

DHFL/CSD/2019-20/1805

Date: 20th February, 2020

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

Dear Sir/Madam,

Sub: Submission of Un-audited Financial Results (Standalone & Consolidated) for the third quarter/ nine months ended 31st December, 2019 as per Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")

The Company has already intimated the Exchanges that the Reserve Bank of India ("RBI") has superseded the board of directors of Dewan Housing Finance Corporation Limited ("Company") and appointed Mr R. Subramaniakumar as the Administrator of the Company in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

Pursuant to the above, we wish to inform you that the Administrator (assisted by the Advisory Committee), at the Advisory Committee Meeting held today i.e. on 20th February, 2020, which commenced at 7.30 a.m. and concluded at 8.50 a.m., have inter-alia, considered and taken on record the Ind-AS Un-audited Financial Results (Standalone & Consolidated) of the Company for the third quarter/ nine months ended 31st December, 2019 along with notes thereto and along with the Limited Review Report thereon furnished by the Statutory Auditors of the Company, as per Regulation 33 of the SEBI Listing Regulations and in compliance with the Indian Accounting Standards as per the provisions of the Companies (Indian Accounting Standards) Rules, 2015





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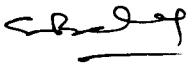
("the Rules") and other applicable laws. The copies of the said Ind-AS Un-audited Financial Results (Standalone & Consolidated) for the third quarter/ nine months ended 31st December, 2019 along with notes thereto and along with the Limited Review Report thereon are enclosed herewith.

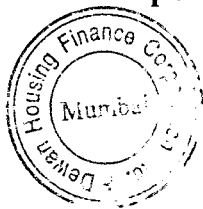
Kindly take the same on record.

Thanking you,

Yours faithfully,

For Dewan Housing Finance Corporation Ltd.


S. N. Baheti
Company Secretary
ACS No- 5535



Encl : as above

**Limited Review Report on Quarterly and Year-to-date Unaudited
Standalone financial results**

To

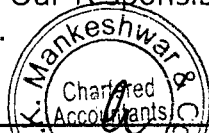
The Administrator

(Appointed Under Insolvency & Bankruptcy Code, 2016 ["IBC" or "Code"])

Dewan Housing Finance Corporation Limited

Mumbai

1. We have reviewed the accompanying statement of unaudited standalone financial results ("Statement") of **Dewan Housing Finance Corporation Limited** ("Company") for the quarter and nine months ended 31st December 2019.
2. The Reserve Bank of India (RBI) vide its letter and press release dated November 20, 2019 ("RBI Order") issued under Section 45IE of the Reserve Bank of India Act, 1934, superseded the Board of Directors of the Company owing to governance concerns and defaults by the Company in meeting various payment obligations and appointed an Administrator to run the Company. Subsequently, in accordance with the order dated December 3, 2019 of the National Company Law Tribunal (Mumbai Bench) ("NCLT Order"), the Corporate Insolvency Resolution Process ("CIRP") of the Company commenced under IBC, the RBI appointed Administrator, among other things, to run the Company as a "going concern" during CIRP as also incumbent upon the Resolution Professional, under section 20 of the Code, to manage the operations of the Company as a going concern. Accordingly, the financial results for the quarter and nine months ended 31st December 2019 have been prepared on going concern assumptions.
3. The above unaudited financial results of the Company for the quarter and nine months ended 31st December 2019 have been taken on record by the Administrator while discharging the powers of the Board of Directors of the Company which were conferred by the RBI Order and in accordance with the NCLT Order solely for the purpose of ensuring regulatory compliance.
4. We refer Note no. 2 to the Statement with regard to the responsibility in respect of the preparation of these financial results, and noted that these have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the 'Listing Regulations'). Our responsibility is to issue a report on this Statement based on our review.

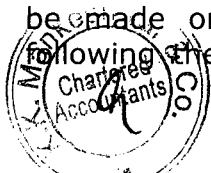


5. We conducted our limited review in accordance with the Standard on Review Engagement (SRE) 2410, "*Review of Interim Financial Information performed by the Independent Auditor of the Entity*" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Disclaimer of Opinion

6. The predecessor joint statutory auditors had issued a Disclaimer Report basis the observations forming part of their report for the financial year ended 31st March, 2019. Subsequently Disclaimer Reports have been issued for the quarter ended June 30, 2019 and for the quarter and half year ended September 30, 2019 basis the observations forming part of the said reports. The status update of these observations together with the observations noted during / upto the period ended December 31, 2019 is as below:

- a. We refer to the Note no. 1 and 2 to the financial results stating that the Administrator and the present KMPs ("present management") takes no responsibility with respect to the accuracy, validity, completeness and/or authenticity of the information and figures mentioned in the