                  | 489                     |
| Capital Work in Progress   |       | 55,770                  | 81,006                  |
| Intangible Assets under Development  |       | 3,266                   | -                       |
|  |       | <b>1,09,825</b>         | <b>1,00,112</b>         |
| <b>Non-Current Investments</b>   |       |                         |                         |
| Long term Housing and Property Loans   | 14    | 1,55,704                | 1,29,706                |
| Other Long Term Loans and Advances   | 15    | 58,42,629               | 48,69,468               |
| Other Non-Current Assets   | 16    | 27,168                  | 28,540                  |
|  | 21    | 23,691                  | 20,183                  |
| <b>Total Non-Current Assets</b>  |       | <b>61,59,017</b>        | <b>51,48,009</b>        |
| <b>Current Assets</b>  |       |                         |                         |
| Current Investments  | 17    | 25,366                  | 45,422                  |
| Trade Receivables  | 18    | 21,820                  | 19,614                  |
| Cash and Bank Balances   | 19    | 3,49,690                | 68,749                  |
| Short term portion of Housing and Property Loans   | 15    | 3,34,873                | 2,34,497                |
| Other Short Term Loans and Advances  | 20    | 27,537                  | 20,800                  |
| Other Current Assets   | 21    | 6,152                   | 5,823                   |
| <b>Total Current Assets</b>  |       | <b>7,65,438</b>         | <b>3,94,905</b>         |
| <b>Total</b>   |       | <b>69,24,455</b>        | <b>55,42,914</b>        |
| Significant Accounting Policies and explanatory information forming part of the Financial Statements | 1-38  |                         |                         |

This is the Balance Sheet referred to in our report of even date

For **T R CHADHA & Co. LLP**  
Chartered Accountants  
ICAI FRN:067111N/N500028

For **RAJENDRA NEETI & ASSOCIATES**  
Chartered Accountants  
ICAI FRN:06543C

**Kapil Wadhawan**  
Chairman & Managing Director  
(DIN - 00028528)

**Dheeraj Wadhawan**  
(DIN - 00096026)

**Pramod Tilwani**  
Partner  
ICAI MN: 076650

**Rajendra K Gupta**  
Partner  
ICAI MN: 070165

**Santosh R. Sharma**  
Chief Financial Officer  
(FCA - 112258)

**G. P. Kohli**  
(DIN - 00230388)

**V. K. Chopra**  
(DIN - 02103940)

Place: Mumbai  
Date : May 4, 2016

**Niti Arya**  
Company Secretary  
(FCS - 5586)

**M. Venugopalan**  
(DIN - 00255575)

**Vijaya Sampath**  
(DIN - 00641110)

**Rajiv Kumar**  
(DIN-02385076)  
**Directors**



# Consolidated Statement of Profit and Loss

for the year ended March 31, 2016

|  |       | (₹ in lakh)                  |                              |
|--|-------|------------------------------|------------------------------|
|  | Notes | Year Ended<br>March 31, 2016 | Year Ended<br>March 31, 2015 |
| <b>Income</b>  |       |                              |                              |
| Revenue from Operations  | 22    | 7,32,350                     | 5,97,896                     |
| Other Income   | 23    | 505                          | 272                          |
| Premium from Insurance Business  |       | 46,010                       | 36,755                       |
| Other Operating Income from Insurance Business   |       | 6,800                        | 7,310                        |
| <b>Total Revenue</b>   |       | <b>7,85,665</b>              | <b>6,42,233</b>              |
| <b>Expenses</b>  |       |                              |                              |
| Interest & Finance Cost  | 24    | 5,49,195                     | 4,46,024                     |
| Employees Remuneration & Benefits  | 25    | 32,355                       | 25,868                       |
| Administrative & Other Expenses  | 26    | 38,117                       | 31,646                       |
| Cost of Insurance Business   |       | 11,811                       | 7,030                        |
| Change in Policy Reserves  |       | 21,613                       | 21,862                       |
| Depreciation & Amortisation  | 13    | 2,984                        | 2,707                        |
| Provision for Contingencies  | 9     | 17,500                       | 10,500                       |
| <b>Total Expenses</b>  |       | <b>6,73,575</b>              | <b>5,45,637</b>              |
| <b>Profit Before Tax</b>   |       | <b>1,12,090</b>              | <b>96,596</b>                |
| Less: Tax Expense  |       |                              |                              |
| - Current Tax  |       | 39,145                       | 29,244                       |
| - Related to earlier years   |       | (255)                        | 629                          |
| - Deferred Tax Charge/ (Credit)  |       | (1,215)                      | 2,597                        |
| <b>Profit for the year</b>   |       | <b>74,415</b>                | <b>64,126</b>                |
| Net share of profit from Associates  |       | 515                          | 120                          |
| <b>Profit for the year attributable to Company</b>   |       | <b>74,930</b>                | <b>64,246</b>                |
| Earnings per Equity share (Face Value ₹ 10/-)  | 27    |                              |                              |
| Basic (₹)  |       | 25.69                        | 24.72                        |
| Diluted (₹)  |       | 23.73                        | 24.40                        |
| Significant Accounting Policies and explanatory information forming part of the Financial Statements | 1-38  |                              |                              |

This is the Statement of Profit & Loss referred to in our report of even date

For **T R CHADHA & Co. LLP**  
Chartered Accountants  
ICAI FRN:06711N/N500028

**Pramod Tilwani**  
Partner  
ICAI MN: 076650

Place: Mumbai  
Date : May 4, 2016

For **RAJENDRA NEETI & ASSOCIATES**  
Chartered Accountants  
ICAI FRN:06543C

**Rajendra K Gupta**  
Partner  
ICAI MN: 070165

**Kapil Wadhawan**  
Chairman & Managing Director  
(DIN - 00028528)

**Santosh R. Sharma**  
Chief Financial Officer  
(FCA - 112258)

**Niti Arya**  
Company Secretary  
(FCS - 5586)

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(DIN - 00255575)

**Vijaya Sampath**  
(DIN - 00641110)

**Rajiv Kumar**  
(DIN-02385076)  
**Directors**

# Consolidated Cash Flow Statement

for the year ended March 31, 2016

(₹ in lakh)

|  | Year Ended March 31, 2016 | Year Ended March 31, 2015 |
|--|---------------------------|---------------------------|
| <b>A. Cash Flow From Operating Activities</b>                |                           |                           |
| <b>Net Profit Before Tax</b>                                 | 1,12,090                  | 96,596                    |
| <b>Adjustments for:</b>                                      |                           |                           |
| Depreciation   | 2,984                     | 2,707                     |
| Employees Stock Option Expenses                              | -                         | 90                        |
| (Profit)/Loss on Fixed Assets sold                           | 93                        | 90                        |
| Change in valuation of Liability in respect of life policies | 23,094                    | 21,862                    |
| Change in Fair Value   | 44                        | 7                         |
| Provision for Contingencies                                  | 15,475                    | 10,500                    |
| Other Operational Treasury Income                            | (17,287)                  | 24,403                    |
| <b>Operating Profit before Working Capital changes</b>       | 1,36,493                  | 1,20,916                  |
| <b>Adjustments for:</b>                                      |                           |                           |
| Current & Non Current Assets                                 | (14,449)                  | (18,827)                  |
| Current & Non Current Liabilities                            | 78,941                    | 14,199                    |
| Working Capital Changes                                      | 64,492                    | (4,629)                   |
| <b>Cash Generated from Operations During the Year</b>        | <b>2,00,985</b>           | <b>1,16,287</b>           |
| Tax Paid   | (35,302)                  | (25,566)                  |
| <b>Net Cash from Operations</b>                              |                           |                           |
| Housing Loan Disbursed ( Net)                                | (13,09,028)               | (9,62,972)                |
| Other Loans Disbursed ( Net)                                 | (1,04,024)                | (14,13,052)               |
| <b>Net Cash Flow from Operating Activities (A)</b>           | <b>(12,47,369)</b>        | <b>(12,27,229)</b>        |
| <b>B. Cash flow from Investing Activities</b>                |                           |                           |
| Net Income from Treasury Investments                         | 17,287                    | 10,936                    |
| Net Income from Treasury Investment - Others                 | 452                       | -                         |
| Net Addition to Investments                                  | (20,715)                  | (66,448)                  |
| Class 'B' PTC movement                                       | 13,866                    | (7,380)                   |
| Movement In Bank Fixed Deposits                              | 4,329                     | (19,499)                  |
| Net Addition to Fixed Assets                                 | (12,790)                  | (4,224)                   |
| <b>Net Cash used in Investing Activities (B)</b>             | <b>2,429</b>              | <b>(86,614)</b>           |

# Consolidated Cash Flow Statement

for the year ended March 31, 2016

(₹ in lakh)

|   | Year Ended March 31, 2016 |             | Year Ended March 31, 2015 |             |
|---|---------------------------|-------------|---------------------------|-------------|
| <b>C. Cash Flow from financing activities</b>               |                           |             |                           |             |
| Issue of Equity Shares                                      | 26                        |             | 19,215                    |             |
| Issue of Equity Share Warrants                              | 12,500                    |             | -                         |             |
| Premium on Issue of Equity Shares                           | 279                       |             | 79,651                    |             |
| Proceeds from Loan Securitised                              | 3,34,756                  |             | 2,54,634                  |             |
| Proceeds from ICDs  | -                         |             | 298                       |             |
| Cash Credits ( Net)   | 1,71,809                  |             | 2,249                     |             |
| Loans Received from Banks/Institutions                      | 7,48,682                  |             | 6,47,059                  |             |
| Refinance Loans Received from NHB                           | 50,000                    |             | -                         |             |
| Proceeds from issue of NCD's and Sub Debts                  | 6,99,101                  |             | 4,39,661                  |             |
| Proceeds from issue of CP                                   | 19,12,700                 |             | 10,78,400                 |             |
| Fixed Deposits received                                     | 3,73,637                  | 43,03,490   | 2,62,676                  | 27,83,843   |
| Loans repaid to Banks / Institution                         | (4,78,772)                |             | (3,60,814)                |             |
| Refinance loans repaid/Prepaid to NHB                       | (46,024)                  |             | (53,852)                  |             |
| Fixed Deposits Repaid                                       | (2,42,202)                |             | (1,49,391)                |             |
| Cash Credit Repayment ( Net)                                | (5,000)                   |             | -                         |             |
| Non-Convertible Debentures Redeemed                         | (1,66,341)                |             | (48,813)                  |             |
| CP Redeemed   | (17,99,300)               | (27,37,639) | (8,73,900)                | (14,86,770) |
| Dividend & Dividend Distribution Tax                        | (24,499)                  |             | (13,690)                  |             |
| Share Premium Utilised                                      | (10,594)                  | (35,093)    | (19,127)                  | (32,817)    |
| <b>Net Cash from Financing Activities (C)</b>               | <b>15,30,758</b>          |             | <b>12,64,256</b>          |             |
| <b>Net Increase in Cash &amp; Cash Equivalents (A+B+C)</b>  | <b>2,85,818</b>           |             | <b>(49,588)</b>           |             |
| Cash & Cash Equivalents at the Beginning of the year        | 16,187                    |             | 65,775                    |             |
| <b>Cash &amp; Cash Equivalents at the Close of the Year</b> | <b>3,02,005</b>           |             | <b>16,187</b>             |             |

Negative figures (-) represents cash out flow. This is the cash flow Statement referred to in our report of even date

For **T R CHADHA & Co. LLP**  
Chartered Accountants  
ICAI FRN:06711N/N500028

**Pramod Tilwani**  
Partner  
ICAI MN: 076650

Place: Mumbai  
Date : May 4, 2016

For **RAJENDRA NEETI & ASSOCIATES**  
Chartered Accountants  
ICAI FRN:06543C

**Rajendra K Gupta**  
Partner  
ICAI MN: 070165

**Kapil Wadhawan**  
Chairman & Managing Director  
(DIN - 00028528)

**Santosh R. Sharma**  
Chief Financial Officer  
(FCA - 112258)

**Niti Arya**  
Company Secretary  
(FCS - 5586)

**Dheeraj Wadhawan**  
(DIN - 00096026)

**G. P. Kohli**  
(DIN - 00230388)

**V. K. Chopra**  
(DIN - 02103940)

**M. Venugopalan**  
(DIN - 00255575)

**Vijaya Sampath**  
(DIN - 00641110)

**Rajiv Kumar**  
(DIN-02385076)  
**Directors**

# Notes

to consolidated financial statements for the year ended March 31, 2016

Significant Accounting Policies and explanatory information forming part of the Consolidated Financial Statements for the year ended March 31, 2016.

## 1 SIGNIFICANT ACCOUNTING POLICIES

### 1.1 Basis of preparation of financial statements

- a) i. **Other than Insurance Companies**  
These financial statements are prepared and presented in accordance with the Generally Accepted Accounting Principles (GAAP) under historical cost convention on accrual basis of accounting, unless otherwise stated, and comply with the Accounting Standards as prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, the relevant provisions of the Companies Act, 2013 and the guidelines issued by the National Housing Bank to the extent applicable.

ii. **Insurance Companies**

The financial statements are prepared under the historical cost convention on the accrual basis of accounting, in accordance with the accounting principles and framework prescribed by the Insurance Regulatory and Development Authority of India (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent applicable and the requirements of the Insurance Act 1938 as amended by Insurance (Amendment) Act, 2015, Insurance Regulatory and Development Authority Act, 1999, and various circulars issued there under and the practices prevailing within the insurance industry in India. The accounting policies have been consistently applied by the Company.

- b) The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent

liabilities) on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statement are prudent and reasonable. The future results could differ due to these estimates and the differences between the actual results and estimates are recognised in the periods in which the results are known / materialise.

- c) Based on the nature of its activities, the Company has determined its operating cycle as 12 months for the purpose of classification of its Assets and Liabilities as current and non current.
- d) Amounts in the financial statements are presented in ₹ lakh, except for per share data and as otherwise stated. All exact amounts are stated with suffix "/-".

### 1.2 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. In addition, the following criterias must also be met before revenue is recognised:

- a) **Interest on housing loans / investments**  
Repayment of housing loans is by way of Equated Monthly Installments (EMI) comprising principal and interest. Interest is calculated each period on the outstanding balance at the beginning of the Company's financial year or on monthly reducing balance in terms of financing scheme opted by the borrower. EMI generally commences once the entire loan is disbursed. Pending commencement of EMI, pre-EMI monthly interest is payable.

Interest on performing assets is recognized on accrual basis and on non-performing assets on realisation basis as per the guidelines prescribed by the National Housing Bank. The interest income (payment) is adjusted for gain (loss) on corresponding hedge contracts / interest swap derivatives, wherever executed.

# Notes

to consolidated financial statements for the year ended March 31, 2016

## b) Premium Income from Life Insurance Business :

Premium is recognized as income when due. Premium on lapsed policies is recognized as income in the year in which they are reinstated. For linked business, premium income is recognized when the associated units are created. Top-up premiums (i.e. premium paid in excess of annual target premium as per policy contract) are recognized as single premium income when associated units are created.

Premium ceded is accounted at the time of recognition of the premium income in accordance with the treaty or in-principle arrangement with the reinsurers.

- c) In case of linked policies of insurance business, charges recovered from the fund by deduction of units are recognized as income when associated units are cancelled. Fund Management charges recovered from NAV of ULIP Funds are accounted for on accrual basis.
- d) Dividend income on investments is recognised when the right to receive the same is established.
- e) Processing fees and other loan related charges are recognized only on receipt basis.
- f) Additional / Overdue / penal interest / charges on delayed EMI/PEMI are recognised only when it is reasonably certain that the ultimate collection will be made.
- g) Income from services including trade mark license fees is recognized after the service is rendered and to the extent it is probable that the economic benefits will flow to the company and that the revenue can be reliably measured.
- h) Management and Trusteeship Fees - Mutual Fund
  - i. Management and Trusteeship Fees are accrued at agreed rates on the daily net assets of the Mutual Fund Schemes using proportionate completion method.

- ii. Portfolio Management fees are recognised on an accrual basis in accordance with portfolio management agreement entered with respective client using proportionate completion method.

## i) Amortisation of Discount/Premium in Insurance business

Accretion of discount or amortization of premium to the face value in respect of debt securities, for funds other than linked funds, is recognized over the remaining period to maturity / holding period on straight line basis. In case of discounted instruments, the difference between the redemption value and book value is accreted over the life of the instrument, on straight line basis.

## 1.3 Interest & Other Related Financial Charges

Interest and other related financial charges are recognized as an expense in the period for which they relate as specified in Accounting Standard (AS 16) on "Borrowing Costs". Ancillary costs in connection with the borrowings and deposit are amortized to statement of profit and loss over the tenure of loan / deposit. Brokerage on deposits taken is amortized over the period of deposit.

Share / debenture issues expenses and premium / discount on issue of debentures (net of tax) are adjusted against the Securities premium account as permissible under the Companies Act, 2013.

Interest accrued on cumulative fixed deposits and payable at the time of maturity is clubbed with the principal amount on the date of periodical rest when interest is credited in Fixed Deposit account in accordance with the particular deposit scheme.

## 1.4 Claims paid and other expenses pertaining to life insurance business

Benefits paid consist of the policy benefit amount and specific claim settlement costs, wherever applicable. Death, Surrender and other claims are recognized as expense when intimated to the Company. Withdrawals and surrenders under linked policies are accounted in the respective schemes when the associated units are cancelled / redeemed. Maturity claims are

# Notes

to consolidated financial statements for the year ended March 31, 2016

recognized when due for payment. An additional provision is made for the benefits which are incurred but not reported to the Company. Repudiated claims disputed before judicial authorities are provided for based on management prudence considering the facts and evidences available in respect of such claims. Reinsurance recoverable, where applicable, is recognized in the same period as of the claim and netted off against claim expense incurred.

Acquisition costs are those costs that vary with and are primarily related to the acquisition of new and renewal insurance contracts. The most essential test is the obligatory relationship between costs and the execution of insurance contracts (i.e. commencement of risk). Acquisition costs are expenses incurred to solicit and underwrite insurance contract including commission and are expensed in the year in which they are incurred. Claw back of first year commission paid will be accounted in the year in which it is recovered.

## 1.5 Foreign Exchange Transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction. Monetary Assets and liabilities in foreign currencies are converted at the rates of exchange prevailing on the date of the financial statement, except those covered by forward contract / currency swap contracts. The net gain or loss on account of exchange differences either on settlement or on translation are recognized in the Statement of Profit and Loss. In respect of Forward Exchange Contracts, the premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts on reporting dates are recognized in the Statement of Profit and Loss. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as an expense in that year.

## 1.6 Provision for Contingencies

The Company makes provision towards Non Performing Assets and Standard Assets as per the Prudential Norms prescribed by the National Housing Bank. The Company also makes assessment of its portfolio and creates additional provision to meet

unforeseen contingencies. A loan is recognized as Sub Standard Assets or Doubtful or Loss Assets based on the period for which the repayment installment or interest has remained in arrears as prescribed under NHB Guidelines.

## 1.7 Investments

### i. Other than Insurance Business

Investments are accounted at cost inclusive of brokerage, fees and stamp charges and are classified into two categories, viz. Current or Long-Term based on management's intention at the time of purchase. Current investments are carried category wise, at the lower of cost and fair value, whereas Long-Term investments are carried category wise at cost less provision for diminution, other than temporary, in the value of such investments. Provision for diminution in the value of investments is made in accordance with the guidelines issued by the National Housing Bank and the Accounting Standard on 'Accounting for Investments' (AS 13) and is recognised through the Provision for Contingencies Account.

### ii. Insurance Business

Investments are made in accordance with the provisions of the Insurance Act, 1938, as amended by Insurance Amendment Act 2015 and the Insurance Regulatory and Development Authority (Investment) Regulations, 2000 as amended from time to time and various other circulars/notifications issued by the IRDA in this context from time to time. Investments are recorded at cost on the date of purchase, which includes brokerage and statutory levies, however excludes interest paid (i.e. interest accrued since the previous coupon date), if any.

## 1.8 Tangible Fixed Assets and Depreciation

Tangible Fixed Assets are stated at cost less accumulated depreciation and impaired losses, if any. All directly attributable costs including borrowing cost, net of cenvat credit, till the asset is put to use is shown as capital work in progress and is capitalised thereafter. Depreciation on fixed assets is provided on straight-line method by considering useful lives of assets which are same as specified in part 'C' of



# Notes

to consolidated financial statements for the year ended March 31, 2016

schedule II to the Companies Act, 2013. Different estimated useful life of certain Fixed Assets has been considered are as under:

- i) Computer server 3 to 6 years
- ii) Office Equipments 3 to 5 years

## 1.9 Intangible Assets and Amortization

Intangible assets including software are capitalized where it is expected to provide future enduring economic benefits. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised over the estimated useful life of the asset. The following useful lives has been considered:

- i) Computer Software 3 to 6 years
- ii) Investment Management rights 10 years

## 1.10 Impairment of Assets

Impairment losses (if any) on fixed assets are recognized in accordance with the Accounting Standard 28 "Impairment of Assets" issued in this regard by The Institute of Chartered Accountants of India. The Company assesses at each Balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the assets. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value.

## 1.11 Liability for Life Policies

The estimated liability for life policies is determined by the Insurer's appointed actuary, pursuant to his annual investigation of life insurance business, using appropriate methods and assumptions that conform with regulations issued by the IRDAI and Guidance notes issued by the Institute of Actuaries of India. The liability is so calculated that together with future premium payments and investment income, the insurer meets all future claims (including bonus entitlements to policyholders, if applicable) and expenses. Liabilities, if any as determined by appointed actuary, in respect of Linked policies which have lapsed are maintained till the expiry of revival period and shown under funds for future appropriation. Liabilities under linked policies comprise of fund

value and non unit liability for meeting mortality and morbidity risk, which is based on actuarial valuation done by appointed actuary.

## 1.12 Leases

### Operating Leases

Lease rentals in respect of assets taken on "Operating Leases" are charged to the Statement of Profit and Loss on straight line basis over the lease term.

### Finance Leases

Finance leases, which effectively transfer to the Company substantially all the risks and rewards incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease and are accordingly disclosed. The capital element of the leasing commitments is shown as Secured liabilities. Lease payments are apportioned between the finance charges and reduction of the corresponding liability based on the implicit rate of return.

## 1.13 Statutory / Special Reserve

The Company creates Statutory / Special Reserve every year out of its profits in terms of Sec 36(1) (viii) of the Income Tax Act, 1961 read with Sec 29C of the National Housing Bank Act, 1987.

## 1.14 Prepaid Expenses

Financial & Other Expenses incurred during the year which relates to future accounting years and brokerage paid on long term fixed deposits has been treated as revenue expense only for the period relating to the current year and balance is treated as prepaid expenses to be adjusted on pro-rata time basis in the future accounting years.

## 1.15 Mutual Fund Expenses

- i) Annual recurring expenses related to the schemes of mutual fund which are in excess of internal expense limits are borne by the Company.
- ii) The Company also absorbs the expenses relating to the launch of the schemes of Pramerica Mutual Fund.

# Notes

to consolidated financial statements for the year ended March 31, 2016

- iii) Upfront brokerage on close ended fixed tenure schemes is amortised over the tenure of the respective scheme and in case of Equity Linked Saving Scheme (ELSS), upfront brokerage is amortised over three years. The unamortized portion of the brokerage is carried forward as prepaid expense. Any other brokerage is charged to Statement of Profit and Loss in the year in which it is incurred.

## 1.16 Employees Benefits

- a) Company's contribution in respect of Employees' Provident Fund made to Government is considered as defined contribution plan and is charged to the Statement of Profit & Loss.
- b) Gratuity Fund Scheme is considered as defined benefit plan. The Company's liability is determined on the basis of an actuarial valuation using the Projected Unit Credit Method as at Balance Sheet date. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised in the Statement of Profit and Loss as Income or Expenses, as applicable in the period in which they occur.
- c) Compensated Absences are accounted for on the basis of actuarial valuation at the year end using the projected Unit Credit Method. Actuarial gains / losses are recognized in the Statement of Profit & Loss in the period in which they occur.
- d) Company has introduced the Employee Stock Option Scheme ('the Scheme') which provides the grant of options to acquire equity shares of the Company to its employees. The options granted to employees vest in a graded manner and these may be exercised by the employees within a specified period. The Company has also approved the grant of Employee Stock Appreciation Rights (SARs) to the eligible employees of the Company. The said SARs shall carry the right to apply for number of equity shares of the Company, equivalent to Appreciation in those rights, over the grant price. The Company follows the intrinsic value method to account for its stock-based employee

compensation plans. Compensation cost is measured by the excess, if any, of the market price of the underlying stock over the exercise price as determined under the option plan. The market price is the closing price on the stock exchange where there is highest trading volume on the working day immediately preceding the date of grant. Compensation cost, if any, is amortised over the vesting period.

## 1.17 Earnings per share

The Basic earning per share and diluted earning per share have been computed in accordance with Accounting Standard (AS-20) on, "Earnings Per Share" and is also shown in the Statement of Profit and Loss. Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit after tax relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares which are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Company also discloses EPS- both basic and diluted- for the accounting period, had the Fair value method being used for compensation cost for ESOS/SARs.

## 1.18 Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961. Deferred tax arising on account of timing differences and which are capable of reversal in one or more subsequent periods is recognized using the tax rates and tax laws that have been enacted or substantially enacted as at the reporting date. Deferred tax assets are recognised for timing differences, only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets arising from the timing differences on account of carry forward of

# Notes

to consolidated financial statements for the year ended March 31, 2016

losses and unabsorbed depreciation are recognized to the extent there are virtual certainties that they would be realized in future. Deferred Tax liability on deduction claimed in earlier years u/s 36 (1)(viii) of the Income Tax Act 1961 has been provided in terms of National Housing Bank (NHB) policy circular.

## 1.19 Provisions, Contingent Liability and Contingent Assets

A provision is recognised when the Company has a present obligation 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 in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent Liabilities are not recognised but are disclosed in the notes.

Contingent Assets are neither recognised nor disclosed in the financial statements.

## 1.20 Housing and Other Loans

Housing Loans include outstanding amount of Housing Loans disbursed directly or indirectly to individual, project loans for residential buildings and other borrowers. Other loans include mortgage loan, non residential property loan, plot loan for self construction where construction has not begun in last three years and loan against the lease rental income from properties in accordance with directions of National Housing Bank (NHB). Other loans also include loans granted to Small & Medium Enterprise (SME) and certain part there of are unsecured in terms of the particular scheme. EMI and PEMI instalments due from borrowers against the housing loans receivable for less than equal to three months, are treated as trade receivables and are shown as current assets.

## 1.21 Securitised Assets

Securitised and Assigned Assets are derecognised in the books of the Company based on the principle of transfer of ownership interest over the assets. De-recognition of such assets and recognition of gain or loss arising on such securitisation is based on the Guidance Note on Accounting for Securitisation issued by the Institute of Chartered Accountants of India.

## 1.22 Cash Flow Statement

Cash flows are reported using the indirect method set out in Accounting Standard (AS 3) on Cash Flow Statement. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information. Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

## 1.23 Assets acquired under SARFAESI Act

Assets acquired under SARFAESI Act are part of NPA Portfolio of loans for which necessary provisions are being made and such assets are to be disposed off at the earliest, subject to legal formalities. Losses / gains, if any, are being booked at the time of sales realisation of such assets.

**2** The consolidated financial statements relate to Dewan Housing Finance Corporation Ltd ("DHFL" or "the Company"), its subsidiaries, jointly controlled entities and Company's share of profit/loss in its associates as on March 31, 2016 and for the year ended on that date. The consolidated financial statements have been prepared on the following basis:

- (i) The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by consolidating the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions, resulting in unrealised profits or losses as per Accounting Standard 21 on 'Consolidated Financial Statements' (AS 21).
- (ii) The Company's investments in equity shares of associates are accounted for under the equity method and its share of pre-acquisition profits/losses is reflected as goodwill/capital reserve in the carrying value of investments in accordance with the Accounting Standard 23 on 'Accounting for Investments in Associates in Consolidated Financial Statements' (AS 23).
- (iii) Interest in Joint Ventures have been accounted by using the proportionate consolidation method as

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to consolidated financial statements for the year ended March 31, 2016

per Accounting Standard 27 on 'Financial reporting of interest in Joint Ventures' (AS 27)

(iv) The financial statements of the subsidiaries, Joint Ventures and the associates used in the consolidation are drawn up to the same reporting date as that of the Company, i.e. March 31, 2016.

(v) The difference between the cost of the investment in the subsidiary and Joint Venture and company share of net assets at the time of acquisition of shares in the subsidiary and Joint Venture is recognised in the financial statement as goodwill or capital reserve as the case may be.

The list of subsidiary company, joint venture entities and associates which are included in the consolidation and the companies holding therein as under.

| Name of Company   | Proportion of Ownership interest |               |
|---|----------------------------------|---------------|
|   | Current Year                     | Previous Year |
| <b>Subsidiary</b>   |                                  |               |
| DHFL Advisory & Investments Pvt Ltd (incorporated on February 12, 2016) | 100.00%                          | 0.00%         |
| <b>Joint Ventures</b>   |                                  |               |
| DHFL Pramerica Life Insurance Co Ltd                                    | 50.00%                           | 50.00%        |
| DHFL Pramerica Asset Managers Pvt Ltd (w.e.f. August 11, 2015)#         | 50.00%                           | 0.00%         |
| DHFL Pramerica Trustees Pvt Ltd (w.e.f. August 11, 2015)#               | 50.00%                           | 0.00%         |
| <b>Associates</b>   |                                  |               |
| DHFL Vysya Housing Finance Ltd.*  | 9.47%                            | 9.47%         |
| DHFL Venture Trustee Company Private Ltd.                               | 45.00%                           | 45.00%        |
| Aadhar Housing Finance Ltd.*  | 14.90%                           | 14.90%        |
| Avanse Financial Services Ltd.  | 36.78%                           | 48.39%        |

\* Associates of DHFL on the basis of significant influence in decision making

# Consolidated w.e.f. the date of acquisition, as stake was acquired in current year.

## 3. SHARE CAPITAL

| Particulars   | (₹ in lakh)          |                      |
|---|----------------------|----------------------|
|   | As at March 31, 2016 | As at March 31, 2015 |
| <b>Authorised</b>   |                      |                      |
| 74,80,00,000 (74,80,00,000) equity shares of ₹10/- each                               | 74,800               | 74,800               |
| 7,50,00,000 (7,50,00,000) Redeemable, non convertible preference shares of ₹10/- each | 7,500                | 7,500                |
| 5,00,000 (5,00,000) Redeemable, non convertible preference shares of ₹100/- each      | 500                  | 500                  |
|   | <b>82,800</b>        | <b>82,800</b>        |
| <b>Issued, Subscribed and Paid up</b>   |                      |                      |
| 29,17,97,988 (14,56,76,742) equity shares of ₹10/- each fully paid                    | 29,180               | 14,568               |
|   | <b>29,180</b>        | <b>14,568</b>        |

3.1 The Company has, at present, one class of issued, subscribed and paid up share referred to as equity shares having a par value of ₹ 10/- each. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The holders of equity shares are entitled to dividends, if any, proposed by the Board of Directors and approved by Shareholders at the Annual General Meeting

# Notes

to consolidated financial statements for the year ended March 31, 2016

**3.2** The reconciliation of the number of shares outstanding and the amount of share capital as at the beginning and at the end of the reporting period:

| Particulars                                    | As at March 31, 2016 |                    | As at March 31, 2015 |                    |
|--|----------------------|--------------------|----------------------|--------------------|
|  | No. of shares        | Amount (₹ in lakh) | No. of shares        | Amount (₹ in lakh) |
| Equity shares at the beginning                 | 14,56,76,742         | 14,568             | 12,84,20,240         | 12,842             |
| Add: Shares issued during the year             | -                    | -                  | 1,69,31,102          | 1,693              |
| Add: Bonus Shares issued during the year (1:1) | 14,58,56,530         | 14,586             | -                    | -                  |
| Add: Shares issued under ESOS                  | 2,64,716             | 26                 | 3,25,400             | 33                 |
| <b>Equity shares at the end</b>                | <b>29,17,97,988</b>  | <b>29,180</b>      | <b>14,56,76,742</b>  | <b>14,568</b>      |

**3.3** Details of shareholders holding more than five percent equity shares in the Company are as under:

| Particulars                                  | As at March 31, 2016 |              | As at March 31, 2015 |              |
|--|----------------------|--------------|----------------------|--------------|
|  | No. of shares        | % of holding | No. of shares        | % of holding |
| M/s. Wadhawan Global Capital Private Limited | 9,58,19,644          | 32.84        | 4,79,09,822          | 32.89        |

**3.4** During the year, Pursuant to the Shareholders' approvals under Section 63 and other applicable provisions of the Companies Act, 2013, the Company has issued Bonus Shares in the ratio of 1:1 (i.e. one bonus equity share of ₹ 10/- each for every one fully paid up Equity Share of ₹ 10/- each), to the shareholders on record date of September 10, 2015, by capitalizing existing reserve by a sum of ₹ 14,586 lakh.

**3.5** Company has allotted 14,58,56,530 no. of Equity Shares as fully paid up for consideration other than cash towards Bonus issue during the financial year 2015 - 16 (refer note no. 3.4). During the financial year 2012 - 13 as per the Scheme of Amalgamation, the Company has allotted 1,08,86,375 no of Equity Shares as fully paid up for consideration other than cash.

**3.6** The allotment committee of the Board of Directors of the Company at its meeting held on March 11, 2016 based on the approval of the members of the Company and Board Of Directors has approved the issue and allotment of 2,12,30,070 number of warrants at the issue price of ₹ 235.52 per warrant. Each warrant is convertible into equivalent number of equity shares of ₹ 10/- each at premium of ₹ 225.52 per share, which shall be allotted within 18 months from the date of allotment of the said convertible warrants, in one or more tranches. (refer Note 5.1)

**3.7 Employee Stock Option Plans:**

- Employee Stock Option Scheme 2008 (ESOS-2008) was implemented by the Company. 14,22,590 equity share options were granted under 'ESOS-2008' in 2008-09 to the employees as approved by the remuneration and compensation committee of directors of the Company at ₹ 53.65 per share, the reconsidered price approved in the EOGM dated March 31, 2009.

During the year, the Company has allotted, from time to time, 18,048 number of equity shares of ₹ 10/- each to various eligible employees under 'ESOS 2008' at the price of ₹ 26.83 (adjusted for bonus issue) per equity share (including a premium of ₹ 16.83 per equity share) for the aggregate face value of ₹ 2 lakh as approved in the AGM dated July 23, 2007 and allotted at the reconsidered price approved in the EOGM dated March 31, 2009,

- Employee Stock Option Scheme 2009 (ESOS-2009) was implemented by the Company. 12,75,000 equity share options were granted under 'ESOS-2009, Plan II' in 2009-10 and additional 12,34,670 equity share options were approved to be granted under 'ESOS-2009, Plan III' in 2010-11 to the employees by the remuneration and compensation committee of directors of the Company at ₹ 141/- per share, the price approved in the remuneration and compensation committee meeting held on November 25, 2009.

# Notes

to consolidated financial statements for the year ended March 31, 2016

During the year, the Company has allotted, from time to time,

- i). 61,678 number of equity shares of ₹ 10/- each to various eligible employees under 'ESOS 2009, Plan II' prior to the issue of Bonus at the price of ₹ 141/- per equity share (including a premium of ₹ 131/- per equity share) for the aggregate face value of ₹ 6 lakh and 12,880 number of equity shares of ₹ 10/- each after the issue of Bonus at the price of ₹ 70.50 per equity share (including a premium of ₹ 60.50 per equity share) for the aggregate face value of ₹ 1 lakh.
- ii). 118,110 number of equity shares of ₹ 10/- each to various eligible employees under 'ESOS 2009, Plan III' prior to the issue of Bonus at the price of ₹ 141/- per equity share (including a premium of ₹ 131/- per equity share) for the aggregate face value of ₹ 12 lakh and 54,000 number of equity shares of ₹ 10/- each after the issue of Bonus at the price of ₹ 70.50 per equity share (including a premium of ₹ 60.50 per equity share) for the aggregate face value of ₹ 5 lakh.
- c. The Company has approved the grant of 15,50,100 (Fifteen Lakh, Fifty Thousand And One Hundred ) Employee Stock Appreciation Rights (SARs) to the eligible employees of the Company, in terms of Dewan Housing Finance Corporation Limited-Employee Stock Appreciation Rights Plan 2015 ("DHFL ESAR 2015"). The said SARs shall vest over a period of five years and to be exercised within three years from the date of vesting of SARs and carry the right to apply for number of equity shares of the Company of face value of ₹ 10/- each, equivalent to Appreciation in those rights, over the grant price i.e. SAR price of ₹ 380/- per SAR (₹ 190/- per SAR Post Bonus issue), the price approved in the Nomination and Remuneration Committee meeting held on March 21 , 2015.
- d. Movement in options under (ESOS-2008), (ESOS-2009) and (ESAR 2015).

| Particulars   | ESOS-2008 | ESOS-2009 | ESOS-2009 | ESAR 2015 |
|---|-----------|-----------|-----------|-----------|
|   |           | Plan II   | Plan III  |           |
| Options granted under the schemes   | 14,22,590 | 12,75,000 | 12,34,670 | 15,50,100 |
| Options exercised upto March 31, 2015                                       | 11,21,696 | 10,73,395 | -         | -         |
| Options exercised upto Pre-Bonus issue                                      | -         | 61,678    | 1,18,110  | -         |
| Options lapsed upto Pre-Bonus issue upto March 31, 2015                     | 2,56,310  | 90,305    | 10,89,560 | -         |
| Options lapsed upto Pre-Bonus issue during the year                         | 17,380    | 9,495     | -         | 94,900    |
| Total number of Options in force (exercisable options) before bonus effects | 27,204    | 40,127    | 27,000    | 14,55,200 |
| Additional Options by way of bonus  | 27,204    | 40,127    | 27,000    | 14,55,200 |
| Total number of Options in force with bonus effect ( Ratio of 1:1)          | 54,408    | 80,254    | 54,000    | 29,10,400 |
| Options exercised from Post-Bonus issue                                     | 18,048    | 12,880    | 54,000    | -         |
| Options lapsed from Post-Bonus issue during the year                        | 800       | 67,374    | -         | 88,400    |
| Re-issued under the scheme (*)  | -         | -         | 2,00,000  | -         |
| Options Outstanding/Exercisable options at the end                          | 35,560    | -         | 2,00,000  | 28,22,000 |
| Options granted under the schemes including for Bonus                       | 14,49,794 | 13,15,127 | 12,61,670 | 30,05,300 |
| Options exercised upto March 31, 2016                                       | 11,39,744 | 11,47,953 | 1,72,110  | -         |
| Options lapsed upto March 31, 2016  | 2,74,490  | 1,67,174  | 10,89,560 | 1,83,300  |
| Re-issued under the scheme (*)  | -         | -         | 2,00,000  | -         |
| Options Outstanding/Exercisable options at the end                          | 35,560    | -         | 2,00,000  | 28,22,000 |
| The Weighted Average exercise price & Option price (in ₹) :                 |           |           |           |           |
| Pre Bonus   | 53.65     | 141.00    | 141.00    | 380.00    |
| Post Bonus  | 26.83     | 70.50     | 70.50     | 190.00    |

\* On January 20, 2016, grant of 2,00,000 stock options were reinstated for the eligible employees of the Company, as approved in the Nomination and Remuneration Committee.



# Notes

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The Weighted average share price during the period over which the option were exercise was ₹ 448.80 (Pre Bonus) and ₹ 204.52 (Post Bonus) and weighted average remaining contractual life is 6.6 years.

e. **Fair Value Methodology:**

The Company has followed intrinsic value based method of accounting for Stock options granted based on Guidance Note issued by the Institute of Chartered Accountant of India. Had the compensation cost for the stock options granted under ESOS-2008, ESOS-2009 II, ESOS-2009 III and ESAR -2015 been determined based on the fair value approach, the Company's net profit and earnings per share would have been as per the pro-forma amounts indicated below:

(₹ in lakh)

| Particulars   | March 31, 2016 | March 31, 2015 |
|---|----------------|----------------|
| Net Profit (as reported)  | 74,930         | 64,246         |
| Less: Stock-based compensation expenses determined under fair value based method, net of tax: [Gross ₹ 20 lakh (₹ 56 lakh)] (pro-forma) | (13)           | 37             |
| Net Profit considered for computing EPS (pro-forma)   | 74,943         | 64,210         |

(in ₹)

| Particulars                              | March 31, 2016 | March 31, 2015 |
|--|----------------|----------------|
| Basic Earnings per Share (as reported)   | 25.69          | 24.72          |
| Basic Earnings per Share (Pro-forma)     | 25.69          | 24.71          |
| Diluted Earnings per Share (as reported) | 23.73          | 24.40          |
| Diluted Earnings per Share (Pro-forma)   | 23.74          | 24.38          |

## 4. RESERVES & SURPLUS

(₹ in lakh)

| Particulars  | As at March 31, 2016 |         | As at March 31, 2015 |         |
|--|----------------------|---------|----------------------|---------|
| <b>Capital Reserve</b>   |                      |         |                      |         |
| Balance as per last Balance Sheet  | 12,320               |         | 16,775               |         |
| Less: Utilised during the year (refer Note 30)   | 4,759                | 7,561   | 4,455                | 12,320  |
| <b>Capital Redemption Reserve</b>  |                      |         |                      |         |
| Balance as per last Balance Sheet  | 775                  |         | 775                  |         |
| Less: Utilised during the year towards Bonus issue (refer Note 3.4)                          | 775                  | -       | -                    | 775     |
| <b>Securities Premium</b>  |                      |         |                      |         |
| Balance as per last Balance Sheet  | 207,235              |         | 146,606              |         |
| Add : Addition during the year   | 501                  |         | 79,772               |         |
| Less : Utilised during the year towards Bonus issue (refer Note 3.4)                         | 13,811               |         |                      |         |
| Less : Utilised during the year [net of tax of ₹ 5,606 lakh (₹ 7,934 lakh)] (refer Note 4.2) | 10,594               | 183,331 | 19,143               | 207,235 |
| <b>Employees Share Options Outstanding</b>   |                      |         |                      |         |
| Balance as per last Balance Sheet  | 1,718                |         | 1,628                |         |
| Add : Addition during the year   | 20                   |         | 211                  |         |
| Less: Transferred to Securities Premium A/c  | 222                  | 1,516   | 121                  | 1,718   |

# Notes

to consolidated financial statements for the year ended March 31, 2016

(₹ in lakh)

| Particulars  | As at March 31, 2016 |                 | As at March 31, 2015 |                 |
|--|----------------------|-----------------|----------------------|-----------------|
| <b>General Reserve</b>   |                      |                 |                      |                 |
| Balance as per last Balance Sheet  | 89,007               |                 | 73,363               |                 |
| Add : Transferred from Statement of Profit & Loss  | 20,000               |                 | 20,000               |                 |
|  | <b>1,09,007</b>      |                 | <b>93,363</b>        |                 |
| Less: Utilisation on Depreciation [(Net of Tax ₹ Nil (₹ 99 lakh))]   | -                    |                 | 194                  |                 |
| Less : Utilisation on Deferred Tax Liability on Special Reserve (refer Note 4.4)   | 4,162                | 1,04,845        | 4,162                | 89,007          |
|  |                      |                 |                      |                 |
| <b>Statutory Reserve (Special Reserve)</b>   |                      |                 |                      |                 |
| [In terms of Section 36(1)(viii) of the Income Tax Act, 1961 read with Section 29C of the National Housing Bank Act, 1987] |                      |                 |                      |                 |
| (Refer note 4.3 below)   |                      |                 |                      |                 |
| Balance as per last Balance Sheet  | 80,399               |                 | 64,399               |                 |
| Add: Transferred from Statement of Profit & Loss   | 18,000               | 98,399          | 16,000               | 80,399          |
|  |                      |                 |                      |                 |
| <b>Capital Reserve on Consolidation</b>  |                      | 28,851          |                      | 28,147          |
|  |                      |                 |                      |                 |
| <b>Surplus in Statement of Profit and Loss:</b>  |                      |                 |                      |                 |
| As per last Balance Sheet  | 63,974               |                 | 45,409               |                 |
| Add : Profit for the year  | 74,930               |                 | 64,246               |                 |
|  | <b>1,38,904</b>      |                 | <b>1,09,655</b>      |                 |
| Less : Appropriations :  |                      |                 |                      |                 |
| General Reserve  | 20,000               |                 | 20,000               |                 |
| Statutory Reserve  | 18,000               |                 | 16,000               |                 |
| Interim Equity Dividend  | 17,507               |                 | 5,146                |                 |
| Proposed Equity Dividend   | 5,836                |                 | 2,914                |                 |
| Dividend for earlier year  | 2                    |                 | 9                    |                 |
| Dividend Distribution Tax  | 4,763                |                 | 1,612                |                 |
|  | 66,108               |                 | 45,681               |                 |
| Surplus closing balance  |                      | 72,796          |                      | 63,974          |
| <b>Total Reserves &amp; Surplus</b>  |                      | <b>4,97,299</b> |                      | <b>4,83,575</b> |

- 4.1 During the year, the company has paid interim dividend on equity shares In two quarters, totalling to ₹ 6/- (₹ 4/-) per share. The Board of Directors, has recommended final dividend to be paid out of current year profits @ ₹ 2/- (₹ 2/-) per equity share to the equity shareholders. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- 4.2 In accordance with Section 52 of the Companies Act, 2013, during the year the company has utilized Securities Premium Account towards premium on redemption of Zero Coupon Secured Redeemable Non-Convertible Debentures amounting to ₹ 10,594 lakh (₹ 19,143 lakh) net of tax of ₹ 5,606 lakh (₹ 7,934 lakh).

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## 4.3 Statement for Disclosure on Statutory / Special Reserves, as prescribed by NHB vide its circular no NHB(ND)/DRS/ Pol. Circular.61/2013-14, dated: April 7, 2014

(₹ in lakh)

| Particulars   | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|---|-------------------------|-------------------------|
| <b>Balance at the beginning of the year</b>   |                         |                         |
| a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987   | 17,424                  | 15,424                  |
| 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 | 62,975                  | 48,975                  |
| <b>c) Total</b>   | <b>80,399</b>           | <b>64,399</b>           |
| <b>Addition during the year</b>   |                         |                         |
| Add: a) Amount transferred u/s 29C of the National Housing Bank Act, 1987   | 500                     | 2,000                   |
| 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  | 17,500                  | 14,000                  |
| <b>c) Total</b>   | <b>18,000</b>           | <b>16,000</b>           |
| <b>Balance at the end of the year</b>   |                         |                         |
| a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987   | 17,924                  | 17,424                  |
| 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 | 80,475                  | 62,975                  |
| <b>c) Total</b>   | <b>98,399</b>           | <b>80,399</b>           |

4.4 National Housing Bank vide circular No.NHB(ND)/DRS/Policy Circular 65/2014-15 dated August 22, 2014 has clarified that deferred tax liability (contingent upon Company's withdrawal of Sec 36(1)(Viii) Reserves leading to tax liability) in respect of opening balance under special reserve as at April 01, 2014 may be adjusted from free opening reserves of the Company over a period of 3 years in the ratio of 25:25:50 respectively. Accordingly, the Company has proportionately adjusted its opening reserves as at April 01, 2014 with an amount of ₹ 4,162 lakh (₹ 4,162 lakh) as contingent deferred tax liability and unamortised amount against the same is ₹ 8,323 lakh. Deferred Tax Liability on current year Special Reserve has been appropriated to Statement of Profit & Loss amounting to ₹ 6,297 lakh.

## 5. MONEY RECEIVED AGAINST SHARE WARRANTS

(₹ in lakh)

| Particulars  | As at March 31, 2016 | As at March 31, 2015 |
|--|----------------------|----------------------|
| Money Received Against Share Warrants              | 12,500               | -                    |
| <b>Total Money Received Against Share Warrants</b> | <b>12,500</b>        | <b>-</b>             |

5.1 Pursuant to the consent of Board of Directors of the Company on January 20, 2016, the special resolution passed by the members of the Company on February 26, 2016 and other necessary approvals as required, the allotment committee of the Board of Directors of the Company at its meeting held on March 11, 2016 approved the issue and allotment of 2,12,30,070 number of warrants, at the issue price of ₹ 235.52 per warrant, upon receipt of 25% of total consideration of ₹ 50,000.00 lakh, to M/s Wadhawan Global Capital Pvt. Ltd., promoter entity of the Company. Each warrant is convertible into equivalent number of equity shares of ₹ 10/- each at premium of ₹ 225.52 per share, which shall be allotted within 18 months from the date of allotment of the said convertible warrants, in one or more tranches. Accordingly the Company has received ₹ 12,500 lakh as stated above.

As the Company has allotted warrants, there is no change in the paid-up equity share capital of the Company.

# Notes

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## 6. LONG TERM BORROWINGS

(₹ in lakh)

| Particulars   | Non Current Portion     |                         | Current Portion         |                         |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
|   | As at<br>March 31, 2016 | As at<br>March 31, 2016 | As at<br>March 31, 2015 | As at<br>March 31, 2015 |
| <b>Secured</b>  |                         |                         |                         |                         |
| Non-Convertible Debentures  | 11,99,795               | 719,284                 | 2,14,701                | 1,62,452                |
| Term Loan from Banks  | 25,68,075               | 24,03,075               | 4,71,460                | 4,37,065                |
| Loan from Others  |                         |                         |                         |                         |
| From National Housing Bank  | 1,19,324                | 1,09,733                | 28,765                  | 34,380                  |
| From Financial Institutions   | 2,15,961                | 1,51,384                | 7,605                   | -                       |
| <b>Total Secured long term borrowings</b>   | <b>41,03,155</b>        | <b>33,83,476</b>        | <b>7,22,531</b>         | <b>6,33,897</b>         |
| <b>Unsecured</b>  |                         |                         |                         |                         |
| Non-Convertible Debentures (perpetual)  | 18,570                  | 18,570                  | -                       | -                       |
| Non-Convertible Debentures (Subordinated issue)   | 1,19,150                | 1,19,150                | -                       | -                       |
| Deposits  |                         |                         |                         |                         |
| Fixed Deposit (including Cumulative Deposits)   | 2,69,968                | 1,61,821                | 2,22,817                | 2,01,020                |
| Other Deposits  | 1,104                   | 848                     | 668                     | 600                     |
| Term Loan from Banks  | -                       | 3,333                   | 3,333                   | 1,667                   |
| <b>Total Unsecured long term borrowings</b>   | <b>4,08,792</b>         | <b>3,03,722</b>         | <b>2,26,818</b>         | <b>2,03,287</b>         |
| <b>Total Long Term Borrowings</b>   | <b>45,11,947</b>        | <b>36,87,198</b>        | <b>9,49,349</b>         | <b>8,37,184</b>         |
| Current Portion of above liability is disclosed under the head "other current liabilities". (Refer Note 12) | -                       | -                       | (9,49,349)              | (8,37,184)              |
| <b>Net Amount</b>   | <b>45,11,947</b>        | <b>36,87,198</b>        | <b>-</b>                | <b>-</b>                |

**6.1** Non Convertible Debentures (NCD) (current and non current portion) amounting to ₹ 14,14,496 lakh (₹ 8,81,736 lakh) are secured by way of first charge read with Note 6.2 herein below and are redeemable at par, in one or more instalments, on various periods, as below.

Secured NCDs also include amount outstanding for Zero Coupon Secured Redeemable Non-Convertible Debentures (ZCD) aggregating to ₹ 3,35,884 lakh (₹ 3,11,897 lakh), which are redeemable at premium on maturity. The accumulated premium payable on outstanding ZCD accrued till March 31, 2016 amounting to ₹ 57,754 lakh (₹ 25,677 lakh) is included above and a part of which has been provided out of the Securities Premium Account (refer Note 4.2).

# Notes

to consolidated financial statements for the year ended March 31, 2016

## TERMS OF REPAYMENT OF TERM LOANS AND REDEMPTION OF BONDS & DEBENTURES

(₹ in lakh)

| Particulars (%)                           | 1-3 Years         | 3-5 Years         | >5 Years          | Grand Total       |
|---|-------------------|-------------------|-------------------|-------------------|
| <b>Secured</b>                            |                   |                   |                   |                   |
| Bank                                      |                   |                   |                   |                   |
| Linked with Base Rate of respective banks | 9,26,343          | 7,93,013          | 8,48,719          | 25,68,075         |
|   | (9,05,013)        | (6,71,685)        | (8,31,396)        | (24,08,094)       |
| Loan from Foreign Financial Institutions  |                   |                   |                   |                   |
| 7.72 -11.00                               | 51,729            | 1,32,625          | 31,607            | 2,15,961          |
|   | (29,112)          | (60,443)          | (61,829)          | (1,51,384)        |
| Loan from National Housing Bank           |                   |                   |                   |                   |
| 7.00 - 9.00                               | 47,958            | 22,874            | 32,794            | 1,03,625          |
|   | (50,365)          | (25,171)          | (10,422)          | (85,958)          |
| 9.00 - 11.00                              | 5,628             | 5,574             | 4,496             | 15,699            |
|   | (8,107)           | (6,952)           | (8,717)           | (23,776)          |
| <b>N H B Total</b>                        | <b>53,586</b>     | <b>28,447</b>     | <b>37,290</b>     | <b>1,19,324</b>   |
|   | <b>(58,472)</b>   | <b>(32,123)</b>   | <b>(19,138)</b>   | <b>(1,09,734)</b> |
| Non-Convertible Debenture                 |                   |                   |                   |                   |
| 5.00 - 7.00                               | -                 | -                 | 25,000            | 25,000            |
|   | (27,572)          | -                 | (28,406)          | (55,979)          |
| 8.48 - 11.50                              | 3,62,529          | 4,53,227          | 3,59,040          | 11,74,796         |
|   | (2,06,554)        | (2,43,422)        | (2,13,330)        | (6,63,306)        |
| <b>NCD Total</b>                          | <b>3,62,529</b>   | <b>4,53,227</b>   | <b>3,84,040</b>   | <b>11,99,796</b>  |
|   | <b>(2,34,126)</b> | <b>(2,43,422)</b> | <b>(2,41,736)</b> | <b>(7,19,284)</b> |
| <b>Un-Secured</b>                         |                   |                   |                   |                   |
| Term Loans from Bank                      |                   |                   |                   |                   |
| 10.00                                     | -                 | -                 | -                 | -                 |
|   | (3,333)           | -                 | -                 | -                 |
| Perpetual Debt                            |                   |                   |                   |                   |
| 12.00 -12.75                              | -                 | -                 | 18,570            | 18,570            |
|   | -                 | -                 | (18,570)          | (18,570)          |
| Sub - Debt                                |                   |                   |                   |                   |
| 9.00 - 11.50                              | 37,250            | 44,600            | 37,300            | 1,19,150          |
|   | (25,970)          | (18,380)          | (74,800)          | (1,19,150)        |

**6.2** All Secured loans (Current and Non Current portion) from the National Housing Bank, Other Banks, Foreign Financial Institution, Financial Institutions and Secured Non Convertible Debentures / ZCD are secured by way of first charge to and in favor of participating banks, Institutions, National Housing Bank and Debenture Trustees jointly ranking pari passu (read with Note 10.1), inter-se, on the Company's whole of the present and future book debts, housing loan Installments/receivables, investments including all the receivables of the Company and other movable assets, wherever situated, excluding SLR assets, read with Note 6.3 & 6.4 hereinafter. They are further secured on pari passu basis by constructive delivery of various title deeds of certain immovable properties of the Company to Union Bank of India, acting for itself and as an agent of other participating lenders and Debenture trustees, and are also guaranteed by the promoter directors of the Company.

# Notes

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**6.3** During the year Company has availed ECB of USD 110 millions from following parties for a period of 5 years. The principal amount has been hedged by way of currency swaps to protect the foreign currency risk and converted into rupee liability of ₹ 72,182 lakh in compliance of statutory requirement.

| Name of the Party                 | USD (in millions) | Loan Amount (₹ in lakh) |
|-----------------------------------|-------------------|-------------------------|
| State Bank Of India, South Africa | 55                | 36,091                  |
| The Korea Development Bank, Korea | 15                | 9,843                   |
| Taiwan Cooperative Bank, Taiwan   | 10                | 6,562                   |
| Bank Of Baroda, Bahrain           | 10                | 6,562                   |
| Barclays Bank Plc, London         | 10                | 6,562                   |
| CTBC Bank Co., Ltd, Singapore     | 5                 | 3,281                   |
| KDB Ireland Limited, Ireland      | 5                 | 3,281                   |
| <b>Total</b>                      | <b>110</b>        | <b>72,182</b>           |

In the previous years, Company had availed ECB of USD 125 millions from Asian Development Bank (ADB), USD 50 millions from Deutsche Investitions U. E. aggregating to USD 175 millions and USD 70 millions from IFC Washington for a period of 7, 8 and 8 years respectively. The principal amount has been hedged by way of currency swaps to protect the foreign currency risk and converted into rupee liability aggregating to ₹ 1,51,384 lakh, in compliance of statutory requirement.

As a part of Assets Liability management on account of the Companies adjustable rate home loan products as well as to reduce the overall cost of borrowing, during the year, the Company has entered into Interest Rate swaps wherein it has converted its variable rate rupee liability of notional amount of USD 175 millions into fixed rate rupee liability.

As on March 31, 2016 the Company has foreign currency borrowing of USD 355 millions (USD 245 millions) equivalent to ₹ 2,23,566 lakh (₹ 1,51,384 lakh).

**6.4** The National Housing Bank directives require all HFC's accepting public deposits to create a floating charge on the statutory liquid assets maintained in favor 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.

**6.5** Unsecured Redeemable Non Convertible Subordinated Debentures aggregating to ₹ 1,19,150 lakh (₹ 1,19,150 lakh), outstanding as at March 31, 2016, are subordinated to present and future senior indebtedness of the company. It qualifies as Tier II capital in accordance with National Housing Bank (NHB) guidelines for assessing capital adequacy based on balance term to maturity. These debentures are redeemable at par on maturity on various periods read with note no. 6.1

**6.6** 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.

**6.7** Department of Company Affairs with reference to the General Circular no. 4/2003 dated 16.01.2003, has clarified that, Housing Finance Companies registered with National Housing Bank are exempted from the requirement of creating Debenture Redemption Reserve (DRR) in case of privately placed debentures. Since the Debenture issues of the Company till date are through private placement, as such no DRR has been created.



# Notes

to consolidated financial statements for the year ended March 31, 2016

## 7. DEFERRED TAX LIABILITY / (ASSET)

(₹ in lakh)

| Particulars  | March 31, 2016  | March 31, 2015 |              |
|--|-----------------|----------------|--------------|
| <b>A. Deferred Tax Liability / (Asset)</b>                         |                 |                |              |
| <b>Deferred Tax Asset</b>  |                 |                |              |
| On account of provision for contingency & Employee Benefits        | (23,458)        | (13,805)       |              |
| <b>Deferred Tax Liability</b>                                      |                 |                |              |
| On difference between book balance and tax balance of Other Assets | 10,186          | 8,045          |              |
| <b>(A)</b>   | <b>(13,272)</b> | <b>(5,760)</b> |              |
|  |                 |                |              |
| <b>B. Deferred Tax Liability on Special IT Reserve</b>             | 19,346          | 8,888          |              |
| <b>(B)</b>   | <b>19,346</b>   | <b>8,888</b>   |              |
|  |                 |                |              |
| <b>Net Deferred Tax Liability / (Asset)</b>                        | <b>(A+B)</b>    | <b>6,074</b>   | <b>3,128</b> |

## 8. OTHER LONG TERM LIABILITIES

(₹ in lakh)

|  | 31.03.2016 | 31.03.2015 |
|--|------------|------------|
| Advance from customers                   | -          | 320        |
| Others                                   | 61         | 127        |
| <b>Total Other Long Term Liabilities</b> | <b>61</b>  | <b>447</b> |

## 9. PROVISIONS

(₹ in lakh)

| Particulars  | Long Term Provision |                | Short Term Provision |                |
|--|---------------------|----------------|----------------------|----------------|
|  | March 31, 2016      | March 31, 2015 | March 31, 2016       | March 31, 2015 |
| <b>Against Standard Assets:</b>  |                     |                |                      |                |
| As per last Balance sheet  | 27,822              | 21,570         |                      |                |
| Add : Provision during the year  | 6,908               | 6,545          |                      |                |
| <b>Provision on standard loan portfolio (A)</b>                        | <b>34,730</b>       | <b>28,115</b>  | -                    | -              |
| <b>Against NPA:</b>  |                     |                |                      |                |
| As per last Balance sheet  | 13,910              | 10,765         |                      |                |
| Add : Provision during the year  | 9,441               | 3,765          |                      |                |
| Less : Utilised During the year  | 2,146               | 620            |                      |                |
| <b>Provision on NPA loan portfolio (B)</b>                             | <b>21,205</b>       | <b>13,910</b>  | -                    | -              |
| <b>Against Investment:</b>   |                     |                |                      |                |
| As per last Balance sheet  | -                   | -              |                      |                |
| Add : Provision during the year  | 66                  | -              |                      |                |
|  | 66                  | -              |                      |                |
| Less : Transfer to Provision for diminution in the value of investment | (66)                | -              |                      |                |
| <b>(C)</b>   | <b>-</b>            | <b>-</b>       |                      |                |

# Notes

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| Particulars  | (₹ in lakh)         |                |                      |                |
|--|---------------------|----------------|----------------------|----------------|
|  | Long Term Provision |                | Short Term Provision |                |
|  | March 31, 2016      | March 31, 2015 | March 31, 2016       | March 31, 2015 |
| <b>Against ICDs:</b>                                 |                     |                |                      |                |
| As per last Balance sheet                            | 964                 | -              |                      |                |
| Provision during the year                            | 483                 | -              |                      |                |
| <b>Provision on ICDs (D)</b>                         | <b>1,447</b>        | <b>-</b>       | <b>-</b>             | <b>-</b>       |
| <b>Against Other Assets:</b>                         |                     |                |                      |                |
| As per last Balance sheet                            | 319                 | 800            |                      |                |
| Provision during the year                            | 601                 | 190            |                      |                |
| <b>Provision on Other Assets (E)</b>                 | <b>920</b>          | <b>990</b>     | <b>-</b>             | <b>-</b>       |
| <b>Total Provision for Contingencies (A+B+C+D+E)</b> | <b>58,302</b>       | <b>43,015</b>  | <b>-</b>             | <b>-</b>       |
| Provision for employee benefits                      | 170                 |                | 297                  | 341            |
| Provision for Proposed Dividend                      | -                   | -              | 5,836                | 2,914          |
| Provision for Dividend Distribution Tax              | -                   | -              | 1,188                | 583            |
| Other Provisions                                     | 17                  | -              | -                    | -              |
| <b>Total Provisions</b>                              | <b>58,489</b>       | <b>43,015</b>  | <b>7,321</b>         | <b>3,838</b>   |

9.1 The Company has written off ₹ 2,146 lakh (₹ 620 lakh) as bad debts and by way of one time settlement to recover some of its old NPA and Loss Accounts. The Company has withdrawn ₹ 2,146 lakh (₹ 620 lakh) from contingency provisions created out of profits of earlier years.

## 9.2 Details of Housing and Property Loans and Contingency Provisions

Housing and property loans and provision in respect thereof on account of standard, sub standard, doubtful and loss assets are recorded in accordance with the guidelines on prudential norms as specified by National Housing Bank in respect of Housing and Non Housing Loans are as follows:

| Particulars                | (₹ in lakh)          |               |                      |               |
|----------------------------|----------------------|---------------|----------------------|---------------|
|                            | As at March 31, 2016 |               | As at March 31, 2015 |               |
|                            | Portfolio            | Provisions    | Portfolio            | Provisions    |
| <b>Standard Assets</b>     |                      |               |                      |               |
| Housing Loans              | 48,75,732            | 21,549        | 39,06,500            | 16,628        |
| Other Property Loans       | 12,44,463            | 12,464        | 11,48,960            | 11,069        |
| <b>(A)</b>                 | <b>61,20,195</b>     | <b>34,013</b> | <b>50,55,460</b>     | <b>27,697</b> |
| <b>Sub Standard Assets</b> |                      |               |                      |               |
| Housing Loans              | 8,665                | 1,300         | 14,558               | 2,185         |
| Other Property Loans       | 4,230                | 634           | 7,255                | 1,088         |
| <b>(B)</b>                 | <b>12,895</b>        | <b>1,934</b>  | <b>21,813</b>        | <b>3,273</b>  |
| <b>Doubtful Assets</b>     |                      |               |                      |               |
| Housing Loans              | 27,454               | 13,126        | 16,521               | 7,741         |
| Other Property Loans       | 16,958               | 6,145         | 10,171               | 2,896         |
| <b>(C)</b>                 | <b>44,412</b>        | <b>19,271</b> | <b>26,692</b>        | <b>10,637</b> |
| Additional Provision       |                      | 717           |                      | 125           |
| Provisions on ICDs         |                      | 1,447         |                      | 964           |
| Provisions on Other Assets |                      | 920           |                      | 319           |
| <b>Total (A+B+C)</b>       | <b>61,77,502</b>     | <b>58,302</b> | <b>51,03,965</b>     | <b>43,015</b> |

# Notes

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(₹ in lakh)

| Particulars                             | As at March 31, 2016 |               | As at March 31, 2015 |               |
|---|----------------------|---------------|----------------------|---------------|
|   | Portfolio            | Provisions    | Portfolio            | Provisions    |
| <b>Summary:</b>                         |                      |               |                      |               |
| Housing Loans                           | 49,11,851            | 35,975        | 39,37,579            | 26,554        |
| Other Property Loans                    | 12,65,651            | 19,243        | 11,66,386            | 15,053        |
| Additional provision on Standard Assets |                      | 717           |                      | 125           |
| Provisions on ICDs                      |                      | 1,447         |                      | 964           |
| Provisions on Other Assets              |                      | 920           |                      | 319           |
| <b>Total</b>                            | <b>61,77,502</b>     | <b>58,302</b> | <b>51,03,965</b>     | <b>43,015</b> |

## 9.3 Provision for Contingencies

The Company has made full provisions for Contingencies for diminution in investment value and on standard as well as on non-performing housing loans and other property loans as per the Prudential Norms prescribed by the National Housing Bank. The Company has maintained additional provision amounting to ₹ 717 lakh (₹ 125 lakh).

## 10. SHORT TERM BORROWINGS

(₹ in lakh)

| Particulars                            |              | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|--|--------------|-------------------------|-------------------------|
|  |              |                         |                         |
| <b>Secured</b>                         |              |                         |                         |
| Loans repayable on demand              |              |                         |                         |
| From Banks                             |              | 1,74,460                | 7,651                   |
| <b>Secured short term borrowings</b>   | <b>(A)</b>   | <b>1,74,460</b>         | <b>7,651</b>            |
| <b>Unsecured</b>                       |              |                         |                         |
| Deposits                               |              |                         |                         |
| Fixed Deposits (Refer Note 6.6)        |              | 3,691                   | 3,988                   |
| Other Deposits (Refer Note 6.6)        |              | 609                     | 555                     |
| Other short term loans and advances    |              |                         |                         |
| Commercial Papers                      |              | 4,64,900                | 3,51,500                |
| <b>Unsecured short term borrowings</b> | <b>(B)</b>   | <b>4,69,200</b>         | <b>3,56,043</b>         |
| <b>Total Short Term Borrowings</b>     | <b>(A+B)</b> | <b>6,43,660</b>         | <b>3,63,694</b>         |

**10.1** Loans repayable on demand and other short term loans comprising of Cash credit facilities from banks and are secured by a first charge by way of hypothecation of book debts of specific loan assets of the company and are further secured by negative lien on the underlying specific properties and / or secured by demand promissory notes. Certain Cash credit facilities are also secured by way of a first pari passu charge along with other secured loans read with Note 6.2. All cash credit facilities are repayable as per the contracted/ roll over term.

# Notes

to consolidated financial statements for the year ended March 31, 2016

## 11. TRADE PAYABLES:

(₹ in lakh)

| Particulars                 | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|-----------------------------|-------------------------|-------------------------|
| MSME                        | -                       | -                       |
| Others                      | 3,302                   | 917                     |
| <b>Total Trade Payables</b> | <b>3,302</b>            | <b>917</b>              |

There is no amount due and payable to 'Suppliers' registered under the Micro, Small and Medium Enterprises Development Act, 2006 at the end of the year. No interest has been paid/ is payable by the Company during/for the year to these 'Suppliers'. The above information takes into account only those suppliers who have submitted their registration details or has responded to the inquiries made by the Company for this purpose.

## 12. OTHER CURRENT LIABILITIES

(₹ in lakh)

| Particulars  | March 31, 2016   | March 31, 2015  |
|--|------------------|-----------------|
| Current maturities of long-term borrowing (Refer Note 6)           | 9,49,349         | 8,37,184        |
| Interest accrued but not due on borrowings                         | 52,929           | 26,335          |
| Unclaimed Dividends  | 171              | 89              |
| Unclaimed matured deposits and interest accrued thereon            | 5,410            | 3,998           |
| Policy Liabilities   | -                | 635             |
| Other payables   |                  |                 |
| Advance from customers   | 19,330           | 5,739           |
| Amount payable under securitisation/ joint syndication transaction | 21,605           | 15,128          |
| Statutory Dues   | 2,813            | 1,702           |
| Share application money pending Allotment                          | 30,000           | -               |
| Other current liabilities  | 9,181            | 9,504           |
| <b>Total Other Current Liabilities</b>                             | <b>10,90,788</b> | <b>9,00,314</b> |

**12.1** As required under section 124 of the Companies Act, 2013, the Company has transferred unclaimed dividend of the year 2007-08 ₹ 3 lakh (₹ 9 lakh), unclaimed interim dividend of the year 2007-08 ₹ Nil (₹ 5 lakh) and towards unclaimed Deposits and interest accrued thereon ₹ 39 lakh (₹ 21 lakh) to Investor Education & Protection Fund (IEPF) during the year. The amounts payable for March, 2016 has been transferred to IEPF in the month of April, 2016.

# Notes

to consolidated financial statements for the year ended March 31, 2016

## 13. FIXED ASSETS

| Assets                              | GROSS BLOCK      |                               |                 |                      | DEPRECIATION        |                               |              |                 | NET BLOCK           |                      |
|-------------------------------------|------------------|-------------------------------|-----------------|----------------------|---------------------|-------------------------------|--------------|-----------------|---------------------|----------------------|
|                                     | As on 01.04.2015 | Addition on Acquisition of JV | Deduction/ Sale | As on March 31, 2016 | As on April 1, 2015 | Addition on Acquisition of JV | For the year | Deduction/ Sale | Upto March 31, 2016 | As on March 31, 2015 |
| <b>Tangible:</b>                    |                  |                               |                 |                      |                     |                               |              |                 |                     |                      |
| Building                            | 3,059            | -                             | 2,584           | 5,643                | 520                 | -                             | 65           | -               | 585                 | 2,539                |
| Leasehold Premises                  | 9,999            | -                             | -               | 9,999                | 347                 | -                             | 163          | -               | 510                 | 9,652                |
| Furniture & Fixture                 | 5,926            | 155                           | 694             | 6,442                | 2,324               | 154                           | 1,086        | 260             | 3,304               | 3,602                |
| Office Equipments                   | 2,425            | 34                            | 284             | 2,549                | 938                 | 31                            | 361          | 148             | 1,182               | 1,487                |
| Vehicles                            | 121              | 28                            | -               | 142                  | 55                  | 9                             | 20           | 3               | 81                  | 66                   |
| Computer (Hardware)                 | 3,376            | 126                           | 867             | 3,841                | 2,105               | 96                            | 674          | 512             | 2,363               | 1,271                |
| <b>Sub Total (A)</b>                | <b>24,906</b>    | <b>343</b>                    | <b>4,429</b>    | <b>28,616</b>        | <b>6,289</b>        | <b>290</b>                    | <b>2,369</b> | <b>923</b>      | <b>8,025</b>        | <b>18,617</b>        |
| <b>Intangible:</b>                  |                  |                               |                 |                      |                     |                               |              |                 |                     |                      |
| Computer (Software)                 | 1,774            | 60                            | 845             | 2,679                | 1,285               | 58                            | 401          | -               | 1,744               | 489                  |
| Investment Management Rights*       | -                | -                             | 29,477          | 29,477               | -                   | -                             | 214          | -               | 214                 | -                    |
| <b>Sub Total (B)</b>                | <b>1,774</b>     | <b>60</b>                     | <b>30,322</b>   | <b>32,156</b>        | <b>1,285</b>        | <b>58</b>                     | <b>615</b>   | <b>-</b>        | <b>1,958</b>        | <b>489</b>           |
| <b>Total Fixed Assets (A+B)</b>     | <b>26,680</b>    | <b>403</b>                    | <b>34,751</b>   | <b>60,772</b>        | <b>7,574</b>        | <b>348</b>                    | <b>2,984</b> | <b>923</b>      | <b>9,983</b>        | <b>19,106</b>        |
| Capital Work in Process             | 81,006           | -                             | -               | 55,770               | -                   | -                             | -            | -               | -                   | 81,006               |
| Intangible Assets under Development | -                | -                             | 3,266           | 3,266                | -                   | -                             | -            | -               | -                   | -                    |
| <b>Total</b>                        | <b>1,07,686</b>  | <b>403</b>                    | <b>38,017</b>   | <b>1,19,808</b>      | <b>7,574</b>        | <b>348</b>                    | <b>2,984</b> | <b>923</b>      | <b>9,983</b>        | <b>1,00,112</b>      |
| <b>Previous Year</b>                | <b>1,03,900</b>  | <b>-</b>                      | <b>4,597</b>    | <b>1,07,686</b>      | <b>4,923</b>        | <b>-</b>                      | <b>3,001</b> | <b>350</b>      | <b>7,574</b>        | <b>1,00,112</b>      |

\* During the year, one of the joint venture company has acquired the business undertaking of the Deutsche entities, sponsor of Deutsche Mutual Fund which inter alia, includes right to manage the schemes of Deutsche Mutual Fund. The Company has paid consideration amounting to ₹ 29,477 lakh [consolidated portion] (₹ Nil) towards Investment Management rights and the same is capitalised as per AS 26 (Intangible Assets). The useful life of the Investment Management Rights has been determined as 10 years (120 Months). For the year ended March 31, 2016, an amount of ₹ 214 lakh [consolidated portion] (₹ Nil) has been amortized. Balance life of Investment Management Rights is 119 months.

# Notes

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## 14. NON CURRENT INVESTMENTS (AT COST)

(₹ in lakh)

| Particulars   | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|---|-------------------------|-------------------------|
| <b>Investment by Other than Insurance Company:</b>  |                         |                         |
| <b>Investment in Associates:</b>  |                         |                         |
| Equity Investments in Associates  | 7,212                   | 7,212                   |
| Add: Good will on acquisition of Associate Companies (share of pre-acquisition losses)          | 10                      | 10                      |
|   | 7,222                   | 7,222                   |
| Add/ (Less): Adjustment of post acquisition share of profit/losses of Associate (Equity Method) | 1,111                   | 203                     |
| <b>A</b>  | <b>8,333</b>            | <b>7,425</b>            |
| <b>Other Investment :</b>   |                         |                         |
| Investment in unquoted equity instruments   | 1                       | 1                       |
| Investment in unquoted optionally convertible preference share                                  | 1,271                   | 1,271                   |
| Investment in Venture Capital Fund  | 2,000                   | 3,100                   |
| Investment in Pass Through Certificates Class B   | 7,641                   | 20,845                  |
| Investment in Government securities (SLR) - Quoted  | 29,652                  | 21,646                  |
| Investment in Government securities (Non - SLR) - Quoted  | 10,232                  | 4,289                   |
| Investments in Mutual Funds   | 566                     | -                       |
| <b>B</b>  | <b>51,363</b>           | <b>51,152</b>           |
| <b>Investment by Insurance Company:</b>   |                         |                         |
| Investment Related to Policy Holders  | 52,096                  | 28,729                  |
| Investment to cover linked liabilities  | 9,046                   | 10,317                  |
| Investment related to Shareholders  | 34,867                  | 32,084                  |
| <b>C</b>  | <b>96,009</b>           | <b>71,130</b>           |
| <b>Total Non Current Investments (A + B + C)</b>  | <b>1,55,704</b>         | <b>1,29,706</b>         |
| Aggregate amount of quoted investments  | 47,023                  | 34,218                  |
| Market value of Quoted investments  | 48,164                  | 34,610                  |
| Aggregate amount of Unquoted investments  | 1,08,681                | 95,488                  |

14.1 Investment in Government and other SLR Securities aggregating to ₹ 29,652 lakh (₹ 21,646 lakh) carry a floating charge created in favor of depositors in the Fixed Deposit schemes of the Company (read with Note 6.2 and Note 6.4 above).

## 15. HOUSING AND PROPERTY LOANS

(₹ in lakh)

| Particulars  | Non Current Portion     |                         | Current Portion         |                         |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
|  | As at<br>March 31, 2016 | As at<br>March 31, 2015 | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
| <b>Secured, considered good unless stated otherwise</b>  |                         |                         |                         |                         |
| <b>Housing Loans</b>                                     |                         |                         |                         |                         |
| Standard loans   | 53,05,934               | 42,90,717               | 2,87,708                | 1,78,170                |
| Sub-Standard loans                                       | 8,934                   | 15,099                  | -                       | -                       |
| Doubtful loans   | 27,653                  | 16,682                  | -                       | -                       |
|  | 53,42,521               | 43,22,498               | 2,87,708                | 1,78,170                |
| Less :Securitised Housing Loans<br>& Funded by Syndicate | 6,79,569                | 5,35,825                | 38,808                  | 27,264                  |
| <b>A Total Housing Loans</b>                             | <b>46,62,952</b>        | <b>37,86,673</b>        | <b>2,48,900</b>         | <b>1,50,906</b>         |



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| (₹ in lakh)  |                         |                         |                         |                         |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| Particulars  | Non Current Portion     |                         | Current Portion         |                         |
|  | As at<br>March 31, 2016 | As at<br>March 31, 2015 | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
| <b>Other Property Loans</b>  |                         |                         |                         |                         |
| Standard loans   | 12,11,854               | 10,85,378               | 88,984                  | 84,969                  |
| Sub-Standard loans   | 4,363                   | 7,255                   | -                       | -                       |
| Doubtful loans   | 16,958                  | 10,171                  | -                       | -                       |
|  | 12,33,175               | 11,02,804               | 88,984                  | 84,969                  |
| Less : Other Securitised Loans                                       | 53,498                  | 20,009                  | 3,011                   | 1,378                   |
| <b>B Total Other Property Loans</b>                                  | <b>11,79,677</b>        | <b>10,82,795</b>        | <b>85,973</b>           | <b>83,591</b>           |
| <b>Total Loan book (A+B)</b>   | <b>58,42,629</b>        | <b>48,69,468</b>        | <b>3,34,873</b>         | <b>2,34,497</b>         |
| Summary:   |                         |                         |                         |                         |
| Housing Loans  | 53,42,521               | 43,22,498               | 2,87,708                | 1,78,170                |
| Other Property Loans   | 12,33,175               | 11,02,804               | 88,984                  | 84,969                  |
| <b>Total Housing &amp; Property Loans under Company's management</b> | <b>65,75,696</b>        | <b>54,25,302</b>        | <b>3,76,692</b>         | <b>2,63,139</b>         |
| Less : Securitised and Syndicated portion                            | 7,33,067                | 5,55,834                | 41,819                  | 28,642                  |
| <b>Total Housing and Property Loans</b>                              | <b>58,42,629</b>        | <b>48,69,468</b>        | <b>3,34,873</b>         | <b>2,34,497</b>         |

- 15.1** Other loans include mortgage loan, non residential property loan, plot loan for self construction where construction has not began in last three years and loan against the lease rental income from properties in accordance with directions of National Housing Bank (NHB). Other loans 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 ₹ 6,327 lakh (₹ 478 lakh).
- 15.2** As certified by the management, 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.
- 15.3** Composite Loans sanctioned (i.e. loans allowed for purchase of plot and self construction of house) on or before March 31, 2013, in which construction has not started till March 31, 2015, as per information available with the Company, is excluded from Housing Loans and regrouped under Other Loans (Non Housing) in above outstanding as on March 31, 2016 aggregating to ₹ 18,106 lakh (₹ 8,918 lakh).
- 15.4** Insurance portion of Housing Loan is excluded from Housing Loan and regrouped in Other Loan. The insurance portion amounting to ₹ 1,09,612 lakh (₹ 74,225) 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.
- 15.5** The Company has entered into Loan Syndication arrangements with certain public and private sector banks to provide Housing loan to borrowers wherein DHFL originates the loan files and gets it processed under common credit norms. The said banks have agreed to participate upto 50% of the disbursed loan portfolio under loan syndication arrangement. Entire/partial processing fees and other charges/ income on these loans, depending upon the syndication arrangements, accrues to DHFL. The Company has derecognised the said loan portion syndicated to others in its books.
- 15.6** The Company has entered into Loan Syndication arrangements with DHFL Vysya Housing Finance Limited and Aadhar Housing Finance Limited in the earlier year to provide Housing and Property Loans to borrowers wherein DHFL originates the loan files through its branches and gets it processed under common credit norms at the Central Processing Unit. The loan syndicate participants have agreed to participate in the disbursed loan portfolio under loan

# Notes

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syndication arrangement. During the year Company has disbursed ₹ 700 lakh (₹ 475 lakh) under joint syndication out of which ₹ 105 lakh (₹ 155 lakh) has been shared by syndicate partners, which has been derecognised.

**15.7** The Company has acquired certain assets under SARFAESI Act which are retained for the purpose of sale under the rules and regulations of SARFAESI Act involving ₹ 4,756 lakh (₹ 8,093 lakh), which are part of NPA portfolio for which necessary provisions have already been made. These are accounted as and when they are realised as per related accounting policy.

**15.8** 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 to ₹ 7,74,886 lakh (₹ 5,84,476 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.

**15.9** Housing and other property loans (current and non-current) includes ₹ 507 lakh (₹ 261 lakh) given to the key managerial persons of the company under the normal course of business.

## 16. OTHER LONG TERM LOANS AND ADVANCES

(₹ in lakh)

| Particulars   | Non Current Portion     |                         | Current Portion         |                         |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
|   | As at<br>March 31, 2016 | As at<br>March 31, 2015 | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
| <b>Secured and considered good</b>  |                         |                         |                         |                         |
| Loans against Fixed Deposits  | -                       | -                       | 698                     | 367                     |
| Loans and advances to employees (Refer Note 16.1)                               | 14                      | 18                      | -                       | 25                      |
| Other loans and advances  | 13                      | 13                      | -                       | -                       |
| <b>Unsecured, considered good unless stated otherwise</b>                       |                         |                         |                         |                         |
| Capital advances  | 519                     | 1,228                   | -                       | -                       |
| Security deposits   | 1,722                   | 1,420                   | 38                      | 310                     |
| Loans and advances to employees   | 23                      | 20                      | 54                      | 80                      |
| Other Loans & Advances  | 21,460                  | 18,836                  | 23,081                  | 14,834                  |
| Advance Income Tax (Net of Provisions)  | 3,417                   | 7,005                   | -                       | -                       |
| <b>Total Other Long Term Loans and Advances</b>                                 | <b>27,168</b>           | <b>28,540</b>           | <b>23,871</b>           | <b>15,616</b>           |
| Current Portion Disclosed under "short term loans and advances" (refer Note 20) | -                       | -                       | (23,871)                | (15,616)                |
| <b>Net Amount</b>   | <b>27,168</b>           | <b>28,540</b>           | <b>-</b>                | <b>-</b>                |

**16.1** Loans to employees are secured by the hypothecation of respective assets against which these loans have been granted

# Notes

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## 17. CURRENT INVESTMENTS

(₹ in lakh)

| Particulars  | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|--|-------------------------|-------------------------|
| <b>Investment by Other than Insurance Company:</b>         |                         |                         |
| Trade Investments  |                         |                         |
| Investment in equity instruments- quoted                   | 912                     | 975                     |
| (A)  | 912                     | 975                     |
| <b>Other Investments</b>                                   |                         |                         |
| Investment in Mutual Funds/Venture Capital Fund - unquoted | 18,890                  | 37,500                  |
| Investment in Pass Through Certificates -Class B           | 432                     | 1,094                   |
| (B)  | 19,322                  | 38,594                  |
| <b>Investment by Insurance Company:</b>                    |                         |                         |
| Investment Related to Policy Holders                       | 536                     | 1,371                   |
| Investment to cover linked liabilities                     | 2,113                   | 2,256                   |
| Investment related to Shareholders                         | 2,482                   | 2,226                   |
| (C)  | 5,132                   | 5,853                   |
| <b>Total Current Investments (A + B + C)</b>               | <b>25,366</b>           | <b>45,422</b>           |
| Aggregate amount of Quoted Investments                     | 912                     | 975                     |
| Market value of Quoted Investments                         | 912                     | 1,016                   |
| Aggregate amount of Unquoted Investments                   | 24,453                  | 44,448                  |

## 18. TRADE RECEIVABLES

(₹ in lakh)

| Particulars   | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|---|-------------------------|-------------------------|
| <b>Secured, considered good, less than six months</b> |                         |                         |
| EMI/PEMI, other receivable from customers             | 20,092                  | 19,192                  |
| Other Trade Receivable                                | 1,728                   | 422                     |
| <b>Total Trade Receivables</b>                        | <b>21,820</b>           | <b>19,614</b>           |

# Notes

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## 19. CASH AND BANK BALANCES

(₹ in lakh)

| Particulars  | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|--|-------------------------|-------------------------|
| <b>Cash and Cash Equivalents</b>   |                         |                         |
| <b>Balances with Banks</b>   |                         |                         |
| in Current Accounts  | 74,618                  | 13,443                  |
| in Deposits accounts with original maturity of<br>less than 3 months                                 | -                       | 1,500                   |
| Cheques/ Drafts in hand  | -                       | 676                     |
| Remittance in Transit *  | 2,25,857                | -                       |
| Cash on hand   | 605                     | 551                     |
| Insurance Stamps   | 925                     | 17                      |
| <b>Total Cash and Cash Equivalents (A)</b>   | <b>3,02,005</b>         | <b>16,187</b>           |
| * Remittance in Transit of ₹ 225,857 lakh credited by bank on April 4, 2016 due to banking holidays. |                         |                         |
| <b>Other Bank Balances</b>   |                         |                         |
| Other Deposits accounts having balance maturity of less than 12 months                               | 47,514                  | 52,473                  |
| Deposits having balance maturity of more than 12 months (Refer Note 21)                              | 20,222                  | 19,673                  |
| Balances in unpaid dividend bank accounts  | 171                     | 89                      |
| <b>Total Other Bank Balances (B)</b>   | <b>67,907</b>           | <b>72,235</b>           |
| <b>Total Cash and Bank Balances C = (A + B)</b>  | <b>3,69,912</b>         | <b>88,422</b>           |
| Less : Amounts disclosed under non-current assets (Refer Note 21) (D)                                | 20,222                  | 19,673                  |
| <b>Total Net Cash and Bank Balances E = (C - D)</b>  | <b>3,49,690</b>         | <b>68,749</b>           |
| <b>Summary:</b>  |                         |                         |
| Total Cash and Cash Equivalents  | 3,02,005                | 16,187                  |
| Other Bank Balances  | 67,907                  | 72,235                  |
| Amounts disclosed under non-current assets   | (20,222)                | (19,673)                |
| <b>Total Net Cash and Bank Balances</b>  | <b>3,49,690</b>         | <b>68,749</b>           |

**19.1** Current portion of balances with Banks in Deposit Accounts includes deposits under lien aggregating to ₹ 21,495 lakh (₹ 17,153 lakh) being earmarked for SLR requirements of NHB, ₹ 644 lakh (₹ 643 lakh) being margin money for bank guarantees, ₹ 19,156 lakh (₹ 25,853 lakh) being securitization comforts provided to various Trustees/ buyer, ₹ 1,225 lakh (Nil) toward sinking fund requirement of debenture provided to Trustee of debentures and ₹ 4,145 lakh (₹ 4,495 lakh) under lien against Interest rate swaps.

# Notes

to consolidated financial statements for the year ended March 31, 2016

## 20. SHORT TERM LOANS & ADVANCES

(₹ in lakh)

| Particulars  | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
|--|-------------------------|-------------------------|
| <b>Secured and considered good</b>                                       |                         |                         |
| Current maturities of other long term loans and advances (Refer Note 16) | 698                     | 392                     |
| <b>Unsecured, considered good</b>  |                         |                         |
| Current maturities of other long term loans and advances (Refer Note 16) | 122                     | 300                     |
| Loans and advances to related parties (Refer Note 35)                    | 2,219                   | 2,861                   |
| Inter Corporate Deposits (Refer Note 9 for Provision)                    | 1,447                   | 2,323                   |
| Advances recoverable in cash or in kind (Refer Note 16)                  | 23,051                  | 14,924                  |
| <b>Total Short Term Loans and Advances</b>                               | <b>27,537</b>           | <b>20,800</b>           |

## 21. OTHER NON CURRENT & CURRENT ASSETS

(₹ in lakh)

| Particulars   | Non Current Portion     |                         | Current Portion         |                         |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
|   | As at<br>March 31, 2016 | As at<br>March 31, 2015 | As at<br>March 31, 2016 | As at<br>March 31, 2015 |
| Non current portion of balances with banks in deposit accounts (Refer Note 19 & 21.1) | 20,222                  | 19,673                  | -                       | -                       |
| Interest accrued but not due  | 3,469                   | 510                     | 6,152                   | 5,823                   |
|   | <b>23,691</b>           | <b>20,183</b>           | <b>6,152</b>            | <b>5,823</b>            |

**21.1** Non Current portion of balances with Banks in Deposit Accounts includes deposits under lien aggregating to ₹ 8,082 lakh (₹ 7,918 lakh) being securitization comforts provided to various Trustees/ buyer, ₹ 10,790 lakh (₹ 9,180 lakh) being earmarked for SLR requirements of NHB and ₹ 1,350 lakh (₹ 2,575 lakh) towards sinking fund requirement of debenture provided to Trustee of debentures.

## 22. REVENUE FROM OPERATIONS

(₹ in lakh)

| Particulars                                    | March 31, 2016 | March 31, 2015 |
|--|----------------|----------------|
| Interest on Housing and Property Loans         | 688,392        | 563,151        |
| Interest on Bank Deposits                      | 5,927          | 6,056          |
| Interest on Long Term Investments              | 2,622          | 1,862          |
| Other Interest                                 | 119            | 534            |
| Revenue from other services ( Refer note 22.1) | 17,236         | 18,599         |
| Operational treasury income ( Refer note 22.2) | 17,287         | 7,694          |
| Management and advisory income                 | 767            | -              |
| <b>Total Revenue from operations</b>           | <b>732,350</b> | <b>597,896</b> |

# Notes

to consolidated financial statements for the year ended March 31, 2016

## 22.1 Revenue from other services includes

(₹ in lakh)

| Particulars                              | March 31, 2016 | March 31, 2015 |
|--|----------------|----------------|
| Loan related services                    | 12,416         | 14,115         |
| Advisory services                        | 4,820          | 4,484          |
| <b>Total Revenue from other services</b> | <b>17,236</b>  | <b>18,599</b>  |

Revenue from other services is net of the amount paid / payable towards Business Sourcing and related expenses ₹ 13,368 lakh (₹ 14,701 lakh)

## 22.2 Operational treasury income includes:

(₹ in lakh)

| Particulars                              | March 31, 2016 | March 31, 2015 |
|--|----------------|----------------|
| Net Income from Mutual Fund              | 16,669         | 7,416          |
| Profit on sale of investments            | 452            | 240            |
| Dividend Income                          | 166            | 38             |
| <b>Total Operational treasury income</b> | <b>17,287</b>  | <b>7,694</b>   |

## 23. OTHER INCOME

(₹ in lakh)

| Particulars               | March 31, 2016 | March 31, 2015 |
|---------------------------|----------------|----------------|
| Rent Income               | 364            | 146            |
| Miscellaneous Income      | 141            | 126            |
| <b>Total Other Income</b> | <b>505</b>     | <b>272</b>     |

## 24. INTEREST AND FINANCE COST

(₹ in lakh)

| Particulars  | March 31, 2016  | March 31, 2015  |
|--|-----------------|-----------------|
| Interest expenses                                  | 5,16,513        | 4,40,491        |
| Premium on redemption of Debentures                | 39,051          | 23,341          |
| Less: Securities premium utilized (Refer note 4.2) | (16,200)        | (23,341)        |
| Other Borrowing Costs                              | 9,831           | 5,533           |
| <b>Total Interest and Finance charges</b>          | <b>5,49,195</b> | <b>4,46,024</b> |



# Notes

to consolidated financial statements for the year ended March 31, 2016

## 25. EMPLOYEES REMUNERATION AND BENEFITS (refer note 36)

(₹ in lakh)

| Particulars                                      | March 31, 2016 | March 31, 2015 |
|--|----------------|----------------|
| Salaries and Bonus                               | 30,182         | 24,300         |
| Contribution to Provident Fund & Other Funds     | 1,532          | 1,027          |
| Staff Welfare Expenses                           | 641            | 541            |
| <b>Total Employees Remuneration and Benefits</b> | <b>32,355</b>  | <b>25,868</b>  |

## 26. ADMINISTRATIVE AND OTHER EXPENSES

(₹ in lakh)

| Particulars   | March 31, 2016 | March 31, 2015 |
|---|----------------|----------------|
| Rent, Rates & Taxes                                     | 3,640          | 3,076          |
| Training & Conference Expenses                          | 1,139          | 937            |
| Travelling & Conveyance                                 | 3,391          | 2,971          |
| Printing & Stationery                                   | 532            | 641            |
| Advertisement and Business Promotion expenses           | 13,868         | 10,474         |
| Brokerage and scheme related expenses                   | 192            | -              |
| Insurance   | 426            | 416            |
| Legal & Professional Charges                            | 6,686          | 5,992          |
| Communication Expenses                                  | 1,748          | 1,590          |
| General Repairs & Maintenance                           | 2,316          | 2,423          |
| Electricity   | 844            | 736            |
| Directors Sitting Fees                                  | 55             | 47             |
| Loss on sale of Fixed Assets (net)                      | 93             | 90             |
| Managerial remuneration                                 | 298            | 203            |
| CSR Expenses*   | 716            | 54             |
| Office Maintenance                                      | 827            | 866            |
| Auditors' Remuneration (Refer Note 34)                  | 268            | 237            |
| Bad Debts [Net of Provisions ₹ 2,146 lakh (₹ 620 lakh)] | 2,146          | 620            |
| Less provision for Non Performing Assets utilized       | 2,146          | -              |
|   |                |                |
| Provision for diminution in investments                 | 66             | -              |
| Less: provision for Non Performing Assets utilized      | (66)           | -              |
| Miscellaneous Expenses                                  | 991            | 893            |
| Preliminary Expenses                                    | 87             | -              |
| <b>Total Administrative and Other expenses</b>          | <b>38,117</b>  | <b>31,646</b>  |

\* Company is required to spend money on Corporate Social Responsibility (CSR) activity as per CSR Rules under the Companies Act 2013. During the year Company has spent ₹ 716 lakh (₹ 54 lakh) out of required sum of ₹ 1,519 lakh (₹ 1,158 lakh). The CSR committee is in the process of evaluating various scheme to meet the requirement of the law on the subject.

# Notes

to consolidated financial statements for the year ended March 31, 2016

## 27. EARNING PER SHARE

| Particulars   | March 31, 2016 | March 31, 2015 |
|---|----------------|----------------|
| <b>Net Profit Attributable to Equity Shareholders</b> |                |                |
| Profit after tax (₹ in lakh)                          | 74,930         | 64,246         |
| <b>Net Profit attributable to equity shareholders</b> | <b>74,930</b>  | <b>64,246</b>  |
| No. of Equity shares (Number)                         | 29,17,97,988   | 14,56,76,742   |
| Weighted Average No. of Equity Shares                 | 29,17,12,744   | 25,98,44,795   |
| Nominal value of Equity Shares (₹)                    | 10             | 10             |
| Earning Per Share (₹)#                                |                |                |
| Basic   | 25.69          | 24.72          |
| Diluted   | 23.73          | 24.40          |

# The Earnings Per Share (EPS) have been calculated on enhanced capital post bonus issue and accordingly EPS is adjusted for previous periods also, based on enhanced capital.

### 27.1 The reconciliation between the Basic and the Diluted Earning per Share is as follows:

#### For Amount

(in ₹)

| Particulars                         | March 31, 2016 | March 31, 2015 |
|-------------------------------------|----------------|----------------|
| Basic Earning per share             | 25.69          | 24.72          |
| Effect of outstanding Stock options | (1.95)         | (0.33)         |
| Diluted Earning per share           | 23.73          | 24.40          |

#### For number of share

| Particulars   | March 31, 2016 | March 31, 2015 |
|---|----------------|----------------|
| Weighted average number of shares for Basic Earning per share   | 29,17,12,744   | 25,98,44,795   |
| Dilutive effect of outstanding Stock options                    | 2,39,99,348    | 34,72,806      |
| Weighted average number of shares for Diluted Earning per share | 31,57,12,092   | 26,33,17,601   |

## 28. LEASES

### Operating Lease

The company has taken certain premises for office and residential use for its employees under cancellable and non cancellable operating lease agreements. Terms of the lease include terms for renewal, increase in rents in future periods and terms of cancellation. The total lease rent recognized as an expense during the year under the lease agreements amounts to ₹ 2,939 lakh (₹ 3,095 lakh).

# Notes

to consolidated financial statements for the year ended March 31, 2016

Expected future minimum commitments during the non-cancellable period under the lease arrangements are as follows:

(₹ in lakh)

| Particulars                                       | March 31, 2016 | March 31, 2015 |
|---|----------------|----------------|
| Within one year                                   | 763            | 657            |
| Later than one year but not later than five years | 914            | 734            |
| Later than five years                             | 250            | 119            |

**29** In the opinion of the Board, the assets of the company have a value on realization in the ordinary course of business atleast equal to the amount at which they are stated, net of contingency provisions.

**30** Two subsidiaries of the Company were amalgamated into the company pursuant to the Scheme of amalgamation (Scheme) under Section 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 ₹ 4,759 lakh (₹ 4,455 lakh) has been amortized out of the capital reserve in terms of the valuation report of the scheme.

**31. As per the Accounting Standard 17 on 'Segment Reporting' (AS 17), the main segments and the relevant disclosures relating thereto are as follows**

(₹ in lakh)

| Particulars                                 | Loans           |                 | Life Insurance |               | Asset Management |          | Others       |            | Inter Segment |          | Unassociated   |                | Total           |                 |
|---|-----------------|-----------------|----------------|---------------|------------------|----------|--------------|------------|---------------|----------|----------------|----------------|-----------------|-----------------|
|   | 2015-16         | 2014-15         | 2015-16        | 2014-15       | 2015-16          | 2014-15  | 2015-16      | 2014-15    | 2015-16       | 2014-15  | 2015-16        | 2014-15        | 2015-16         | 2014-15         |
| Segment Revenue                             | 7,31,183        | 5,97,895        | 52,810         | 44,065        | 1,167            | -        | 505          | 272        | -             | -        | -              | -              | 7,85,665        | 6,42,233        |
| Segment Result                              | 1,09,728        | 94,031          | 2,912          | 2,292         | -967             | -        | 417          | 272        | -             | -        | -              | -              | 1,12,090        | 96,596          |
| Income Tax (Current)                        | -               | -               | -              | -             | -                | -        | -            | -          | -             | -        | 38,890         | 29,873         | 38,890          | 29,873          |
| Deferred tax                                | -               | -               | -              | -             | -                | -        | -            | -          | -             | -        | -1,215         | 2,597          | -1,215          | 2,597           |
| Income Tax                                  | -               | -               | -              | -             | -                | -        | -            | -          | -             | -        | 37,675         | 32,470         | 37,675          | 32,470          |
| <b>Total Result</b>                         | <b>1,09,728</b> | <b>94,031</b>   | <b>2,912</b>   | <b>2,292</b>  | <b>-967</b>      | <b>-</b> | <b>417</b>   | <b>272</b> | <b>-</b>      | <b>-</b> | <b>-37,675</b> | <b>-32,470</b> | <b>74,415</b>   | <b>64,126</b>   |
| <b>Capital Employed</b>                     |                 |                 |                |               |                  |          |              |            |               |          |                |                |                 |                 |
| Segment Assets                              |                 |                 |                |               |                  |          |              |            |               |          |                |                |                 |                 |
| Assets                                      | 67,61,269       | 54,45,110       | 1,13,884       | 87,361        | 33,692           | -        | 7,501        | -          | 87            | -        | 8,023          | 10,443         | 69,24,455       | 55,42,914       |
| Liabilities                                 | 62,74,324       | 49,91,324       | 74,299         | 50,318        | 30,634           | -        | 89           | -          | 87            | -        | 6,043          | 3,128          | 63,85,476       | 50,44,770       |
| <b>Net Assets</b>                           | <b>4,86,945</b> | <b>4,53,786</b> | <b>39,584</b>  | <b>37,042</b> | <b>3,058</b>     | <b>-</b> | <b>7,412</b> | <b>-</b>   | <b>-</b>      | <b>-</b> | <b>1,979</b>   | <b>7,315</b>   | <b>5,38,979</b> | <b>4,98,143</b> |
| <b>Other Information</b>                    |                 |                 |                |               |                  |          |              |            |               |          |                |                |                 |                 |
| Capital Expenditure                         | 7,158           | 2,992           | 1,222          | 214           | 2,95,355         | -        | -            | -          | -             | -        | -              | -              | 3,03,735        | 3,206           |
| Depreciation                                | 2,430           | 2,552           | 324            | 155           | 231              | -        | -            | -          | -             | -        | -              | -              | 2,984           | 2,707           |
| Non-cash expenses - other than Depreciation | 17,297          | 10,410          | 21,458         | 21,856        | -                | -        | -            | -          | -             | -        | -              | -              | -               | 32,266          |

Note

a) Asset Management segment include mutual Fund, Asset Management Company.

b) Others include advisory services and profit from Associates.

c) The group does not have any material operations outside India and hence discloser of geographic segments is not given.

# Notes

to consolidated financial statements for the year ended March 31, 2016

## 32. CONTINGENT LIABILITY

(₹ in lakh)

| Particulars   | March 31, 2016 | March 31, 2015 |
|---|----------------|----------------|
| Guarantees provided by the Company  | 10,003         | 10,003         |
| Claims against the Company not acknowledged as debts                          | 706            | 546            |
| Income Tax Demand (Net of amount deposited under protest [₹ Nil (₹ 50 lakh)]) | -              | 480            |
| Share in jointly controlled entities  | 434            | 333            |
| Share in associates   | 914            | 913            |

**32.1** Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances) is ₹ 8,451 lakh (₹ Nil) .

**33** Capital Work in Progress includes ₹ 54,615 lakh (₹ 79,615 lakh) towards part consideration for acquiring office premises under construction, as per revised agreement.

## 34. AUDITORS REMUNERATION

(₹ in lakh)

| Particulars   | March 31, 2016 | March 31, 2015 |
|---|----------------|----------------|
| Audit Fees  | 127            | 110            |
| Tax Audit Fees                                      | 10             | 10             |
| Certification and Other Matters*                    | 35             | 56             |
| Audit Fees of Branch Auditors / Components Auditors | 72             | 65             |
| Reimbursement and Service Tax                       | 24             | 26             |
|   | <b>268</b>     | <b>268</b>     |

\* Certification and other matters includes Nil (₹ 32 lakh) paid towards fees for QIP issue and debited to Securities Premium account.

## 35 RELATED PARTY TRANSACTIONS

As per Accounting Standard (AS 18) on "Related Party Disclosures" details of transactions with related parties as defined therein are given below:

### A) List of related parties with whom transactions have taken place during the year and relationship:

#### 1) Companies

##### Associates / Related entities

- Avanse Financial Services Ltd
- DHFL Vysya Housing Finance Ltd.
- Aadhar Housing Finance Ltd
- DHFL Venture Trustee Co. Pvt. Ltd.
- DHFL Property Services Ltd
- Wadhawan Global Capital Private Limited
- Wadhawan Holding P Ltd.
- Arthveda Fund Management Pvt. Ltd
- Dish Hospitality Pvt. Ltd.
- Wadhawan Sports Private Limited
- WGC Management Services Private Limited

##### Investing Party and its Group Company

- PGLH of Delaware, Inc, DHFL Pramerica Mutual Fund

# Notes

to consolidated financial statements for the year ended March 31, 2016

## 2) Key Management Personnel

|                             |   |
|-----------------------------|---|
| a. Mr. Kapil Wadhawan       | Chairman & Managing Director                                  |
| b. Mr. Harshil Mehta        | Chief Executive Officer                                       |
| c. Mr. Santosh Sharma       | Chief Financial Officer                                       |
| d. Mrs. Niti Arya           | Company Secretary   |
| e. Mr. Deo Shankar Tripathy | President and Chief Operating Officer (upto January 16, 2015) |
| f. Mr. Rakesh Makkar        | President (upto August 11, 2014)                              |

## B) Nature of transaction:

(₹ in lakh)

| Particulars   | Associate/<br>Related Entities |                   | Investing Party and<br>its Group Company |                   | Key Management<br>Personnel |                   |
|---|--------------------------------|-------------------|--|-------------------|-----------------------------|-------------------|
|   | March<br>31, 2016              | March<br>31, 2015 | March<br>31, 2016                        | March<br>31, 2015 | March<br>31, 2016           | March<br>31, 2015 |
| <b>1) Investments</b>                               |                                |                   |  |                   |                             |                   |
| Investment Made                                     | -                              | 3,364             | -  | -                 | -                           | -                 |
| Investment Redeemed\Sold                            | 1,100                          | 2,070             | -  | -                 | -                           | -                 |
| <b>2) Advances Recoverable in cash or in kind *</b> |                                |                   |  |                   |                             |                   |
| Advance given                                       | 1,031                          | 4,100             | -  | -                 | 269                         | 261               |
| Recovered   | 1,174                          | 4,897             | -  | -                 | 22                          | 2                 |
| <b>3) Amount Payable</b>                            |                                |                   |  |                   |                             |                   |
| Addition during the year                            | 154                            | 7,648             | 7  | -                 | -                           | -                 |
| Payment during the year                             | 149                            | 7,474             | 7  | -                 | -                           | -                 |
| Shares Issued                                       | -                              | -                 | 1,250                                    | -                 | -                           | -                 |
| Share Application Money                             | -                              | -                 | 30,000                                   | -                 | -                           | -                 |
| <b>4) Income</b>                                    |                                |                   |  |                   |                             |                   |
| Commission  |                                |                   |  |                   |                             |                   |
| Investment Management & Advisory                    | -                              | -                 | 1,661                                    | -                 | -                           | -                 |
| Trustee Ship fee                                    | -                              | -                 | 38                                       | -                 | -                           | -                 |
| Insurance   | 15                             | -                 | -  | -                 | -                           | -                 |
| Dividend  | 115                            | 30                | -  | -                 | -                           | -                 |
| Interest  | -                              | 69                | -  | -                 | 28                          | 11                |
| Rent  | 352                            | 146               | -  | -                 | -                           | -                 |
| Arthveda -Dream Fund and Star Fund                  | 391                            | 445               | -  | -                 | -                           | -                 |
| Other income  | 118                            | 83                | -  | -                 | -                           | 0.04              |
| <b>5) Expenditure</b>                               |                                |                   |  |                   |                             |                   |
| Remuneration  | -                              | -                 | -  | -                 | 744                         | 536               |
| Rent Expenses                                       | 47                             | 12                | -  | -                 | -                           | -                 |
| Professional Fees                                   | -                              | 13                | -  | -                 | -                           | -                 |
| Brokerage and Marketing Fees                        | 11                             | 16                | -  | -                 | -                           | -                 |
| Commission  | 18                             | -                 | -  | -                 | -                           | -                 |
| Retainers Charges                                   | -                              | 6,722             | 244                                      | -                 | -                           | -                 |
| Dividend  | 6,707                          | 4,267             | -  | -                 | -                           | -                 |
| Purchase of Investments                             | -                              | 200               | -  | -                 | -                           | -                 |
| Sponsorship   | 135                            | -                 | -  | -                 | -                           | -                 |
| Other Expenditures                                  | 86                             | 73                | -  | -                 | -                           | -                 |
| <b>6) Purchase of Investments</b>                   | -                              | 200               | -  | -                 | -                           | -                 |
| <b>7) Sale/Redemption of Investments</b>            | 1,100                          | 704               | -  | -                 | -                           | -                 |
| <b>8) Loan Syndication</b>                          | 185                            | 155               | -  | -                 | -                           | -                 |

# Notes

to consolidated financial statements for the year ended March 31, 2016

## C) Details of Transactions

| Particulars                                     | (₹ in lakh)                    |                   |  |                   |                             |                   |
|---|--------------------------------|-------------------|--|-------------------|-----------------------------|-------------------|
|   | Associate/<br>Related Entities |                   | Investing Party and<br>its Group Company |                   | Key Management<br>Personnel |                   |
|   | March<br>31, 2016              | March<br>31, 2015 | March<br>31, 2016                        | March<br>31, 2015 | March<br>31, 2016           | March<br>31, 2015 |
| <b>Income Received From</b>                     |                                |                   |  |                   |                             |                   |
| <b>1) Dividend</b>                              |                                |                   |  |                   |                             |                   |
| DHFL Vysya Housing Finance Limited              | 115                            | 26                | -  | -                 | -                           | -                 |
| Arthveda Fund (Dream Fund and Star Fund)        | -                              | 4                 | -  | -                 | -                           | -                 |
| <b>2) Interest</b>                              |                                |                   |  |                   |                             |                   |
| Avanse Financial Services Ltd                   | -                              | 69                | -  | -                 | -                           | -                 |
| Mr Harshil Mehta                                | -                              | -                 | -  | -                 | 0.4                         | -                 |
| Mr Santosh Sharma                               | -                              | -                 | -  | -                 | 18                          | 4                 |
| Ms Niti Arya                                    | -                              | -                 | -  | -                 | 10                          | 3                 |
| Mr Rakesh Makkar                                | -                              | -                 | -  | -                 | -                           | 3                 |
| <b>3) Rent</b>                                  |                                |                   |  |                   |                             |                   |
| DHFL Property Services Ltd                      | -                              | 1                 | -  | -                 | -                           | -                 |
| Arthveda Fund Management Private Limited        | 71                             | 4                 | -  | -                 | -                           | -                 |
| Aadhar Housing Finance Limited                  | 79                             | 72                | -  | -                 | -                           | -                 |
| Wadhawan Global Capital Private Limited         | -                              | 66                | -  | -                 | -                           | -                 |
| Avanse Financial Services Ltd                   | 3                              | 3                 | -  | -                 | -                           | -                 |
| WGC Management Services Private Limited         | 198                            | -                 | -  | -                 | -                           | -                 |
| DHFL Vysya Housing Finance Ltd.                 | 1                              | -                 | -  | -                 | -                           | -                 |
| <b>4) Income from Funds</b>                     |                                |                   |  |                   |                             |                   |
| DHFL Venture Capital Dream Fund                 | 148                            | 302               | -  | -                 | -                           | -                 |
| Arthveda Star Fund                              | 242                            | 143               | -  | -                 | -                           | -                 |
| <b>5) Other Income</b>                          |                                |                   |  |                   |                             |                   |
| Aadhar Housing Finance Limited                  | 74                             | 56                | -  | -                 | -                           | -                 |
| DHFL Vysya Housing Finance Limited              | 29                             | 22                | -  | -                 | -                           | -                 |
| Avanse Financial Services Pvt Ltd               | 15                             | 5                 | -  | -                 | -                           | -                 |
| Mr. Santosh R. Sharma                           | -                              | -                 | -  | -                 | -                           | 0.03              |
| Ms Niti Arya                                    | -                              | -                 | -  | -                 | -                           | 0.01              |
| <b>6) Sale of Fixed Assets</b>                  |                                |                   |  |                   |                             |                   |
| Aadhar Housing Finance Limited                  | -                              | 0.45              | -  | -                 | -                           | -                 |
| <b>7) Sale of Investments</b>                   |                                |                   |  |                   |                             |                   |
| Wadhawan Global Capital Private Limited         | -                              | 704               | -  | -                 | -                           | -                 |
| <b>8) Investment Management &amp; Advisory</b>  |                                |                   |  |                   |                             |                   |
| DHFL Pramerica Mutual Fund                      | -                              | -                 | 1,661                                    | -                 | -                           | -                 |
| <b>9) Trusteeship Fee</b>                       |                                |                   |  |                   |                             |                   |
| DHFL Pramerica Mutual Fund                      | -                              | -                 | 38                                       | -                 | -                           | -                 |
| <b>10) Insurance Premium</b>                    |                                |                   |  |                   |                             |                   |
| Aadhar Housing Finance Limited                  | 9                              | -                 | -  | -                 | -                           | -                 |
| DHFL Vysya Housing Finance Limited              | 3                              | -                 | -  | -                 | -                           | -                 |
| Arthveda Fund Management Private Limited        | -                              | -                 | -  | -                 | -                           | -                 |
| Avanse Financial Services Ltd                   | 3                              | -                 | -  | -                 | -                           | -                 |
| <b>Expenditure:</b>                             |                                |                   |  |                   |                             |                   |
| <b>1) Rent, Rates &amp; Taxes</b>               |                                |                   |  |                   |                             |                   |
| Wadhawan Holdings Private Limited               | 46                             | 12                | -  | -                 | -                           | -                 |
| Aadhar Housing Finance Limited                  | 1                              | -                 | -  | -                 | -                           | -                 |
| <b>2) Professional Fees</b>                     |                                |                   |  |                   |                             |                   |
| Arthveda Fund Management Private Limited        | -                              | 13                | -  | -                 | -                           | -                 |
| <b>3) Remuneration</b>                          |                                |                   |  |                   |                             |                   |
| Mr. Kapil Wadhawan                              | -                              | -                 | -  | -                 | 239                         | 171               |
| Mr. Harshil Mehta                               | -                              | -                 | -  | -                 | 278                         | 28                |
| Mr. Santosh Sharma                              | -                              | -                 | -  | -                 | 87                          | 70                |
| Ms. Niti Arya                                   | -                              | -                 | -  | -                 | 140                         | 41                |
| Mr. Rakesh Makkar                               | -                              | -                 | -  | -                 | -                           | 109               |
| Mr. Deo Shankar Tripathy                        | -                              | -                 | -  | -                 | -                           | 116               |
| <b>4) Brokerage and Marketing Fees</b>          |                                |                   |  |                   |                             |                   |
| DHFL Property Services Limited                  | -                              | 1                 | -  | -                 | -                           | -                 |
| Avanse Financial Services Ltd                   | 11                             | 15                | -  | -                 | -                           | -                 |
| DHFL Pramerica Mutual Fund                      | -                              | -                 | 244                                      | -                 | -                           | -                 |
| <b>5) Retainers Charges (Direct Sales Team)</b> |                                |                   |  |                   |                             |                   |



## Consolidated

# Notes

to consolidated financial statements for the year ended March 31, 2016

| Particulars                                      | (₹ in lakh)                    |                   |  |                   |                             |                   |
|--|--------------------------------|-------------------|--|-------------------|-----------------------------|-------------------|
|  | Associate/<br>Related Entities |                   | Investing Party and<br>its Group Company |                   | Key Management<br>Personnel |                   |
|  | March<br>31, 2016              | March<br>31, 2015 | March<br>31, 2016                        | March<br>31, 2015 | March<br>31, 2016           | March<br>31, 2015 |
| DHFL Sales and Services Limited                  | -                              | 6,722             | -  | -                 | -                           | -                 |
| <b>6) Dividend Paid</b>                          |                                |                   |  |                   |                             |                   |
| Wadhawan Global Capital Private Limited          | 6,707                          | 4,267             | -  | -                 | -                           | -                 |
| <b>7) Purchase of Investments</b>                |                                |                   |  |                   |                             |                   |
| Wadhawan Consolidated Holdings Private Limited   | -                              | 200               | -  | -                 | -                           | -                 |
| <b>8) Other Expenditures</b>                     |                                |                   |  |                   |                             |                   |
| Dish Hospitality Private Limited                 | 86                             | 71                | -  | -                 | -                           | -                 |
| Wadhawan Holding Private Limited                 | -                              | 2                 | -  | -                 | -                           | -                 |
| <b>9) Sponsorship</b>                            |                                |                   |  |                   |                             |                   |
| Wadhawan Sports Private Limited                  | 135                            | -                 | -  | -                 | -                           | -                 |
| <b>10) Commission</b>                            |                                |                   |  |                   |                             |                   |
| DHFL Vysya Housing Finance Limited               | 18                             | -                 | -  | -                 | -                           | -                 |
| <b>Assets \ Liabilities</b>                      |                                |                   |  |                   |                             |                   |
| <b>1) Investments made</b>                       |                                |                   |  |                   |                             |                   |
| Avanse Financial Services Ltd                    | -                              | 1,964             | -  | -                 | -                           | -                 |
| Arthveda Star Fund                               | -                              | 1,400             | -  | -                 | -                           | -                 |
| <b>2) Investments sold / redeemed</b>            |                                |                   |  |                   |                             |                   |
| Arthveda Fund Management Private Limited         | -                              | 586               | -  | -                 | -                           | -                 |
| DHFL Venture Capital Dream Fund                  | 1,100                          | 1,484             | -  | -                 | -                           | -                 |
| <b>3) Inter Corporate Deposit / Loans given</b>  |                                |                   |  |                   |                             |                   |
| Avanse Financial Services Ltd                    | -                              | 2,500             | -  | -                 | -                           | -                 |
| Mr Harshal Mehta                                 | -                              | -                 | -  | -                 | 25                          | -                 |
| Mr Santosh Sharma                                | -                              | -                 | -  | -                 | 30                          | 201               |
| Ms Niti Arya                                     | -                              | -                 | -  | -                 | 213                         | 60                |
| <b>3) Inter Corporate Deposit / Loans Repaid</b> |                                |                   |  |                   |                             |                   |
| Avanse Financial Services Ltd                    | -                              | 2,500             | -  | -                 | -                           | -                 |
| Mr Santosh Sharma                                | -                              | -                 | -  | -                 | 15                          | -                 |
| Ms Niti Arya                                     | -                              | -                 | -  | -                 | 7                           | -                 |
| Mr Rakesh Makkar                                 | -                              | -                 | -  | -                 | -                           | 2                 |
| <b>4) Security Deposit Received</b>              |                                |                   |  |                   |                             |                   |
| Aadhar Housing Finance Limited                   | 6                              | -                 | -  | -                 | -                           | -                 |
| <b>5) Issue of Equity Shares</b>                 |                                |                   |  |                   |                             |                   |
| PGLH of Delaware, INC                            | -                              | -                 | 1,250                                    | -                 | -                           | -                 |
| <b>6) Share Application Money Received</b>       |                                |                   |  |                   |                             |                   |
| PGLH of Delaware, INC                            | -                              | -                 | 30,000                                   | -                 | -                           | -                 |
| <b>Closing Balances</b>                          |                                |                   |  |                   |                             |                   |
| <b>1) Advances Recoverable from</b>              |                                |                   |  |                   |                             |                   |
| DHFL Property Services Limited                   | -                              | 174               | -  | -                 | -                           | -                 |
| Aadhar Housing Finance Limited                   | 0.36                           | 0.39              | -  | -                 | -                           | -                 |
| DHFL Venture Capital Dream Fund                  | -                              | 281               | -  | -                 | -                           | -                 |
| Arthveda Star Fund                               | 271                            | 155               | -  | -                 | -                           | -                 |
| DHFL Sales and Services Limited                  | -                              | 200               | -  | -                 | -                           | -                 |
| Arthveda Fund Management Private Limited         | 22                             | -                 | -  | -                 | -                           | -                 |
| DHFL Pramerica Mutual Fund                       | -                              | -                 | 808                                      | -                 | -                           | -                 |
| Mr Harshil Mehta                                 | -                              | -                 | -  | -                 | 25                          | -                 |
| Mr Santosh Sharma                                | -                              | -                 | -  | -                 | 216                         | 201               |
| Ms Niti Arya                                     | -                              | -                 | -  | -                 | 266                         | 60                |
| Mr Rakesh Makkar                                 | -                              | -                 | -  | -                 | -                           | 70                |
| <b>2) Amount Payable to</b>                      |                                |                   |  |                   |                             |                   |
| Aadhar Housing Finance Limited                   | 37                             | 10                | -  | -                 | -                           | -                 |
| DHFL Vysya Housing Finance Limited               | 14                             | 2                 | -  | -                 | -                           | -                 |
| Wadhawan Global Capital Private Limited          | -                              | 0.06              | -  | -                 | -                           | -                 |
| DHFL Sales and Services Limited                  | -                              | 206               | -  | -                 | -                           | -                 |
| Dish Hospitality Private Limited                 | 8                              | 5                 | -  | -                 | -                           | -                 |

# Notes

to consolidated financial statements for the year ended March 31, 2016

| Particulars                        | (₹ in lakh)                    |                   |  |                   |                             |                   |
|------------------------------------|--------------------------------|-------------------|--|-------------------|-----------------------------|-------------------|
|                                    | Associate/<br>Related Entities |                   | Investing Party and<br>its Group Company |                   | Key Management<br>Personnel |                   |
|                                    | March<br>31, 2016              | March<br>31, 2015 | March<br>31, 2016                        | March<br>31, 2015 | March<br>31, 2016           | March<br>31, 2015 |
| Wadhawan Holding Private Limited   | 10                             | 12                | -  | -                 | -                           | -                 |
| Avanse Financial Services Ltd      | 9                              | -                 | -  | -                 | -                           | -                 |
| PGLH of Delaware, INC              | -                              | -                 | 1  | -                 | -                           | -                 |
| <b>3) Loan Syndication</b>         |                                |                   |  |                   |                             |                   |
| Aadhar Housing Finance Limited     | 185                            | 55                | -  | -                 | -                           | -                 |
| DHFL Vysya Housing Finance Limited | -                              | 100               | -  | -                 | -                           | -                 |

## Note

- 1) Related party relationship is as identified by the Company and relied upon by the Auditors.
- 2) \* Advances includes amounts debited towards expenses and reimbursement of expenses and income receivable
- 3) The figures of income and expenses are net of service tax
- 4) Transactions with the related parties are disclosed only till the relationship exists.
- 5) The remuneration to KMP is inclusive of salary and perquisites

## 36 RETIREMENT BENEFIT PLANS

The Company makes contributions towards provident fund for qualifying employees to Regional Provident Fund Commissioner. Contribution to Defined Contribution Plan, recognised as expense for the year are as under :

(₹ in lakh)

| Particulars  | March 31, 2016 | March 31, 2015 |
|--|----------------|----------------|
| Employer's Contribution to Provident Fund & Pension Fund | 1,287          | 1,005          |

As required under Accounting Standard 15 [AS-15 Revised, 2005] the Company has made full provision for future gratuity liability & leave encashment liability payable at the time of retirement as on March 31, 2015. On the basis of Gratuity and GLES report under Accounting Standard 15 [AS-15 Revised, 2005] provided by Independent Actuary, the Company has made necessary full contribution to life insurance companies including LIC of India of its own liabilities.

The details of post retirement benefits for the employees (including Key Management Personnel) as mentioned hereunder are based on the above report as provided by Independent Actuary as mentioned above and relied upon by the auditors :

(₹ lakh)

| Particulars  | Gratuity (Funded) |         | Leave Encashment (Funded) |         |
|--|-------------------|---------|---------------------------|---------|
|  | 2015-16           | 2014-15 | 2015-16                   | 2014-15 |
| <b>A. Change in the Defined Benefit Obligations:</b>   |                   |         |                           |         |
| Liability at the beginning of the year                 | 1,034             | 1,127   | 1,485                     | 964     |
| Amalgamation Adjustments                               | -                 | -       | -                         | -       |
| Current Service Cost                                   | 230               | 358     | 253                       | 228     |
| Interest Cost  | 80                | 98      | 117                       | 85      |
| Benefits Paid  | (181)             | (209)   | (512)                     | (480)   |
| Actuarial Loss/ (Gain)                                 | 67                | (341)   | 508                       | 687     |
| Liability at the end of the year                       | 1,229             | 1,034   | 1,852                     | 1,485   |
| <b>B. Fair Value of Plan Assets :</b>                  |                   |         |                           |         |
| Fair Value of Plan Assets at the beginning of the year | 1,128             | 928     | 1,299                     | 1,007   |
| Amalgamation Adjustments                               | -                 | -       | -                         | -       |
| Expected Return on Plan Assets                         | 92                | 84      | 103                       | 91      |
| Contributions  | 350               | 192     | 544                       | 615     |
| Benefits Paid  | (116)             | (146)   | (365)                     | (339)   |
| Actuarial Loss/ (Gain)                                 | 9                 | 70      | (1)                       | (75)    |

# Notes

to consolidated financial statements for the year ended March 31, 2016

(₹ lakh)

| Particulars   | Gratuity (Funded) |         | Leave Encashment (Funded) |         |
|---|-------------------|---------|---------------------------|---------|
|   | 2015-16           | 2014-15 | 2015-16                   | 2014-15 |
| Fair Value of Plan Assets at the end of the year  | 1,462             | 1,128   | 1,579                     | 1,299   |
| <b>C. Actual Return on Plan Assets: :</b>   | 101               | 153     | 102                       | 16      |
| <b>D. Amount Recognised in the Balance Sheet:</b>                                       |                   |         |                           |         |
| Liability at the end of the year  | 1,229             | 1,034   | 1,852                     | 1,485   |
| Fair Value of Plan Assets at the end of the year  | 1,462             | 1,128   | 1,579                     | 1,298   |
| Net Asset / (Liability) recognized in the Balance Sheet                                 | 233               | 94      | (273)                     | (187)   |
| <b>E. Expense Recognised in the Profit and Loss Account:</b>                            |                   |         |                           |         |
| Current Service Cost  | 230               | 358     | 253                       | 228     |
| Interest Cost   | 80                | 99      | 117                       | 85      |
| Expected Return on Plan Assets  | (92)              | (84)    | (103)                     | (91)    |
| Net Actuarial Loss/(Gain)   | 58                | (411)   | 509                       | 763     |
| Expense recognised in the Profit & Loss Account under Employees Remuneration & Benefits | 276               | (38)    | 776                       | 986     |
| <b>F. Reconciliation of the Liability at the end of the year</b>                        |                   |         |                           |         |
| Opening Net Liability   | (94)              | 199     | 187                       | (43)    |
| Expense Recognised  | 276               | (38)    | 776                       | 986     |
| Benefits Paid   | 415               | 255     | 691                       | 756     |
| Liability at the end of the year  | (233)             | (94)    | 273                       | 187     |
| <b>G. Actuarial Assumptions</b>   |                   |         |                           |         |
| Mortality Table (LIC)   | 2006-08           | 2006-08 | 2006-08                   | 2006-08 |
| Discount Rate (P. A.)   | 8.01%             | 7.96%   | 8.01%                     | 7.96%   |
| Rate of Escalation in Salary (P.A.)   | 5.00%             | 5.00%   | 5.00%                     | 5.00%   |

The estimates of rate of escalation in salary considered in the above report, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

(₹ lakh)

| Particulars   | 2015-16 | 2014-15 | 2013-14 | 2012-13 | 2011-12 |
|---|---------|---------|---------|---------|---------|
| Amount Recognised in the Balance Sheet:             | 233     | 94      | (141.4) | (103)   | 115     |
| Liability at the end of the year                    | 1,229   | 1,034   | 1069.4  | 645     | 401     |
| Fair Value of Plan Assets at the end of the year    | 1,462   | 1,128   | 928     | 749     | 516     |
| <b>Amount recognised in the Balance Sheet under</b> |         |         |         |         |         |
| Long-term Provision for Employee Benefit            | -       | -       | -       | -       | -       |
| Short-term Provision for Employee Benefits          | 233     | 94      | (141)   | (103)   | 115     |
| <b>Experience Adjustment :</b>                      |         |         |         |         |         |
| On Plan Liabilities                                 | 73      | (341)   | 481.85  | -       | -       |
| On Plan Assets                                      | 9       | 70      | 263     | -       | -       |
| Estimated Contribution for next year                | -       | -       | 38      | 41      | -       |

# Notes

to consolidated financial statements for the year ended March 31, 2016

## 37 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, 2016)

| Sr. No   | Name of Entity                           | Net assets i.e. Total Assets minus total Liabilities |                  | Share of Profit / (Loss)            |                  |
|--|--|--|------------------|-------------------------------------|------------------|
|  |  | As % of Consolidated Net Assets                      | Amount (In lakh) | As % of consolidated Profit or Loss | Amount (In lakh) |
| Parent   |  |  |                  |                                     |                  |
| 1  | Dewan Housing Finance Corporation Ltd    |  | 5,01,700         |                                     | 72,920           |
|  | less(-) Elimination                      |  | (21,178)         |                                     | -                |
|  | Net of Eliminations                      | 89.15%   | 4,80,522         | 97.32%                              | 72,920           |
| Subsidiaries - Indian                            |  |  |                  |                                     |                  |
| 1  | DHFL Advisory & Investment Pvt. Ltd.     | 1.38%  | 7,412            | (0.12%)                             | (89)             |
| Associates (Investment as per the equity Method) |  |  |                  |                                     |                  |
| 1  | Avanse Financial Services Ltd.           | 0.92%  | 4,952            | 0.13%                               | 99               |
| 2  | DHFL Vysya Housing Finance Ltd           | 0.26%  | 1,385            | 0.18%                               | 138              |
| 3  | DHFL Venture Trustee Company Private Ltd | 0.00%  | 2                | 0.00%                               | 0                |
| 4  | Aadhar Housing Finance Ltd               | 0.37%  | 1,994            | 0.37%                               | 278              |
| Joint Venture                                    |  |  |                  |                                     |                  |
| 1  | DHFL Pramerica Life Insurance Co. Ltd.   | 7.34%  | 39,584           | 3.39%                               | 2,542            |
| 2  | DHFL Pramerica Asset Management Co. Ltd. | 0.58%  | 3,123            | (1.28%)                             | (961)            |
| 3  | DHFL Pramerica Trustees Ltd              | 0.00%  | 4                | 0.00%                               | 3                |
| Total  |  | 100.00%  | 5,38,978         | 100.00%                             | 74,930           |

## 38 Figures for the previous year have been regrouped, rearranged and reclassified wherever necessary. Figures in brackets represent previous year's figures.

For **T R CHADHA & Co. LLP**  
Chartered Accountants  
ICAI FRN:06711N/N500028

**Pramod Tilwani**  
Partner  
ICAI MN: 076650

Place: Mumbai  
Date : May 4, 2016

For **RAJENDRA NEETI & ASSOCIATES**  
Chartered Accountants  
ICAI FRN:06543C

**Rajendra K Gupta**  
Partner  
ICAI MN: 070165

**Kapil Wadhawan**  
Chairman & Managing Director  
(DIN - 00028528)

**Santosh R. Sharma**  
Chief Financial Officer  
(FCA - 112258)

**Niti Arya**  
Company Secretary  
(FCS - 5586)

**Dheeraj Wadhawan**  
(DIN - 00096026)

**G. P. Kohli**  
(DIN - 00230388)

**V. K. Chopra**  
(DIN - 02103940)

**M. Venugopalan**  
(DIN - 00255575)

**Vijaya Sampath**  
(DIN - 00641110)

**Rajiv Kumar**  
(DIN-02385076)  
**Directors**

# DHFL Network

as on March 31, 2016

| Location                                   | Address   | Contact Number  |
|--|---|---|
| <b>Registered Office</b>                   | Warden House, 2nd Floor, Sir P. M. Road, Fort,<br>Mumbai – 400001, Maharashtra  | Tel: (022) 61066800/22047092<br>Fax: (022) 22871985                           |
| <b>Corporate Office</b>                    | TCG Financial Center, 10th Floor, BKC Road, Bandra<br>Kurla Complex, Bandra (East),<br>Mumbai – 400098, Maharashtra           | Tel: (022) 66006999<br>Fax: (022) 66006998                                    |
| <b>National Office</b>                     | HDIL Towers, Ground Floor & Sixth Floor, Anant<br>Kaneekar Marg, Station Road, Bandra (East),<br>Mumbai – 400051, Maharashtra | Tel: (022) 71583333<br>Fax: (022) 71583344                                    |
| <b>International Representative Office</b> |   |   |
| <b>London</b>                              | 8A, Walpole Court, Ealing Green, London, W5 5ED   | Tel: +44- (0) 208-5791711<br>Fax: +44- (0) 208-5791712                        |
| <b>Dubai</b>                               | P. O. Box 48991, Office No. 211,<br>2nd Floor, Atrium Centre,<br>Khalid Bin Al Waleed Road (Bank Street),<br>Bur Dubai, UAE.  | Tel: 00971 - 4 - 3524905 / 00971 - 50 - 549120<br>Fax: 00 - 971 - 4 - 3524906 |

# DHFL Network

as on March 31, 2016

| North Circle          |                                     |  |  |
|-----------------------|-------------------------------------|--|--|
| North Circle Branches |                                     |  |  |
| Sr. No                | Location                            | Address  | Contact Number                             |
| 1                     | Chandigarh (Circle/ Culster Office) | A-301 & 302, 3rd Floor, Elante office Complex, Industrial Area Phase 1, Chandigarh.160002  | Tel: (0172) 4870000                        |
| 2                     | Lucknow (Cluster Office)            | Office No. 211-212, 2nd Floor, Titanium, Shalimar Corporate Park, Plot No. TC/G-1/1, Vibhuti Khand, Gomti Nagar, Lucknow – 226010, Uttar Pradesh | Tel: (0522) 4087000<br>Fax: (0522) 2200386 |
| 3                     | Chandigarh                          | SCO 811 - 812, 2nd Floor, Sec 22 A, Chandigarh - 160022  | Tel: (0172) 4970000<br>Fax: (0172) 4970013 |
| 4                     | Hisar                               | Kamala Palace, 1st Floor, Plot No. 57 - 60, Red Square Market, Hisar - 125001, Haryana   | Tel: (01662) 270332                        |
| 5                     | Karnal                              | Gulati Building, No. 227, Basement & Gr. Floor, Sector 12, Part 1, Karnal - 132001, Haryana  | Tel: (0184) 2265262 - 263                  |
| 6                     | Bhatinda                            | SCO 123, Goniana Road, Bhatinda - 151001, Punjab   | Tel: (0164) 5007193                        |
| 7                     | Jalandhar                           | SCO 13, Cristal Plaza, Ground Floor, Chotti Baradari, Part -1, Jalandhar - 144001, Punjab  | Tel: (0181) 5026001                        |
| 8                     | Ludhiana                            | SCO 16-17, 2nd floor, Firoz Gandhi Market, Ludhiana - 141001, Punjab   | Tel: (0161) 5029821                        |
| 9                     | Patiala                             | SCO 94-95, New Leela Bhawan Market, Patiala - 147001, Punjab   | Tel: (0175) 5063266/261                    |
| 10                    | Gorakhpur                           | 1st Floor, Radhika Complex, Medical College Road, Gorakhpur - 273001, Uttar Pradesh  | Tel: (0551) 6999010                        |
| 11                    | Jhansi                              | 1st Floor, Stephen House, Gwalior Road, Opp. Munna Lal Power House, Jhansi - 284001, Uttar Pradesh   | Tel: (0510) 2332226 - 227                  |
| 12                    | Kanpur                              | 16/104A, 4th Floor, Shree Siddhi Vinayak Building, Civil Lines, Kanpur - 208001, Uttar Pradesh   | Tel: (0512) 2530865                        |
| 13                    | Lucknow                             | 26/1, Upper Ground Floor, Taj Plaza, Madan Mohan Malaviya Marg, Lucknow - 226001, Uttar Pradesh  | Tel: (0522) 4943900                        |
| 14                    | Varanasi                            | 1st Floor, D.No.-58/19, A-4, Sibra, Above ICICI Bank Ltd, Varanasi - 221010, Uttar Pradesh   | Tel: (0542) 2222757<br>Fax: (0542) 2222757 |
| 15                    | Dehradun                            | 33, 2nd Floor, City Centre, Opp. Madhuban Hotel, 56, Rajpur Road, Dehradun - 248001, Uttarakhand   | Tel: (0135) 2740474                        |
| 16                    | Haldwani                            | Attam Complex, 1st Floor, Plot No. 5/452, Opp. Bank of Baroda, Nainital Road - 263139, Uttarakhand   | Tel: (05946) 220247                        |

| North Circle Service Centers |          |              |   |
|------------------------------|----------|--------------|---|
| Sr. No                       | Location | Nodal Branch | Contact Number  |
| 1                            | Ambala   | Chandigarh   | 5614, 1st Floor, Nicholson Road, Opp. Punjab National Bank Main Branch, Ambala - 133001, Haryana            |
| 2                            | Panipat  | Karnal       | MC 946 A8, 1st Floor, Avtar Singh Building, GT Road, Panipat - 132103, Haryana                              |
| 3                            | Sirsa    | Karnal       | 2nd Floor, Kar House Building, Opp. Hotel Aroma, Near Arorvansh Chowk, Dabwali Road, Sirsa -125055, Haryana |
| 4                            | Sonepat  | Karnal       | Arihant Plaza, 41-44, Subash Chowk, Atlas Road, Sonepat - 131001, Haryana                                   |



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| North Circle Service Centers |                   |              |   |                      |
|------------------------------|-------------------|--------------|---|----------------------|
| Sr. No                       | Location          | Nodal Branch | Address   | Contact Number       |
| 5                            | Yamunanagar       | Karnal       | SCO- 172, Ground Floor, Huda Sector - 17, Jagadhri, Yamunanagar - 135001, Haryana   | Tel: (01732) 261051  |
| 6                            | Solan             | Chandigarh   | SCO No. 2, Lower Ground Floor, Kapoor Complex, Mall Road, Solan - 173212, Himachal Pradesh  | Tel: (0179) 2221390  |
| 7                            | Amritsar          | Jalandhar    | 26, 1st Floor, Kennedy Avenue, Rialto Chowk, Amritsar -143001, Punjab   | Tel: (0183) 5093801  |
| 8                            | Hoshiarpur        | Jalandhar    | 2nd Floor of "J's Eminent Mall", Sutehri Road, Hoshiarpur - 146001, Punjab  | Tel: (01882) 2503794 |
| 9                            | Khanna            | Ludhiana     | 1st Floor, Purewal Tower, GT Road, Khanna - 141401, Punjab  | Tel: (01628) 505459  |
| 10                           | Pathankot         | Jalandhar    | 2nd Floor, R. K. Complex, Dalhousi Road, Pathankot - 145001, Punjab   | Tel: (0186) 2255752  |
| 11                           | Roopnagar (Ropar) | Chandigarh   | SCF 40, 1st Floor, Bela Chowk, Dashmesh Nagar, Ropar - 140001, Punjab   | Tel: (01881) 508202  |
| 12                           | Sangrur           | Patiala      | SCF 14, 1st Floor, Koula Park, Sangrur - 148001, Punjab   | Tel: (01672) 503633  |
| 13                           | Allahabad         | Varanasi     | 1st Floor, Shri Ram Complex, 54C Sardar Patel Marg, Besides HDFC Bank, Allahabad - 211001, Uttar Pradesh  | Tel: (0532) 2260494  |
| 14                           | Amethi            | Lucknow      | Flat No-106/1, 1st Floor, Rajput Complex, Station Road, Amethi - 227405, Uttar Pradesh  | Tel: (05368) 222904  |
| 15                           | Bareilly          | Haldwani     | GKS Palace, 63/64, Ayub Khan Choupla Road, Civil Line, Bareilly - 243001, Uttar Pradesh   | Tel: (0581) 2550260  |
| 16                           | Faizabad          | Lucknow      | Sai Kripa Complex, Ground Floor, Rikabganj, Near Nrendraly, Faizabad - 224001, Uttar Pradesh  | Tel: (05278) 220435  |
| 17                           | Muradabad         | Haldwani     | Shop No. 3/4/5, Upper Ground Floor, Parsvnath Place 2, Plot No. 3, Nilgiri Commercial Center, Mansarovar Scheme, Delhi Muradabad Road - 244001, Uttar Pradesh | Tel: (0591) 2480128  |
| 18                           | Raebareilly       | Lucknow      | A-1, 1st Floor, Madhur Complex, Raebareilly - 229001, Uttar Pradesh   | Tel: (0535) 2700107  |
| 19                           | Saharanpur        | Dehradun     | G-42, Parsvanath Plaza, Court Road, Saharanpur - 247001, Uttar Pradesh  | Tel: (01322) 728728  |
| 20                           | Sitapur           | Lucknow      | 1st Floor, R. C. Tower, Eye Hospital Road, Sitapur - 261001, Uttar Pradesh  | Tel: (0586) 2270011  |
| 21                           | Haridwar          | Dehradun     | 1st Floor, Plot No. 1, Ranipur More, Haridwar - 249401, Uttarakhand   | Tel: (01334) 224488  |

# DHFL Network

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| Delhi / NCR / Rajasthan Circle          |                                  |   |  |
|---|----------------------------------|---|--|
| Delhi / NCR / Rajasthan Circle Branches |                                  |   |  |
| Sr. No                                  | Location                         | Address   | Contact Number                                   |
| 1                                       | Gurgaon (Circle/ Cluster Office) | 201, 2nd floor, Vipul Agora, M. G. Road, Gurgaon - 122002, Haryana  | Tel: (0124) 4724100                              |
| 2                                       | Noida (Cluster Office)           | Plot No. - 6, Block - A, Ground Floor and 2nd Floor, Phase - I, Sector - 2, Noida - 201301, Uttar Pradesh   | Tel: (0120) 4862700                              |
| 3                                       | Jaipur (Cluster Office)          | Jaipur Tower, 302, 3rd Floor and E-3A, Ground Floor, Opp. AIR, M. I. Road, Jaipur - 302001, Rajasthan   | Tel: (0141) 2366536/539                          |
| 4                                       | Pitampura (Cluster Office)       | Unit No. 1 & 9, Ground Floor and Unit No. 400, 4th Floor, Plot No. A-9, GD-ITL, North Ex Tower, Netaji Subhash Place, Pitampura - 110034, New Delhi | Tel: (011) 49624900                              |
| 5                                       | Bahadurgarh                      | R N Plaza, Rear Portion of 1st Floor, Railway Road, Bahadurgarh - 245205, Haryana   | Tel: (01276) 699750 - 757                        |
| 6                                       | Faridabad                        | SCF, 39 Ground Floor. Sector-19, Huda Market, Part 2, Faridabad - 121002, Haryana   | Tel: (0129) 4315705 - 710                        |
| 7                                       | Gurgaon                          | Premises No. SCO-19, 2nd Floor, Sector-14, (Opp. Huda), Gurgaon, Haryana  | Tel: (0124) 4367839/837/835/833                  |
| 8                                       | Omax City Center                 | C-4, Omax City Center, 2nd Floor, Sohna Road, Gurgaon - 122002, Haryana   | Tel: (0124) 6900110 - 117                        |
| 9                                       | Rewari                           | SCO 12, Ground Floor, Brass Market, Opp. LIC of India, Rewari - 123401, Haryana   | Tel: (01274) 221976 - 977                        |
| 10                                      | Rohtak                           | Shop No. 398/ 28, Old MC No. 94/ 25, 2nd Floor, Main Delhi Road, Near HDFC Bank - Model Town, Rohtak - 124001, Haryana                              | Tel: (01262) 699210 - 217                        |
| 11                                      | Dwarka                           | Flat No. 301, 302 & 309, 3rd Floor, Krishna Tower, Plot No. 8, Sector - 12, Dwarka, New Delhi - 110075  | Tel: (011) 69000501 - 508                        |
| 12                                      | East of Kailash                  | 10, Ground Floor, Community Centre, East of Kailash, New Delhi - 110065   | Tel: (011) 26470062/064/065                      |
| 13                                      | Himalaya House                   | C-93, 9th Floor, Himalaya House, K.G Marg, Connaught Place, New Delhi - 110001  | Tel: (011) 69000240 - 247                        |
| 14                                      | Lajpat Nagar                     | A II/ 78 - B, 2nd Floor, Part 2, Lajpat Nagar, New Delhi - 110024   | Tel: (011) 69000270 - 277                        |
| 15                                      | Rajendra Place                   | Unit No. 167, Rajendra Bhawan, Rajendra Place, New Delhi - 110008   | Tel: (011) 43089670/673/674                      |
| 16                                      | Rajouri Garden                   | Plot No. 21, Block J - 2, First Floor, Left Side, B K Dutt Market, Main Najafgarh Road, Rajouri Garden, New Delhi - 110027                          | Tel: (011) 69000112 - 119                        |
| 17                                      | Safdarjung                       | B-6/9, DDA Community Centre, Near Deer Park, Safdarjung Enclave, New Delhi - 110029   | Tel: (011) 43140000                              |
| 18                                      | Ajmer                            | Above ICICI Bank, India Height, 2nd floor, India Motor Circle, Kutchery Road, Ajmer - 305001, Rajasthan   | Tel: (0145) 2625370                              |
| 19                                      | Bhilwara                         | 9-S, 11 & 12, Basant Vihar, BSL Road, Near Circuit House, Bhilwara - 311001, Rajasthan  | Tel: (01482) 235013 - 014<br>Fax: (01482) 235014 |
| 20                                      | Bhiwadi                          | A - 8, 2nd Floor, Bhagat Singh Colony, Alwar By Pass Road, Bhiwadi - 301019, Rajasthan  | Tel: (01493) 525541 - 542/545                    |
| 21                                      | Bikaner                          | 1 - 2, Yadav Complex, Near Rastra Unnati School, Rani Bazar, Bikaner - 334001, Rajasthan  | Tel: (0151) 2206352                              |
| 22                                      | Jodhpur                          | 76- 2nd Floor, L. K. Tower, Above Dhanlakhmi Bank/ Corp Bank, Main Chopasni Road, Sardarpura, Jodhpur - 342001, Rajasthan                           | Tel: (0291) 2640150/198                          |

# DHFL Network

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| Delhi / NCR / Rajasthan Circle          |                      |  |                                  |
|---|----------------------|--|----------------------------------|
| Delhi / NCR / Rajasthan Circle Branches |                      |  |                                  |
| Sr. No                                  | Location             | Address  | Contact Number                   |
| 23                                      | Kota                 | Plot No 151, Jediya Complex, Kothri Road, Gummanpura, Kota - 324007, Rajasthan   | Tel: (0744) 2391928/2028         |
| 24                                      | Sriganganagar        | 2nd Floor, 142, District Centre, Meera Marg, Sriganganagar - 335001, Rajasthan   | Tel: (0154) 2463036              |
| 25                                      | Udaipur              | 3rd Floor, Centre Point Building, Opp. B. N. College, Airport Road, Udaipur - 313011, Rajasthan  | Tel: (0294) 2418123 - 124        |
| 26                                      | Vaishali Nagar       | D - 244, Hanuman Nagar, 3rd Floor, Above Union Bank of India, Amrapalli Marg, Vaishali Nagar, Jaipur - 302021, Rajasthan                 | Tel: (0141) 2351997/987          |
| 27                                      | Agra                 | Office No. 7, 38/4A, 1st Floor, Sumriddhi Business Suits, Sanjay Place, Agra - 282002, Uttar Pradesh                                     | Tel: (0562) 4008455/9455/4000454 |
| 28                                      | Meerut               | Unit No. 308 & 309, 3rd Floor, Krishna Plaza Complex, Mangal Pandey Nagar, Tej Garhi Chauraha, Garh Road, Meerut - 250004, Uttar Pradesh | Tel: (0121) 4055188/199          |
| 29                                      | Noida                | Plot No. 35, Block A, 1st Floor, Sector 2, Noida - 201301, Uttar Pradesh   | Tel: (0120) 6522056 - 058        |
| 30                                      | RDC - Ghaziabad      | B-4, 1st Floor, SS Tower, RDC Raj Nagar, Ghaziabad - 201002, Uttar Pradesh   | Tel: (0120) 4102160              |
| 31                                      | Vaishali (Ghaziabad) | Shop No. 5 & 6, Plot No. GH-6, Ground Floor, Designarch High Street, Sector-5, Vaishali, Ghaziabad - 201010, Uttar Pradesh               | Tel: (0120) 2774394 - 395        |

| Delhi / NCR / Rajasthan Circle Branches |             |              |  |                     |
|---|-------------|--------------|--|---------------------|
| Sr. No                                  | Location    | Nodal Branch | Address  | Contact Number      |
| 1                                       | Mathura     | Agra         | Shop No.19-20, 1st Floor, Palika Market, Near Power House, Bhuteshwar Road, Mathura - 281001, Uttar Pradesh  | Tel: (0565) 6055500 |
| 2                                       | Alwar       | Jaipur       | 40-B, Yash Tower, 1st Floor, Near Bhagat Singh Circle, Over Bridge Road, Alwar - 301001, Rajasthan           | Tel: (0144) 2703386 |
| 3                                       | Balotra     | Jodhpur      | 1st Floor, Above SBI Bank, Main Khed Road, Balotra, Barmer - 344022, Rajasthan                               | Tel: (02988) 220004 |
| 4                                       | Banswara    | Udaipur      | 16-C, Mohan Colony Chouraha, 1st Floor, Banswara - 327001, Rajasthan   | Tel: (02962) 243733 |
| 5                                       | Chhitorgarh | Bhilwara     | 1st Floor, Shubham The Mall, Near Sukh Shanti Colony, Bhilwara Road, Chittorgarh - 312001, Rajasthan         | Tel: (01472) 249595 |
| 6                                       | Dausa       | Jaipur       | Ghoshi Complex, New Mandi Road, Dausa, Jaipur - 303303, Rajasthan  | Tel: (01427) 221930 |
| 7                                       | Jhalawar    | Kota         | Shop No. 11, Sumansurbhi, Near HDFC Bank, Bus-Stand Road, Nirbhay Singh Circle, Jhalawar - 326001, Rajasthan | Tel: (07432) 232718 |
| 8                                       | Neemrana    | Bhiwadi      | Plot No. S185, Industrial Area (RIICO), Neemrana - Tehsil Behror, Dist. Alwar - 301701, Rajasthan            | Tel: 09214200170    |
| 9                                       | Nokha       | Bikaner      | Patta No. 373, Pareek Complex, Ram Gopal Bhatard Chowk, Nokha - 334803, Rajasthan                            | Tel: (01531) 220820 |

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| Delhi / NCR / Rajasthan Circle Branches |           |              |  |                     |
|---|-----------|--------------|--|---------------------|
| Sr. No                                  | Location  | Nodal Branch | Address  | Contact Number      |
| 10                                      | Pali      | Jodhpur      | Maa Plaza, 1st Floor, Above Muthoot Finance, Plot No. 54, Suraj Pole Road, Ambedkar Circle, Pali - 306401, Rajasthan             | Tel: (02932) 225077 |
| 11                                      | Sikar     | Jaipur       | No. 5, Sukh Santoshi Apartment, Opp. New Nagar Parishad, Nr. Santoshi Mata Temple, Rani Sati Road, Sikar - 332001, Rajasthan     | Tel: (01572) 250185 |
| 12                                      | Tonk      | Jaipur       | Subhash Bazar, Employment Office, Tonk, Jaipur - 304001, Rajasthan   | Tel: (01432) 244462 |
| 13                                      | Aligarh   | Agra         | 2/471A, Vishnupuri, Plot No. 39/B1 & 39/B3, Ramghat Road, Opp. SMB College, 1st Floor, Kingsway, Aligarh - 202001, Uttar Pradesh | Tel: (0571) 6050009 |
| 14                                      | Firozabad | Agra         | Shop No.1 & 2, Semi Basement, Niharika Complex, Opp. Trauma Center, NH-2, Agra Gate, Firozabad - 283203, Uttar Pradesh           | Tel: (0561) 2261999 |

| East Circle           |                                   |   |                            |
|-----------------------|-----------------------------------|---|----------------------------|
| East Circle- Branches |                                   |   |                            |
| Sr. No                | Location                          | Address   | Contact Number             |
| 1                     | Kolkata (Circle / Cluster Office) | Duck Back House, 1st Floor, 41 Shakespear Sarani, Kolkata - 700017, West Bengal                         | Tel: (033) 40220800/ 811   |
| 2                     | Guwahati                          | 1st Floor, Trebenies Commercial Complex, Bhanagarh, G. S. Road, Guwahati - 781007, Assam                | Tel: 09531052022 - 23      |
| 3                     | Patna                             | 3rd Floor, Pandey Plaza, Exhibition Road, Patna - 800001, Bihar   | Tel: (0612) 2323921        |
| 4                     | Raipur                            | 4/91, Dr. Naidu Complex, 2nd Floor, Zail Road, Raipur - 492001, Chhattisgarh                            | Tel: (0771) 4092956        |
| 5                     | Jamshedpur                        | 2nd Floor, Om Tower, Near IndusInd Bank, Bistupur, Jamshedpur - 831001, Jharkhand                       | Tel: (0657) 6940307 - 314  |
| 6                     | Ranchi                            | S-1, 2nd Floor, Samudra Complex, 59B, Circular Road, Ranchi - 834001, Jharkhand                         | Tel: (0651) 2563005        |
| 7                     | Bhubaneswar                       | 102, Aditya Plaza, 1st Floor, 10-Bhouma Nagar, Unit-4, Bhubaneswar - 751001, Odisha                     | Tel: (0674) 2534142        |
| 8                     | Sambalpur                         | Room No. 1, 2nd Floor, Quality Mansion, Gole Bazar, Naya Para, Sambalpur - 768001, Odisha               | Tel: (0663) 2533317 / 229  |
| 9                     | Durgapur                          | A402-B, 3rd Floor, Kamdhenu, Bengal Shristi Complex, City Centre, Durgapur - 713216, West Bengal        | Tel: (0343) 2548070 / 2351 |
| 10                    | Kolkata                           | Duck Back House, 1st Floor, 41 Shakespear Sarani, Kolkata - 700017, West Bengal                         | Tel: (033) 40220800 / 811  |
| 11                    | Kolkata Syndication               | 1st Floor, 4N C Dutta Sarani, United Bank of India, Kolkata Milan Branch, Kolkata - 700001, West Bengal | Tel: (033) 22315658 - 660  |
| 12                    | Rashbihari                        | Narayani Building, 2nd Floor, 112A Rashbihari Avenue, Kolkata – 700026, West Bengal                     | Tel: (033) 69000303        |
| 13                    | Siliguri                          | 2nd Floor, Geetanjali Complex, Main Road, Sevoke Road, Siliguri - 734001, West Bengal                   | Tel: (0353) 2541104        |

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| East Circle- Service Center    |              |              |   |                     |
|--------------------------------|--------------|--------------|---|---------------------|
| Sr. No                         | Location     | Nodal Branch | Address   | Contact Number      |
| 1                              | Bilaspur     | Raipur       | Shop No. BF-11, 1st Floor, Rajiv Plaza, Opp. Axis Bank, Bus Stand, Bilaspur - 495001, Chhatisgarh                   | Tel: (07752) 412754 |
| 2                              | Durg         | Raipur       | Trilok Plaza, 1st Floor, Infront of Dr. Dhillon Complex, Gurudwara Station Road, Durg - 490021, Chhatisgarh         | Tel: (0788) 4051919 |
| 3                              | Bokaro       | Jamshedpur   | Plot No. G E -11, Ground Floor, City Centre, Sector 4, Bokaro - 827004, Jharkhand                                   | Tel: (0654) 2231966 |
| 4                              | Chaibasa     | Jamshedpur   | Unit No. 1, 2nd Floor, L D House, Amla Tola, Opp. Hanuman Mandir, Station Road, Chaibasa - 833201, Jharkhand        | Tel: (06582) 255235 |
| 5                              | Hazaribagh   | Ranchi       | 1st Floor, Vardaan Market, Matwari, Chowk, Near Gandhi Maidan, Hazaribagh - 825301, Jharkhand                       | NA                  |
| 6                              | Berhampur    | Bhubaneswar  | Room No.1(P), Majji Gouri Tower, Ground Floor, Sale Tax Square, Near BSNL SDO-II Office, Berhampur - 760010, Odisha | Tel: (06802) 290089 |
| 7                              | Puri         | Bhubaneswar  | Ground Floor, Lucifer Building, Police Line Square, VIP Road, Puri - 752001, Odisha                                 | Tel: (06752) 224020 |
| 8                              | Rourkela     | Sambalpur    | FF-2 , 1st Floor Sumitra Heights, Panposh Road, Opp. New Court Building, Rourkela - 769012, Odisha                  | Tel: (661) 2501155  |
| 9                              | Asansol      | Durgapur     | Premises No.98(87), G T Road, Asansol - 713303, West Bengal   | Tel: (0341) 2274197 |
| 10                             | Bardhaman    | Durgapur     | 412, BT Road, Birthata, Bardhaman Town - 713101, West Bengal  | Tel: (0342) 2665369 |
| 11                             | Chandannagar | Kolkata      | Shop No.2/B, Premises No. 602, Near Bag Bazar Kali Mandir, Chandannagar, Hooghly - 712136, West-Bengal              | Tel: (033) 26850602 |
| 12                             | Rajarhat     | Kolkata      | Siddhivinayak Apartments, Alghara, 1st Floor, Rajarhat Main Road, Kolkata - 700136, West Bengal                     | Tel: (033) 40619531 |
| East Circle- Collection Center |              |              |   |                     |
| 1                              | Suri         | Kolkata      | Dubrajpur Road, Opp. DSA Stadium, Near Rabindra Sadan, Birbhum Dist., Suri- 731101, West Bengal                     | NA                  |

# DHFL Network

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| West Circle            |                            |  |   |
|------------------------|----------------------------|--|---|
| West Circle - Branches |                            |  |   |
| Sr. No                 | Location                   | Address  | Contact Number                                    |
| 1                      | Pune (Circle Office)       | Lohia Jain Arcade, CTS No. 2840, Sr. No. 106/107, Friends Park Society, Senapati Bapat Road, Pune - 411016, Maharashtra  | Tel: (020) 2568 2000                              |
| 2                      | Indore (Cluster Office)    | Royal Gold Complex, Plot No. 4-A, 3rd Floor, Unit No. 303 & 304, Y. N. Road, Indore - 452001, Madhya Pradesh   | Tel: (0731) 4235701 - 715                         |
| 3                      | Ahmedabad (Cluster Office) | Office No. 209 - 212, 2nd Floor, Turquoise, Panchwati Cross Road, C. G. Road, Ahmedabad - 380009, Gujarat  | Tel: (079) 40602222                               |
| 4                      | Goa                        | 104, 1st Floor, Kamat Chambers, Opp. Hotel Neptune, Panaji - 403001, Goa   | Tel: (0832) 2230410 - 411                         |
| 5                      | Gandhidham                 | 203, 1st Floor, Sunder Park, Plot No. 95, Sector - 8, Tagore Road, Gandhidham - 370201, Gujarat  | Tel: (02836) 222032 / 033                         |
| 6                      | Mehsana                    | F-25 to F-29, 1st Floor, Sanskrit Shopping Mall, Near Khodiar Restaurant, Ahmedabad Mehsana Highway, Mehsana - 384002, Gujarat   | Tel: (02762) 230006 / 008                         |
| 7                      | Rajkot                     | Ground Floor, Ambition Tower, Indian Bank / Patel Suzuki Service Station Building, Near Indira Circle, Opp. Abhilasha Gas Agency, 150 feet Ring Road, Rajkot - 360005, Gujarat | Tel:(0281)2586458/459/6543269                     |
| 8                      | Surat                      | 202, 2nd Floor, Mangaldeep Complex, Near RTO, Ring Road, Surat - 395001, Gujarat   | Tel:(0261)2471112/113/120/130                     |
| 9                      | Vadodara                   | 5, Upper Ground Level, Profit Center, Near Kalagodha Circle, Sayajigunj, Vadodara - 390005, Gujarat  | Tel: (0265) 2226312 / 313 / 314                   |
| 10                     | Ahmednagar                 | Office No.8, Amardeep Complex, Near Gogadeo Temple, Sarjapura, Ahmednagar - 414001, Maharashtra  | Tel: (0241) 2431677<br>Fax: (0241) 2431677        |
| 11                     | Akola                      | Nakshtra Sankul, 1st Floor, Umri Road, Jatharpeth, Akola - 444005, Maharashtra   | Tel: (0724) 2491279 / 0697<br>Fax: (0724) 2352643 |
| 12                     | Aurangabad                 | N. K. Heights, 1st Floor, Opp. SBI Personal Banking, Kranti Chowk, Jalna Road, Aurangabad - 431001, Maharashtra  | Tel: (0240) 2351033 / 2643 / 6450570              |
| 13                     | Chakan                     | Shop No. 1 & 2, 1st Floor, Vishal Market, Near Vishal Garden, Shikrapur Road, Chakan, Taluka Khed, Pune - 410501, Maharashtra  | Tel: (02135) 654849                               |
| 14                     | Hadapsar                   | L-218, 1st Floor, Mega Centre, Behind Noble Hospital, Pune Solapur Road, Hadapsar - 413528, Maharashtra  | Tel: (020) 26890963 - 964                         |
| 15                     | Jalgaon                    | Shiva Arcade, Dhake Corporate Centre, Plot No. 18,19, Dhake Colony, Jalgaon - 425001, Maharashtra  | Tel: (0257) 2222253<br>Fax: (0257) 2222254        |
| 16                     | Kolhapur                   | Office No. 6 To 8A, Akshar Plaza, 1st Floor, Opp. Sasane Ground, Tarabai Park, Kolhapur - 416003, Maharashtra  | Tel: (0231) 2660567/3664<br>Fax: (0231) 2660567   |
| 17                     | Nagpur                     | 4th Floor, Bhiwapurkar Chambers, Opp. Yeshwant Stadium, Dhantoli, Nagpur - 440012, Maharashtra   | Tel: (0712) 2432448 / 2429686                     |
| 18                     | Nasik                      | S-3, 2nd Floor, Suyojit Sankul, Near Rajiv Gandhi Bhavan, Sharanpur Road, Nasik - 422002, Maharashtra  | Tel: (0253) 2316771 / 772<br>Fax: (0253) 2316762  |
| 19                     | Parbhani                   | Mantri Complex, 1st Floor, Wasmata Road, Ramkrushna Nagar, Parbhani - 431401, Maharashtra  | Tel: (02452) 227691<br>Fax: (02452) 223326        |
| 20                     | Pimpri                     | Unit No. 11, 12, 37, Ground Floor, Jewel of Pimpri, B Wing, Opp. PCMC, Pimpri Chinchwad - 411044, Maharashtra  | Tel: (020) 65331890                               |
| 21                     | Ratnagiri                  | 956, E/1, Kasturi Plaza, Ground Floor, Main Road, Opp. Vivek Hotel, Ratnagiri - 415612, Maharashtra  | Tel: (02352) 270515                               |
| 22                     | Sangli                     | Krishayan Arcade, 2nd Floor, Opp. ZP Office, Sangli - 416416, Maharashtra  | Tel: (0233) 2372166                               |
| 23                     | Solapur                    | Office No. 1 & 8, Rohan Commercial Centre, 1st Floor, C. S. No. 8372/D, Old RTO Road, Railway Lines, Near Raghoji Kidney Hospital, Solapur - 413 001, Maharashtra              | Tel: (0217) 2322241/ 3297178                      |



# DHFL Network

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| West Circle            |          |   |   |
|------------------------|----------|---|---|
| West Circle - Branches |          |   |   |
| Sr. No                 | Location | Address   | Contact Number                          |
| 24                     | Wanawadi | 2nd Floor, Sacred World, Sr. No. 75/2/2B, Wanawadi, Pune- 411040, Maharashtra   | Tel: (020) 69202668                     |
| 25                     | Yavatmal | 15, City Market, 1st Floor, Opp. Nilam Foam House, Hanuman Akhada Chauk, Yavatmal - 445001, Maharashtra                         | Tel: (07232) 238225                     |
| 26                     | Bhopal   | Plot No. 11, Alankar Complex, Mezanine Floor, Bank Street, M. P. Nagar, Zone II, Bhopal - 462011, Madhya Pradesh                | Tel: (0755) 2555088 / 4277088 / 4218376 |
| 27                     | Gwalior  | FF-17, 16, Orion Tower, Plot No. 11, City Center, Next to LIC Building, Gwalior - 474011, Madhya Pradesh                        | Tel: (0751) 4218202 - 207               |
| 28                     | Indore   | Royal Gold Complex, Plot No. 4-A, 2nd Floor, Unit No. 205/206/207, Y. N. Road, Indore - 452001, Madhya Pradesh                  | Tel: (0731) 4278010 - 015               |
| 29                     | Itarsi   | 1st Floor, 9th Line, Sarafa Road, Dr. U. K. Shukla's Building, Near Tagore School, Itarsi - 461111, Madhya Pradesh              | Tel: (07572) 406275                     |
| 30                     | Jabalpur | 1627, 1st Floor, Jaiswal Tower, Home Science College Road, Near Shashtri Bridge, Napier Town, Jabalpur - 482001, Madhya Pradesh | Tel: (0761) 4054911 / 921               |
| 31                     | Khargone | C-17, Radha Vallabh Market, Khargone - 451001, Madhya Pradesh   | Tel: (07282) 234732 / 830 / 231674      |

| West Circle - Service Centers |               |              |   |
|-------------------------------|---------------|--------------|---|
| Sr. No                        | Location      | Nodal Branch | Contact Number  |
| 1                             | Anand         | Vadodara     | 103, Maruti Sharnam, Opp. Nandbhumi Party Plot, V. V. Nagar Road, Anand - 388001, Gujarat                       |
| 2                             | Bharuch       | Vadodara     | No. G/22, Aditya Complex, Near Kasak Fountain, Bharuch - 392001, Gujarat  |
| 3                             | Bhavnagar     | Ahmedabad    | 108, 1st Floor, Shopper's Point, Parimal Chowk, Waghawadi Road, Bhavnagar - 364001, Gujarat                     |
| 4                             | Himmatnagar   | Mehsana      | 1st Floor, City Plaza, Sahkari Chowk, Himmatnagar - 383001, Gujarat   |
| 5                             | Jamnagar      | Rajkot       | 127- Madhav Plaza, Opp. SBI Bank, 1st Floor, Near Lal Banglow, Jamnagar - 361001, Gujarat                       |
| 6                             | Junagarh      | Rajkot       | 304, 3rd Floor, Platinum Complex, Jayshree Cinema Road, Near Karwa Chowk, Junagadh - 362001, Gujarat            |
| 7                             | Navsari       | Surat        | 103, 1st Floor, Landmark The Mall, Saiyaji Library Road, Navsari - 396445, Gujarat                              |
| 8                             | Surendranagar | Ahmedabad    | 1st Floor, Planet Square 2, 80 FT Road, Surendranagar - 363001, Gujarat   |
| 9                             | Vapi          | Surat        | Shop No. 14 - 15, Mezzanine Floor, Shoppers Stop, Next to Jai Tower, Vapi Silvassa Road, Vapi - 396191, Gujarat |
| 10                            | Amravati      | Akola        | Gulshan Arcade, Near Railway Station, Amravati - 444601, Maharashtra  |
| 11                            | Baramati      | Swargate     | 2nd Floor, Vidya Corner Super Market, Pencil Chowk, Bhigwan Road, Baramati - 413133, Maharashtra                |
| 12                            | Beed          | Aurangabad   | Shop No. 4, 1st Floor, Sr. No. 18, Taraf Deshmukh, D. P. Road, Beed - 431122, Maharashtra                       |

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| West Circle - Service Centers |            |              |   |                     |
|-------------------------------|------------|--------------|---|---------------------|
| Sr. No                        | Location   | Nodal Branch | Address   | Contact Number      |
| 13                            | Buldana    | Akola        | Shop No. 209 & 210, DSD City Mall, Bus Stand To Tegsuk Road, Dalal Layout, Buldana - 443001, Maharashtra                                      | Tel: (07262) 242144 |
| 14                            | Chandrapur | Nagpur       | Shop No.3, Naidu Chamber's, Kasturba Road, Near Jatpura Gate, Chandrapur - 442402, Maharashtra  | Tel: (07172) 273813 |
| 15                            | Daund      | Swarjate     | Shop No. 14, City Pride, Sahkar Chauk, Daund - 413801, Maharashtra  | Tel: (02117) 262929 |
| 16                            | Dhule      | Nasik        | Shop No. 3 & 4, 1st Floor, Ashok Estate, Opp. Santoshi Mata Mandir, Sakri Road, Dhule - 424001, Maharashtra                                   | Tel: (02562) 238877 |
| 17                            | Jalna      | Aurangabad   | Shop No.11, Survey No. 49/7, Misal Tower, Plot No. 4, Near Shani Mandir, Old Jalna, Jalna - 431203, Maharashtra                               | Tel: (0248) 2223400 |
| 18                            | Latur      | Solapur      | Shop No.12 & 13, Shivkamal Silver Arch Building, Nandi Stop, Latur - 413512, Maharashtra  | Tel: (02382) 241272 |
| 19                            | Mahad      | Ratnagiri    | Shop No 7, Govind Sagar, P. G. City, Near N. H. 17 Highway, Mahad - 402301, Maharashtra   | Tel: (02145) 224975 |
| 20                            | Malegaon   | Nasik        | Office No 26, Opp. District Court, Camp Road, Satana Chowk, Malegaon - 423105, Maharashtra  | Tel: (02554) 251588 |
| 21                            | Nanded     | Parbhani     | Center Point, F - 6, 1st Floor, Shivajinagar, Nanded - 431602, Maharashtra  | Tel: (02462) 242627 |
| 22                            | Nasik      | Nasik        | Shop No. 5, 2nd Floor, Pratik Arcade, Bytco Point, Nasik Road, Nasik - 422101, Maharashtra  | Tel: (0253) 2456762 |
| 23                            | Satara     | Kolhapur     | Shop No. G2, Yashwant Plaza, Ground Floor, 88, Raviwar Pet, Near Pawai Naka, Satara -415002, Maharashtra                                      | Tel: (02162) 227567 |
| 24                            | Shrirampur | Ahmednagar   | Office No. 02, Popular Shopping Complex, Below Union Bank of India, Shrirampur, Ahmednagar - 413709, Maharashtra                              | Tel: (02422) 224009 |
| 25                            | Sindhudurg | Goa          | Shop No. 45, Upper Ground Floor, Lakshmi Nakshatra Tower, Opp. Bus Stand, Dist-Sindhudurg, Kudal - 416520, Maharashtra                        | NA                  |
| 26                            | Talegaon   | Chakan       | Office No.11, Shantai City Centre, Near Bank of India, Talegaon Dabhade - 410506, Maharashtra   | Tel: (02114) 222607 |
| 27                            | Wagholi    | Hadapsar     | Blue Sky Icon, Office No. 205, Baif Road, Pune Nagar Road, Opp. Mojhe College, Wagholi, Pune - 412207, Maharashtra                            | Tel: (020) 32405535 |
| 28                            | Wardha     | Nagpur       | House No. 205, Meghal Complex, Plot No. 36, Rajkala Talkies Road, Wardha - 442001, Maharashtra  | Tel: (07152) 245124 |
| 29                            | Washim     | Akola        | Paras Plaza 1, Shop No 27, Risod Road, Washim - 444505, Maharashtra   | Tel: (07252) 232880 |
| 30                            | Chhindwara | Jabalpur     | 1st Floor, Mauza Chhindwara, P.H.NO. 22, KH.No. 36/8, R.N.M., Chhindwara - 1, Parasia Road, Teh. & Dist.- Chhindwara - 480001, Madhya Pradesh | Tel: (07162) 247311 |
| 31                            | Dewas      | Indore       | 1st Floor, Plot No. 27, Agroha Nagar, Behind Shiva Hotel, Dewas - 455001, Madhya Pradesh  | Tel: (07272) 401547 |

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| West Circle - Service Centers |           |              |  |                                      |
|-------------------------------|-----------|--------------|--|--------------------------------------|
| Sr. No                        | Location  | Nodal Branch | Address  | Contact Number                       |
| 32                            | Khandwa   | Khargone     | 5, Vaikhuntnagar, Civil line, Khandwa - 450001, Madhya Pradesh   | Tel: (0733) 2226650                  |
| 33                            | Pithampur | Indore       | Shop No.62 - 63, Sudarshan Complex, Upper Ground Floor, Mahu Ninach Road, Pithampur - 454775, Madhya Pradesh | Tel: (07292) 401944                  |
| 34                            | Ratlam    | Indore       | 1st Floor, Nazar Bagh, Palace Road, Above SBI ATM, Opp. S. R. Petrol Pump, Ratlam - 457001, Madhya Pradesh   | Tel: (07412) 407511                  |
| 35                            | Rewa      | Jabalpur     | 1st Floor, John Tower, College Road, Near Madhyanchal Corp. Bank, Rewa-486001, Madhya Pradesh                | Tel: (07662) 255010                  |
| 36                            | Sagar     | Bhopal       | Shop No. UG 13, Mezzanine Floor, Dwarka Complex, Civil Lines, Sagar - 470001, Madhya Pradesh                 | Tel: (07582) 242286                  |
| 37                            | Satna     | Jabalpur     | 1st Floor, Satna Plaza, Rewa Road, Satna - 485001, Madhya Pradesh  | Tel: (07672) 411303                  |
| 38                            | Shivpuri  | Gwalior      | 1st Floor, Hazi Sannu Market, Above Bajaj Showroom, AB Road, Shivpuri - 473781, Madhya Pradesh               | Tel: (07492) 222830                  |
| 39                            | Ujjain    | Indore       | Shop No. 41, Durga Plaza, Shreeganj, Dewas Road, Ujjain - 456001, Madhya Pradesh                             | Tel: (0734) 4060409                  |
| 40                            | Vidisha   | Indore       | Opp. PWD Office, Near Over Bridge, Civil Lines, Vidisha - 464001, Madhya Pradesh                             | Tel: (07592) 406310 / (07592) 233988 |

| Mumbai Circle          |   |   |  |
|------------------------|---|---|--|
| Mumbai Circle Branches |   |   |  |
| Sr. No                 | Location  | Address   | Contact Number                                   |
| 1                      | Thane - Hari Niwas Circle (Circle / Cluster Office) | Dhiraj Baug, Building "A" Ground & 1st Floor, Beside Axis Bank, Opp. Monalisa Building, Agra Road, Hari Niwas Circle, Naupada, Thane (West) - 400602, Maharashtra                   | Tel: (022) 67285858 - 922<br>Fax: (022) 67285859 |
| 2                      | Dahisar (Cluster Office)                            | Rustomjee R-Cade, Rustomjee Acres, 2nd & 3rd Floor, Jayawant Sawant Road, Dahisar (West), Mumbai - 400 068, Maharashtra   | Tel: (022) 61093333<br>Fax: (022) 61093335       |
| 3                      | Ambernath (East)                                    | Shop No. 104 - 107, 1st Floor, Panvelkar Plaza, D. D. Scheme No. 15, Plot No. 7, CTS 4835 to 4838, Village - Kohojkhuntavalli, Taluka -Ambernath, Dist. Thane - 421501, Maharashtra | Tel: (0251) 6940720 - 728                        |
| 4                      | Andheri (East)                                      | Premises no. 508, 509, 5th Floor, Anjani Complex, Opp. Guru Nanak Petrol Pump, Parera Hill Road, Andheri (East), Mumbai - 400099, Maharashtra                                       | Tel: (022) 65357011                              |
| 5                      | Badlapur (East)                                     | Shop No. 7, Ground Floor, Shubh Shilp CHSL, Plot No. 1-3, Ghorpade Chowk, Village Katrap, Badlapur (East), Badlapur, Thane - 421503, Maharashtra                                    | Tel: (0251) 6542080 - 087                        |
| 6                      | Bhandup (West)                                      | Dreams Mall, Upper Ground Floor, L.B.S. Marg, Bhandup (West), Mumbai - 400078, Maharashtra  | Tel: (022) 6179 6800                             |
| 7                      | Bhiwandi  | Shop no. 108 - 109, 1st floor, City Centre, Opp. Hathi Sizing, Dhamankar Naka, Bhiwandi - 421302, Maharashtra   | Tel: (02522) 690371 - 378                        |
| 8                      | Boisar (West)                                       | Shop No.127 to 130, Ostwal Empire, Mahavir Market, Above Khubsurat Pink City, Opp. IDBI Bank, Boisar (W), Thane - 401404, Maharashtra   | Tel: (02525) 267826 / 926                        |

# DHFL Network

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| Mumbai Circle          |                            |  |   |
|------------------------|----------------------------|--|---|
| Mumbai Circle Branches |                            |  |   |
| Sr. No                 | Location                   | Address  | Contact Number  |
| 9                      | Borivali (East)            | Dheeraj Regency, Shop No. 18 - 20, Opp. Bhor Industry, Off W.E.Highway, Borivali (East), Mumbai - 400066, Maharashtra                          | Tel: (022) 69001101 - 108   |
| 10                     | Borivali (West)            | Office no. 205-206, 2nd Floor, Ganjawala Residency, Ganjawala Lane, Behind S V Road Petrol Pump, Borivali (West), Mumbai - 400092, Maharashtra | Tel: (022) 69000670 - 677   |
| 11                     | Dahanu                     | Kumar Corner, Unit No. 108 - 111, 1st Floor, Dahanu Road (West) - 401602, Maharashtra  | Tel: (02528) 693787 - 794   |
| 12                     | Dahisar (East)             | Diamoda, Unit No. 706, 7th Floor, Near Novelty Silk Mill Compound, Dahisar (East), Mumbai - 400068, Maharashtra                                | Tel: (022) 61539700   |
| 13                     | Dombivali (East)           | Vitthal Apt, B-wing, 1st Floor, Shahid Bhagat Singh Road, Tai Pingale chowk, Nr. Sarvesh Hall, Dombivali (East), Thane - 421201, Maharashtra   | Tel: (0251) 2449630 - 631   |
| 14                     | Fort                       | Warden House, 2nd Floor, Sir P. M. Road, Fort, Mumbai - 400001, Maharashtra  | Tel: (022) 61066800/ 22047092<br>Fax: (022) 22871985                    |
| 15                     | GB Road Thane              | 3rd Floor, Lake City Mall, Kapur Bawdi Junction, Ghodbunder Road, Thane (West) - 400607, Maharashtra   | Tel: (022) 25424414 - 415   |
| 16                     | Ghatkopar (East)           | 1A, 1st Floor, Nand Ashish CHSL, R. B. Mehta Road, Ghatkopar (East), Mumbai - 400077, Maharashtra  | Tel: (022) 65301386 - 393   |
| 17                     | Kalyan (West)              | Riddhi Siddhi Complex, Shop No. 1 - 5, Kalyan Murbad Road, Opp. ICICI Bank, Kalyan (West) - 421301, Maharashtra                                | Tel: (0251) 6509250 - 257   |
| 18                     | Karjat                     | Block No 103, C Wing, Hira Panna Shopping Plaza, Ambrai Road, Karjat, Dist. Raigad - 410201, Maharashtra                                       | Tel: (02148) 690009 - 012   |
| 19                     | Khopoli                    | H.No.23/1/E, 1st Floor, Sai Niwas, Opposite Deepak Hotel, Khopoli - 410203, Maharashtra  | Tel: (02192) 692000 - 007   |
| 20                     | Mira Bhayander Road (East) | Shop No. 101-102, 1st Floor, Poonam Enclave, Mira-Bhayander Road, Near Golden Nest, Mira Road (East), Thane - 401107, Maharashtra              | Tel:(022)28131167/177/187/197   |
| 21                     | Mumbai Metro               | HDIL Towers, Ground Floor, Anant Kanekar Marg, Station Road, Bandra (East), Mumbai - 400051, Maharashtra                                       | Tel: (022) 61558100 / 101/ 150 / 26470338 / 339<br>Fax: (022) 2658 2176 |
| 22                     | Naigaon                    | 1st floor Chirst House, Opp Vijay Garege, Naigaon, Juchandra station Road Naigaon, Tal - Vasai - 401208, Maharashtra                           | Tel: (0250) 6900230 - 237   |
| 23                     | Nallasopara (West)         | Shop No. 9-14, Ground Floor, Patankar Park, Station Road, Nallasopara (West), Tal. Vasai, Thane - 401203, Maharashtra                          | Tel: (0250) 6455311/2413841   |
| 24                     | Navi Mumbai (Belapur)      | Block no.7, Raigad Bhavan, 2nd floor, Sector -11, CBD Belapur, Navi Mumbai - 400614, Maharashtra   | Tel: (022) 27571650 / 61068000<br>Fax: (022) 27572596                   |
| 25                     | Navi Mumbai (Kharghar)     | Shop no. 10, Ground floor, Ravechi Heights, Plot no. 25, Sector -7, Kharghar, Navi Mumbai - 410210, Maharashtra                                | Tel: (022) 65308171 / 27742861  |
| 26                     | Palghar (West)             | Neel Sursti, Shop No. 2 & 3, Ground Floor, Tembhoda Road, Palghar (West) Thane 401404, Maharashtra   | Tel: (0252) 5657181 - 188   |
| 27                     | Panvel                     | Shop No 1 to 5, 1st Floor, Melody Tower, Sector 15 A, Opp Panvel Station Road, New Panvel - 410206, Maharashtra                                | Tel: (022) 69000360 - 367<br>Fax: (022) 27450061                        |
| 28                     | Pen                        | Shop No.101 ,Krushiutpana Bazar Samiti, 1st Floor, Mumbai Goa Highway, Opp. Pen Railway Station, Pen, Dist: Raigad - 402107, Maharashtra       | Tel: (02143) 690922 - 928   |
| 29                     | Roha                       | Shop Nos A/01, A/02 & A/20, Ground Floor, Jayram Apartments Village Roha, Taluka Roha, Dist Raigad - 402109, Maharashtra                       | Tel: (02194) 690200 - 207   |

# DHFL Network

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| Mumbai Circle                  |                                     |   |   |
|--------------------------------|-------------------------------------|---|---|
| Mumbai Circle Branches         |                                     |   |   |
| Sr. No                         | Location                            | Address   | Contact Number                                  |
| 30                             | Shahapur                            | Shop No. 07, Ground Floor, Rishika CHSL, Survey No. 13P, at Village Kalambhe, Taluka Shahapur, Dist. Thane - 421601, Maharashtra.                                 | Tel: (02527) 690117                             |
| 31                             | Thane - Hari Niwas Circle           | Dhiraj Baug, Building "A" Ground & 1st Floor, Beside Axis Bank, Opp. Monalisa Building, Agra Road, Hari Niwas Circle, Naupada, Thane (West) - 400602, Maharashtra | Tel: (022) 67285839                             |
| 32                             | Thane - Naupada                     | 202, Suraj Arcade, 2nd Floor, Near Deodhar Hospital, Gokhale Road, Naupada, Thane (W) - 400601, Maharashtra   | Tel: (022) 61533400                             |
| 33                             | Titwala (West)                      | Office No-1-5, Ground Floor, Omkar Residency, "D" Wing, Opp. Railway Station, Titwala (West), Thane - 421605, Maharashtra   | Tel: 9272202950                                 |
| 34                             | Ulhasnagar                          | Atlas Tower, Ground Floor, Station Road, Ulhasnagar - 421003, Maharashtra   | Tel: (0251) 6942680 - 687                       |
| 35                             | Ulwe                                | Shop No. 2 - 5, Ground Floor, Parijat, Plot No. 37, Sector - 19, Ulwe, Navi Mumbai - 400614, Maharashtra  | Tel: 8424031504 / 505                           |
| 36                             | Vasai (East)                        | DHFL Building, Opp. HDFC Bank, Near Holy Family School, Evershine City, Gokhivare, Vasai (East), Thane - 401208, Maharashtra                                      | Tel: (0250) 6510370 / 2461280                   |
| 37                             | Vasai (West)                        | Shop No. 1, Milan Appartments, Opp. Bassien Catholic Bank, Station Road (Manikpur), Vasai (West), Thane - 401202, Maharashtra                                     | Tel: (0250) 2346982 - 985                       |
| 38                             | Vashi (West)                        | A/501, BSEL Tech Park, Opp Vashi Railway Station, Vashi (West), Navi Mumbai - 400614, Maharashtra   | Tel: (0250) 27814038 - 039                      |
| 39                             | Virar (East)                        | Pushpa Plaza, Opp Railway Station, Manvel Pada Road, Virar (East), Thane - 401305, Maharashtra  | Tel: (0250) 6510230 / 2520109                   |
| 40                             | Virar (West)                        | Shop No.2 & 3, Sheetal Nagar, Bldg No.4, Agashi Road, Virar (West), Thane - 401303, Maharashtra   | Tel: (0250) 6451718 / 2512178                   |
| 41                             | Wada                                | No. 201, 2nd Floor, "A" Wing, Gauri Complex, Khandeshwari Naka, Junction of Wada Manor Road & Wada Kudus Road, Wada, Thane - 421303, Maharashtra                  | Tel: (02526) 690100 / 690070 - 071              |
| MUMBAI CIRCLE DISBURSEMENT HUB |                                     |   |   |
| 1                              | Dahisar (West)                      | Rustomjee R-Cade, Rustomjee Acres, 2nd & 3rd Floor, Jayawant Sawant Road, Dahisar (West), Mumbai - 400068, Maharashtra  | Tel: (022) 61093333<br>Fax: (022) 61093335      |
| 2                              | Thane - Hari Niwas Circle           | Dhiraj Baug, Building "A" Ground & 1st Floor, Beside Axis Bank, Opp. Monalisa Building, Agra Road, Hari Niwas Circle, Naupada, Thane (West) - 400602, Maharashtra | Tel: (022) 67285805                             |
| South Circle                   |                                     |   |   |
| South Circle Branches          |                                     |   |   |
| Sr. No                         | Location                            | Address   | Contact Number                                  |
| 1                              | Bengaluru (Circle / Cluster Office) | No. 719/A, 53-2, 2nd Floor, 46th Cross Road, J K Tower, Sangam Circle, Jayanagar, 8th Block, Bengaluru - 560070, Karnataka  | Tel: (080) 43424100 -170<br>Fax: (080) 43424101 |
| 2                              | Bengaluru (Extended Circle Office)  | 301 & 401 Brigade Plaza, Opp. Ganapati Temple, Ananda Rao Circle, Bengaluru - 560009, Karnataka   | Tel: (080) 22093100                             |

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| South Circle          |                            |   |  |
|-----------------------|----------------------------|---|--|
| South Circle Branches |                            |   |  |
| Sr. No                | Location                   | Address   | Contact Number   |
| 3                     | Bengaluru (Cluster Office) | No. 82, 1st Floor, Above IDBI Bank, Dr. Rajkumar Road, 2nd Block, Rajajinagar, Bengaluru - 560010, Karnataka  | Tel: (080) 23329596 / 100 -150                                 |
| 4                     | Kochi (Cluster Office)     | 1st Floor, K M M Building, D.No. 32/2383 - B & DI, Palarivattom, Kochi - 682025, Kerala   | Tel: (0484) 4059536 / 2334368 / 4011444<br>Fax: (0484) 2334368 |
| 5                     | Hyderabad (Cluster Office) | No. 8-3-948/949, F No: 301, 302 & 303, 3rd Floor, Solitaire Plaza, Behind Image Hospital, Ameerpet, Hyderabad - 500073, Telangana   | Tel: (040) 23742003 - 004 / 040 / 050 / 080 & 67212222         |
| 6                     | Chennai (Cluster Office)   | "Kalpalathika Towers", New No. 36, Old.No.24, Dr. Ambedkar Road, Ashok Nagar Main Road, Kodambakkam, Chennai - 600024, Tamil Nadu   | Tel: (044) 24807400  |
| 7                     | Guntur                     | D. No.: 5 - 37 - 50, 4 / 7, Brodipet, 1st Floor, Above Khazana Jewellery Show Room, Guntur - 522002, Andhra Pradesh   | Tel: (0863) 2244120  |
| 8                     | Kadappa                    | D. No.: 4 / 622 / B, 2nd Floor, CPVR Towers, Arvind Nagar, R.S. Road, Opp. New APSRTC Bus Stand, Kadappa - 516002, Andhra Pradesh   | Tel: (08562) 245400  |
| 9                     | Kurnool                    | D. No: 40 - 354 - 60, 1st Floor, Nandyal Gate, Opp Narayanmurthy Petrol Pump, Park Road, Kurnool - 518001, Andhra Pradesh   | Tel: (08518) 227217 / 311395                                   |
| 10                    | Nellore                    | D.No: 16-3-210, 2nd Floor, Magna Super Market , GSR Complex, Ramalingapuram Main Road, Opp to SBI Building, Nellore - 524001, Andhra Pradesh                              | Tel: (0861) 2340243  |
| 11                    | Rajahmundry                | D.No.: 6 - 1 - 14 & 15, Rangacheri Street, T Nagar, Rajahmundry - 533101, Andhra Pradesh  | Tel: (0883) 2441889 / 6664700                                  |
| 12                    | Tirupati                   | H.No.8 - 119/A, Plot No 26, 1st Floor, Jayanti Towers, Rayala Cheruvu Road (R C Road), Opp. Railway Coach Depot Office, Tirupati, Chittoor Dist. - 517502, Andhra Pradesh | Tel: (0877) 2245580  |
| 13                    | Vijayawada                 | Door No.27-20- 51, 1st Floor, Lakshmiram Plaza, Museum Road, Sonovision Opposite Road, Governor Pet, Vijayawada - 520002, Andhra Pradesh                                  | Tel: (0866) 6688200  |
| 14                    | Vishakhapatnam             | D.NO.: 47-14-7/3, Eswara Plaza, 1st Floor, Dwaraka Nagar, Main Road, Vishakhapatnam - 530016, Andhra Pradesh  | Tel: (0891) 2754985 / 2707908                                  |
| 15                    | Vishakhapatnam             | 10-1-44/7, 1st floor, Peejay Plaza, Opp. Hotel Tycoon, CBM Compound, VIP Road, Vishakhapatnam - 530003, Andhra Pradesh  | Tel: (0891) 6620003 - 005                                      |
| 16                    | Belgaum                    | No 4830/1, 1st & 2nd Floor, Shetty Building, Civil Hospital Road, Opp BIMS College, Belgaum - 590001, Karnataka   | Tel: (0831) 2424972<br>Fax: (0831) 2469342                     |
| 17                    | Bellary                    | 8/2, Akshaya Nilya, Moka Road, Opp. Govt. Hospital Gandhi Nagar, Bellary - 583101, Karnataka  | Tel: (08392) 256541 - 543                                      |
| 18                    | Bengaluru (Jayanagar)      | 1347/36, 2nd floor, Ragigudda Circle, South End, Main Road, 9th Block, Jayanagar, Bengaluru - 560069, Karnataka   | Tel: (080) 41209254 - 55, 41479601 - 604                       |
| 19                    | Bengaluru (Koramangala)    | No.58, L V Complex, 1st Floor, Diagonally Opp To Airtel Show Room, 7th Block, Kormangala, Bengaluru - 560091, Karnataka   | Tel: (080) 25705881 - 886                                      |
| 20                    | Bijapur                    | CTS No. 89 and CTS No. 95/B, In CTS Ward No.III, Ram Mandir Road, Bijapur - 586101, Karnataka   | Tel: (08352) 240971 / 632                                      |
| 21                    | Chandapura                 | 1st floor, Chandapura, Electronic City, Bengaluru - 560081 Karnataka  | Tel: (080) 27832192  |
| 22                    | Davangere                  | No. 273/4-12, Mallikarjuna Towers, 1st Floor, Above New Bata Show Room, Pravasi Mandir Road, Davangere - 577002, Karnataka  | Tel: (08192) 257809 / 258090 / 233955                          |
| 23                    | Kalburgi                   | No 2-243/FF/2, 1st Floor, Asian Tower, Jagat Main Road, Opp City Municipal Council, Kalburgi - 585101, Karnataka  | Tel: (08472) 260630 / 224906                                   |
| 24                    | Hubballi                   | 4 - 5, 1st Floor, Eureka Towers, Traffic Island, Hubballi - 580029, Karnataka   | Tel: (0836) 2352929<br>Fax: (0836) 2350066                     |



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| South Circle          |                         |  |  |
|-----------------------|-------------------------|--|--|
| South Circle Branches |                         |  |  |
| Sr. No                | Location                | Address  | Contact Number   |
| 25                    | Kengeri                 | Sri Agani Complex , 2nd floor, Above Coffee day, Kengeri Upanagara, Bengaluru - 560060, Karnataka  | Tel: (080) 28488889  |
| 26                    | Kolar                   | 1st Floor, Katha No. 440, Kittur Rani, Chennamma Circle, Opp. New KSRTC Bus Stand, Ramadevaragudi Street, Kolar Town - 563101, Karnataka               | Tel: (0815) 2220031  |
| 27                    | Mangalore               | 305 - 306, 3rd floor, Inland Ornate, Navbharat Circle, Kodilabail, Mangalore - 575003, Karnataka   | Tel: (0824) 2441801  |
| 28                    | Marathalli              | 1st Floor, M S R Complex, Opposite to SBI, No. 93/2A, 96, Marathalli Outer Ring Road, Marathahalli Junction, Marathalli, Bengaluru - 560037, Karnataka | Tel: (080) 25233153  |
| 29                    | Mysore                  | New no. 83/B, 1st Floor, Raghvendra Mension, Opp. Saraswathi Theatre, New Kantharaj Urs Road, Saraswathipuram, Mysore - 570009, Karnataka              | Tel: (0821) 4257704 - 705<br>Fax: (0821) 4257706               |
| 30                    | Mysore                  | Nakshathra, 2nd floor, Narayanashastri Road, Near Sidappa Square, Mysore - 570004, Karnataka   | Tel: (0821) 2333513 / 358                                      |
| 31                    | Nelamangala             | 1st Floor, Krishna Complex, 2 Units, Old By Pass Road, NH4, Nelamangala - 562123, Karnataka  | Tel: (080) 27723678  |
| 32                    | Shivamoga               | Mahaveer Plaza, 2nd Floor, 3rd Cross Garden Area, Nehru Road, Shivamoga - 577201, Karnataka  | Tel: (08182) 220152 / 074                                      |
| 33                    | Tumkur                  | Shiny Tower, Shreeniwasa Nursing Home Road, Shri Shivakumar Swamiji Circle, B H Road, Tumkur - 572102, Karnataka                                       | Tel: (0816) 2275892  |
| 34                    | Yelahanka               | GVR Castle, G. L. Raj Nagar, Bagalur Main Road, Vinayak Nagar, IAF Post, B4, Site No. 98 & 163, Yelahanka - 560102, Karnataka                          | Tel: (080) 32563560  |
| 35                    | Calicut                 | 2nd Floor, Marina Mall, YMCA Cross Road, Calicut - 673001, Kerala  | Tel: (0495) 2367697  |
| 36                    | Kannur                  | D.No.TV-33/363N, 2nd Floor, Grand Plaza, Fort Road, Kannur - 670001, Kerala  | Tel: (0497) 2707795 / 2701051 / 3258234                        |
| 37                    | Kochi                   | Ground Floor, K M M Building, Door No. 32/2383-D, Palarivattom, Kochi - 682025, Kerala   | Tel: (0484) 4059536 / 2334368 / 4011444<br>Fax: (0484) 2334368 |
| 38                    | Kottayam                | 1st Floor, Madeena Arcade, CMS College Road, Baker Junction, Kottayam - 686001, Kerala   | Tel: (0481) 2300156  |
| 39                    | Thrissur                | 2nd Floor, SALPA Complex, M.G.Road, Near West Fort Junction, Thrissur - 680004, Kerala   | Tel: (0471) 2333077  |
| 40                    | Thriuvanthapuram        | 1st floor, Twinkle Plaza, Panavila, Thiruvananthapuram - 695014, Kerala  | Tel: (0487) 2381260 / 2381989 / 2381699.                       |
| 41                    | Ambattur                | 1st Floor, SKP Building, No. 48 / 36, North Park Street, Venkatapuram, Ambattur, Chennai - 6000 053, Tamil Nadu  | Tel: (044) 26573055  |
| 42                    | Chennai Branch          | "Kalpalathika Towers", New No. 36, Old.No.24, Dr. Ambedkar Road, Ashok Nagar Main Road, Kodambakkam, Chennai - 600 024, Tamil Nadu                     | Tel: (044) 24807498  |
| 43                    | Chennai Main            | D.No.2/75, The Blue Lace Brocade, 1st Floor, New Avadi Road, Kilpauk Garden, Chennai - 600010, Tamil Nadu  | Tel: (044) 26474646 / 747 / 26478148<br>Fax: (044) 26474949    |
| 44                    | Chennai Metro           | No.5F, Century Plaza, 560 - 562, Anna Salai, Teynampet, Chennai - 600018, Tamil Nadu   | Tel:(044) 24347749 / 24312379                                  |
| 45                    | Chennai- Sales Vertical | No.11, 1st floor, JVR Square, Ramakrishna Street, Porur, Chennai - 600116, Tamil Nadu  | Tel: (044) 24764225 / 205                                      |
| 46                    | Coimbatore              | A Block, 2nd Floor, Damodar Center, 1050, Avinashi Road, Coimbatore - 641018, Tamil Nadu   | Tel: (0422) 2244892 / 891<br>Fax: (0422) 2524887               |
| 47                    | Erode                   | 142/6, Ground Floor, Vinayaka Complex, Perundurai Road, Opp. Ganesh TVS, Erode - 638011, Tamil Nadu  | Tel: (0424) 2270760  |

# DHFL Network

as on March 31, 2016

| South Circle          |                          |   |                                     |
|-----------------------|--------------------------|---|-------------------------------------|
| South Circle Branches |                          |   |                                     |
| Sr. No                | Location                 | Address   | Contact Number                      |
| 48                    | Hosur                    | No.643/1D, 1st Floor, RKG Manor, Opp. Traffic Police Station, Bengaluru Bye Pass Road, Hosur - 635 109, Tamil Nadu  | Tel: (04344) 245955                 |
| 49                    | Madurai                  | Ground Floor, Ra-Gem Plaza, 111-112 Alagarkoil Main Road, Tallakulam, Madurai - 625002, Tamil Nadu  | Tel: (0452) 2528436 / 400           |
| 50                    | Nanganallur              | NBR Complex, 2nd Floor, D- 206 & 207, Hindu Colony, MGR Road, Nanganallur, Chennai - 600061, Tamil Nadu   | Tel: (044) 60503338 - 339           |
| 51                    | Parrys                   | Aparna Complex, 2nd Floor, No.51, P.V. Iyer Street, Broadway, Parrys, Chennai - 600 001, Tamil Nadu   | Tel: (044) 25223822                 |
| 52                    | Puducherry               | No : 27, 1st Floor, 100 Feet Road, Sundaraja Nagar, Near Indira Gandhi Statue, Puducherry - 605004, Tamil Nadu  | Tel: (0413) 2200263 / 213/ 2204016  |
| 53                    | Salem                    | No.75, 1st Floor, Santhosh Towers, Brindavan Road, Opp to New Bus Stand, Salem - 636004, Tamil Nadu   | Tel: (0427) 2445144/ 2430870        |
| 54                    | Thirunelveli             | Shop No.: 1738/2A, 1st Floor, Shah Complex, Palayamkottai, Thirunelveli - 627002, Tamil Nadu  | Tel: (0462) 2560079 / 080           |
| 55                    | Thiruvallur              | No.3568, RBD Complex, 2nd Floor, TNHB, Avadi Bye pass Road, Kakkalur, Tiruvallur - 602001, Chennai, Tamil Nadu  | Tel: (044) 27664484                 |
| 56                    | Trichy                   | Sree Naga Arcade, 1st Floor, Next to Seva Sangam Higher Secondary School, No.5, Williams Road, Contonment, Trichy - 620001, Tamil Nadu                          | Tel: (0431) 2400030 / 060           |
| 57                    | Vellore                  | Basement No D5, RJ Plaza, Near Palar Bridge, Katpadi Main Road, Viruthampet, Vellore - 632006, Tamil Nadu   | Tel: (0416) 3207237 / 2247237       |
| 58                    | Ameerpet                 | H.NO:6-3-853/1, F.NO:305, 3rd Floor, Meridian Plaza, Beside Lal Bunglow, Ameerpet, Hyderabad - 500016, Telangana  | Tel: (040) 23405988 / 23405989      |
| 59                    | Gachibowli               | D.No.2- 48 / 108, 3rd Floor, SSRGI Arciad, Telecom Nagar, Main Road, Gachibowli, Hyderabad - 500032, Telangana  | Tel: (040) 64603787                 |
| 60                    | Hyderabad Main           | Flat No: 201- 202, 2nd Floor, Mahavir Lok, Himayath Nagar, Main Road, Hyderabad - 500029, Telangana   | Tel: (040) 23260994 / 23261002.     |
| 61                    | Hyderabad Sales Vertical | 3A & 3A/1, 3rd Floor, G.S.Plaza, Road No 1, Banjara Hills, Hyderabad - 500034, Telangana  | Tel: (040) 23320192 - 194/ 23384244 |
| 62                    | Karim Nagar              | D.No.2-3/169/1, 1st Floor, Vijramma Towers, Kaman Road , Karim Nagar - 505001, Telangana  | Tel: (0878) 3290878                 |
| 63                    | Kukatpally               | 12-6-2/273/6 to 12, 3rd Floor, V C Plaza, Opp. BJP Office, Kukatpally, Hyderabad - 500072, Telangana  | Tel: (040) 23056400 / 40101105      |
| 64                    | Nagole                   | No.28 & 15, 2nd floor, Srinivasa chambers, Above IDBI Bank Ltd, Near Big Bazaar, L. B. Nagar, Mansurabad Village, Hyderabad East, R R Dist. - 500035, Telangana | Tel: (040) 64603788                 |
| 65                    | Nizamabad                | Flat No.7, 2nd Floor, Above IDBI Bank, Surya Towers, Hyderabad Road, Bharat Rani Marg, Nizamabad - 503001, Telangana  | Tel: (08462) 236022                 |
| 66                    | Sangareddy               | H.No.:12/95, MIG 58,1st Floor, Neni Complex, Opp. Integrated Collector Complex, Sangareddy, Medak Dist.- 502001, Telangana                                      | Tel: (08455) 654844 / 270098        |
| 67                    | Tarnaka (A S Rao Nagar)  | Premises no. 4, 1st Floor, Crescent Krishna Metropolises, A S Rao Nagar, Beside Poulomi Hospital, ECIL Post, Hyderabad - 500062, Telangana                      | Tel: (040) 27134186                 |
| 68                    | Warangal                 | H.NO.2-5-294/A, 2nd floor, SPS Plaza, Kaloji Circle, Nakkalagutta, Hanamkonda, Warangal - 506001, Telangana   | Tel: (0870) 2437999                 |

# DHFL Network

as on March 31, 2016

| South Circle Service Centers |                 |               |   |                     |
|------------------------------|-----------------|---------------|---|---------------------|
| Sr. No                       | Location        | Nodal Branch  | Address   | Contact Number      |
| 1                            | Adoni           | Kurnool       | Plot No:8, Situated at Arts & Science College Road, Beside Maheshwari Theatre, Adoni, Kurnool Dist. - 5183014, Andhra Pradesh   | Tel: (08512) 231879 |
| 2                            | Anantapur       | Kadappa       | D.No.13-191 & 192, T. S. No. 2059/2, 1st Floor, Above Reliance General Insurance, W.No.13, Block No. 21, R. F. Road, Anantapur, Anantapur Dist. - 515004, Andhra Pradesh                                | Tel: (08554) 277000 |
| 3                            | Eluru           | Vijayawada    | No.25-13-1 Ground Floor, K G N Shariff Arcade, N R Pet, Main Road, Eluru - 534001, Andhra Pradesh   | Tel: (08812) 222700 |
| 4                            | Gajuwaka        | Vishakapatnam | D.No.7-15-19, Main Road, 1st Floor, Gajuwaka Town, NH-16, Visakhapatnam, Municipal Corporation, Visakhapatnam Dist. - 530026, Andhra Pradesh  | Tel: (0891) 6888112 |
| 5                            | Kakinada        | Rajahmundry   | Shop No: 10, 1st Floor, D.No: 2-1-19, Block B, Subhadra Arcade Complex, Bhanugudi, Kakinada - 533003, Andhra Pradesh  | Tel: (0884) 2364499 |
| 6                            | Ongole          | Nellore       | H.No.: 5-378, Survey No.:164, 1st Floor, Kurnool Road, Ongole Municipality, Prakasham Dist. - 523001, Andhra Pradesh  | Tel: (08592) 283969 |
| 7                            | Srikakulam      | Vishakapatnam | D.No.: 9-4-1, Above Seetharam, Medical Stores, Seven Road Junction, Srikakulam - 532001, Andhra Pradesh   | Tel: (08942) 222332 |
| 8                            | Vizianagaram    | Vishakapatnam | Shop No: 8, 3rd Floor, P S N Estate No.:6, Lower Tank Bund Road, Vizianagaram - 535002, Andhra Pradesh  | Tel: (08922) 275477 |
| 9                            | Bagalakot       | Bijapur       | Melligeri Towers, Shop No. FF12A, Station Road, Bagalkot - 587101, Karnataka  | Tel: (08354) 220632 |
| 10                           | Bidar           | Kalburgi      | # 8-9-12-1/6K, 1st Floor, Sai Tower, Udgir Road, Bidar - 585401, Karnataka  | Tel: (08482) 228542 |
| 11                           | Chikkamangalore | Shimoga       | Municipal Asst. Khatha No 76/5252/3613, First Floor of "Krishna Towers", M. G. Road Ward No 16, Chikmagalur - 577101, Karnataka   | Tel: (08338) 273966 |
| 12                           | Chikkodi        | Belgaum       | CTS No. 3456, TMC No. 5328/2766/ P-60, 1st Floor, Indira Nagar, Chikkodi - 591 201, Karnataka   | Tel: 08262 -237221  |
| 13                           | Chithradurga    | Davangere     | CTS No:2678/2471/6189/5546/37, Sridhara Mansion, New Santhe Maidana, SKP Society Road, Chitradurga Town, Chitradurga - 577501, Karnataka  | Tel: (08194) 222558 |
| 14                           | Gadag           | Hubballi      | CTS No. 3787/48A/1A/1A1/L/10, Kalamandir Road, 1st Floor, Shri Jagadguru Totad Shivakumar Mahaswamigalu Soustanmath Commercial Complex, Gadag Betageri taluk, Hubballi Dist., Gadag - 582101, Karnataka | Tel: (0837) 2250146 |
| 15                           | Gokak           | Belgaum       | Shop No.6, 1st Floor, Gaurav Complex, Gokak, Dist. Belgaum - 591307, Karnataka  | Tel: (08332) 227117 |

# DHFL Network

as on March 31, 2016

| South Circle Service Centers |                |                  |  |                     |
|------------------------------|----------------|------------------|--|---------------------|
| Sr. No                       | Location       | Nodal Branch     | Address  | Contact Number      |
| 16                           | Harpanahalli   | Davangere        | Door No 275 - 279 & 291, 1st floor, Anatha Akash Arcade, SH-25, (Manglore to Hospet Road) Harihar To Hospet Main Road, Near KSRTC Bus Stand, Harapanahalli TQ Davanagere Dist. - 583131, Karnataka | Tel: (08398) 280446 |
| 17                           | Hassan         | Shimoga          | Manjunath Arciad, Ravindra Nagar, M. G. Road, Hassan - 573201, Karnataka   | Tel: (08172) 267081 |
| 18                           | Haveri         | Hubballi         | 1st Floor, G. G. Magavi Chambers, P. B. Road, Haveri - 581110, Karnataka   | Tel: (08375) 233166 |
| 19                           | Karwar         | Hubballi         | No.: 7A1A1/2, Rabiya Plaza, Ground Floor, Green Street Road, Karwar - 581301. Karnataka  | Tel: (0838) 2225586 |
| 20                           | Kushalnagar    | Mysore           | No.90/13B, B.M. Road, 1st Floor, Kushalnagar, Coorg Dist. - 571324, Karnataka  | Tel: (08276) 274955 |
| 21                           | Mandya         | Mysore           | D.No. 1584/1, 1st Floor, Rajalakshmi Jewellers, Vidya Nagar K R Road, Mandya - 571401, Karnataka   | Tel: (08232) 230231 |
| 22                           | Mudhol         | Bijapur          | 3309/H, 1st Floor, Shri Siddalingeshwar Complex, Mallamma Nagar Cross Road, Mudhol - 587313, Karnataka   | Tel: (08350) 280275 |
| 23                           | Raichur        | Kalburgi         | Premises No. 1-10-141/51 & 52, 1st Floor, Sugura Sourabha, Kallur Colony, Station Road, Near Kubera Hotel, Raichur - 584101, Karnataka   | Tel: (08532) 232799 |
| 24                           | Shahapur       | Kalburgi         | 10-85/11, 1st Floor, Chavus Complex, Opp. Nandini Hotel, Bidar to Bengaluru main road, Shahapur, Yadgir - 585223, Karnataka  | Tel: (08479) 243644 |
| 25                           | Udupi          | Mangalore        | Ground floor, Simaz Commercial Complex, Moodanidambur, Near Diana Circle, Udupi - 576101, Karnataka  | Tel: (0820) 2534109 |
| 26                           | Alappuzha      | Kochi            | 17/421F(XIV/2758), 1st Floor, Chandra Square, Cullen Road, Alleppey.- 688004 Kerala  | Tel: (0477) 2238577 |
| 27                           | Aluva          | Kochi            | 1st Floor, K R Towers, Market Road, Near Bazar Post office, Aluva - 683101 Kerala  | Tel: (0484) 2620247 |
| 28                           | Kalpetta       | Calicut          | 753/10, S A Arcade, Opp-Mariyamman Temple, Kalpetta, Vythiri Taluk, Wayanadu Dist. - 673121, Kerala  | Tel: (04936) 202014 |
| 29                           | Kasaragod      | Kannur           | 1st Floor, SMS Centre, Nayak's Road, Kasaragod - 671121, Kerala  | Tel: (04994) 227184 |
| 30                           | Kollam         | Thiruvanthapuram | Aradhana Building, 2nd Floor, High School Junction, Kollam - 691001, Kerala  | Tel: (0474) 2799522 |
| 31                           | Manjeri        | Thrissur         | 1st Floor, Pappini Mall, Rajiv Gandhi By-pass Road, Majeri, Malappuram - 676121, Kerala  | Tel: (0483) 2760026 |
| 32                           | Mavelikara     | Kottayam         | 489 F, Ward No:VII, 1st Floor, Govindham Building, Mavelikar village, Opp to Municipal Office, Mavelikkara. Alappuzha Dist. - 690101, Kerala   | Tel: (0479) 2162996 |
| 33                           | Palakkad       | Thrissur         | Premises No. 18/424[17/22], 1st Floor, Kanakkath Towers, West Fort Road, Near Rappadi, Palakkad - 678001 Kerala  | Tel: (0491) 2504933 |
| 34                           | Pathanamthitta | Thiruvanthapuram | IX 955, 2nd floor, Mampra Heights, Pathanamthitta - 689645, Kerala   | Tel: (0468) 2220322 |

# DHFL Network

as on March 31, 2016

| South Circle Service Centers |                 |              |  |                     |
|------------------------------|-----------------|--------------|--|---------------------|
| Sr. No                       | Location        | Nodal Branch | Address  | Contact Number      |
| 35                           | Thodupuzha      | Kottayam     | 2nd Floor, Puthiri Tower, Near K.S.R.T.C. Bus Stand, Thodupuzha, Idukki Dist. - 685584, Kerala   | Tel: (04862) 224250 |
| 36                           | Tirur           | Calicut      | 7/397H, 2nd Floor, Alnas Arcade, Ring Road, Tirur, Malappuram Dist., - 676101, Kerala  | Tel: (0494) 6544450 |
| 37                           | Tripunithura    | Kochi        | Premises no 17/306B, Near N.S.S. College, Temple Road, North Fort Gate, Tripunithura - 682301, Kerala  | Tel: (0484) 2774988 |
| 38                           | Attur           | Salem        | Raj Krishna Residency Shopping Complex, Ground Floor, No.10/N-11, 90, Narayanasamy Street, Gandhi Nagar Area, Attur Town, Salem Dist. - 636102, Tamil Nadu | Tel: (04282) 251144 |
| 39                           | Cuddalore       | Puduchery    | No.7, 2nd Floor, AVR Tower, Bharthi Road, Near Indian Bank, Cuddalore - 607001, Tamil Nadu   | Tel: (04142) 233100 |
| 40                           | Dharampuri      | Salem        | 1st Floor, No.22/B, P. R. Sundaram Iyer Street, Opp. Vasan Eye Care Hospital, Dharmapuri - 636701, Tamil Nadu  | Tel: (0434) 2260144 |
| 41                           | Dindigul        | Madurai      | New no.91, Dr. P. Chockalingam Tower, New Agraharam, Dindigul - 624002, Tamil Nadu   | Tel: (0451) 2424666 |
| 42                           | Kanchipuram     | Vellore      | 6B, Vallal Pachaiappan Street, Kanchipuram Taluk, Kanchipuram - 631501, Tamil Nadu   | Tel: (044) 27230303 |
| 43                           | Karaikudi       | Madurai      | Sri Vari Arcade, No.1/6, 2nd Floor, Shanmuga Raja Road, Karaikudi - 630001, Tamil Nadu   | Tel: (04565) 235955 |
| 44                           | Karur           | Erode        | V V Towers, Door No 12 / 2, 2nd Floor, Room No.3, Kovai Road, Karur - 639001, Tamil Nadu   | Tel: (04324) 236246 |
| 45                           | Krishnagiri     | Salem        | Plot No.37, Second floor, Ibaco Building, Rajaj Nagar, Rayakottai Road, Krishnagiri - 635001, Tamil Nadu   | Tel: (04343) 226644 |
| 46                           | Nagercoil       | Tirunelveli  | D.No.49/1 -157/ A, 1st Floor, K P Road, Ramavarmapuram, Nagercoil - 629001, Tamil Nadu   | Tel: (04652) 232580 |
| 47                           | Nammakal        | Salem        | No. 782A1, RSR Complex Door, Selam Road, Nammakal - 637001, Tamil Nadu   | Tel: (04286) 277395 |
| 48                           | Rajapalayam     | Madurai      | K. V. Rajendra Raja Shops, No. 481/1, 1st Floor, Tenkasi Road, Pudhupalayam, Rajapalayam - 626117, Tamil Nadu  | Tel: (04563) 224345 |
| 49                           | Sathyamangalam  | Coimbatore   | Bhavis Complex, 1st Floor - East Side, Gopi Road, Sathyamangalam - 638402, Tamil Nadu  | Tel: (04295) 220109 |
| 50                           | Thanjavur       | Trichy       | No:13, Ground Floor, Nalliya Shopping Complex, No.70, Srinivasan Pillai Road, Thanjavur - 613001, Tamil Nadu   | Tel: (04362) 235355 |
| 51                           | Theni           | Madurai      | Sri Thirumalai Complex, Old Sriram Theater Complex, Suppan Street, Theni - 625531, Tamil Nadu  | Tel: (04546) 260107 |
| 52                           | Thiruvannamalai | Puducherry   | No. 115- Z/17-A, 1st Floor, Shree Cinthaamani Complex, Big Street, Thiruvannamalai - 606601, Tamil Nadu  | Tel: (04175) 224444 |

# DHFL Network

as on March 31, 2016

| South Circle Service Centers |              |              |   |                     |
|------------------------------|--------------|--------------|---|---------------------|
| Sr. No                       | Location     | Nodal Branch | Address   | Contact Number      |
| 53                           | Tutucorin    | Tirunelveli  | Shop No.14, S.No. 2632, 1st Floor, Toovipuram Main Road, Tuticorin - 628008, Tamil Nadu   | Tel: (0461) 2321714 |
| 54                           | Udumelpet    | Coimbatore   | No.4 / 9, Sri Velavan Complex, Ground Floor, Near M. R. Complex, Kamaraj Road, Udumelpet - 642126, Tamil Nadu   | Tel: (04252) 229030 |
| 55                           | Villupuram   | Puducherry   | No: 734A, VVA Complex, Pandit Jawaharlal Nehruji Road, Villupuram - 605602, Tamil Nadu  | Tel: (04146) 222100 |
| 56                           | Virudhunagar | Madurai      | Door No 47/1, 1st Floor, M S P S Y J Plaza, Madurai Raod, Virudhunagar - 626001, Tamil Nadu   | Tel: (04562) 242123 |
| 57                           | Khammam      | Vijayawada   | D.No.5-1-108, 1st Floor, Kaviraju Nagar, Wyra Road, Near Ilandhu X Roads, Khammam - 567022, Telangana   | Tel: (08742) 226166 |
| 58                           | Mahabubnagar | Kurnool      | D.No. 1-4-127, Mannem Com, Hyderabad Road, Mahabubnagar - 509001, Telangana   | Tel: (08542) 241334 |
| 59                           | Nalgonda     | Hyderabad    | H.No.6-2-109, Shop No:31, Ground Floor, Central Commercial Complex, Near Clock Tower Circle, Ramagiri Road, Nalgonda Municipal Corporation, Nalgonda, Nalgoda Dist. - 508001, Telangana | Tel: (08682) 227277 |



## Notes

[illegible]

## Notes

[illegible]

# Corporate Information

## BOARD OF DIRECTORS

### Mr. Kapil Wadhawan

Chairman & Managing Director

### Mr. Dheeraj Wadhawan

Non-Executive Director

### Mr. G. P. Kohli

Independent Director

### Mr. V. K. Chopra

Independent Director

### Mr. Mannil Venugopalan

Independent Director

### Ms. Vijaya Sampath

Independent Director

### Dr. Rajiv Kumar

Additional (Independent) Director

## KEY MANAGERIAL PERSONNEL

### Mr. Harshil Mehta

Chief Executive Officer

### Mr. Santosh R. Sharma

Chief Financial Officer

### Mrs. Niti Arya

Company Secretary

## BANKERS

Allahabad Bank  
Andhra Bank  
Axis Bank Limited.  
Bank of Baroda  
Bank of India  
Bank of Maharashtra  
Canara Bank  
Central Bank of India  
Corporation Bank  
DCB Bank Limited  
Dena Bank  
Federal Bank Limited  
HDFC Bank Limited  
ICICI Bank Limited  
IDBI Bank Limited  
Indian Bank  
Indian Overseas Bank  
Karnataka Bank Limited  
Karur Vysya Bank Limited  
Kotak Mahindra Bank Limited  
Oriental Bank of Commerce  
Punjab & Sind Bank  
Punjab National Bank

South Indian Bank Limited  
State Bank of Bikaner & Jaipur  
State Bank of Hyderabad  
State Bank of India  
State Bank of Mysore  
State Bank of Patiala  
State Bank of Tarvancore  
Syndicate Bank  
Tamilnad Mercantile Bank Limited  
UCO Bank  
Union Bank of India  
United Bank of India  
Vijaya Bank  
Yes Bank Limited

## FINANCIAL INSTITUTIONS / MULTILATERAL AGENCIES / OTHER LENDERS

National Housing Bank (NHB)  
Asian Development Bank (ADB)  
Deutsche Investitions-und Entwicklungsgesellschaft (DEG)  
International Finance Corporation (IFC)  
Bank of Baroda, Bahrain Branch  
CTBC Bank Co., Ltd, Singapore  
KDB Ireland Limited  
The Korea Development Bank  
State Bank of India, Johannesburg Branch  
Taiwan Cooperative Bank  
Mega International Commercial Bank Co. Limited.  
Chang Hwa Commercial Bank Ltd., Singapore

## JOINT STATUTORY AUDITORS

M/s. T. R. Chadha & Co. LLP,  
Chartered Accountants  
502, Marathon Icon,  
Off. Ganpat Rao Kadam Marg,  
Opp. Peninsula Corporate Park,  
Lower Parel, Mumbai - 400 013.

M/s. Rajendra Neeti & Associates,  
Chartered Accountants,  
144, Jolly Maker Chamber II,  
Nariman Point, Mumbai - 400 021.

## REGISTERED OFFICE

2nd Floor, Warden House,  
Sir P.M. Road, Fort,  
Mumbai - 400 001  
Tel. No.: +91 22-61066800  
Fax No.: +91 22-22871985

## CORPORATE OFFICE

10th Floor, TCG Financial Centre,  
Bandra Kurla Complex, BKC Road,  
Bandra (East), Mumbai - 400 098  
Tel. No.: +91 22-66006999  
Fax No.: +91 22-66006998

## REGISTRAR & TRANSFER AGENTS (FOR EQUITY)

### Link Intime India Private Limited.

C - 13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (W),  
Mumbai - 400 078  
Tel. No.: +91 22-25946970-78  
Fax No.: +91 22-25946969  
E-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).  
Contact Person: Mr. Mahesh Masurkar

## REGISTRAR & TRANSFER AGENTS (FOR DEBENTURES)

### System Support Services

209, Shivai Industrial Estate,  
89, Andheri - Kurla Road, Sakinaka,  
Andheri (East), Mumbai - 400 072  
Tel. No.: +91 22-28500835  
Fax No.: +91 22-28501438  
E-mail: [sysss72@yahoo.com](mailto:syss72@yahoo.com)  
Contact Person: Mr. Mahendra Mehta

## DEBENTURE TRUSTEES

### GDA Trusteeship Limited.

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@gdatrustee.com](mailto:dt@gdatrustee.com)  
Website: [www.gdatrustee.com](http://www.gdatrustee.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](mailto:itsl@idbitrustee.com)  
Website: [www.idbitrustee.com](http://www.idbitrustee.com).



**Dewan Housing Finance Corporation Limited**

CIN - L65910MH1984PLC032639

**Registered Office :**

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

Tel.: +91 22-6106 6800

Fax: +91 22-2287 1985

**Corporate Office :**

TCG Financial Centre, 10th Floor, BKC Road,

Bandra Kurla Complex, Bandra (East),

Mumbai – 400 098,

Tel. : +91 22-6600 6999,

Fax: +91 22-6600 6998

email: [response@dhfl.com](mailto:response@dhfl.com)

website: [www.dhfl.com](http://www.dhfl.com)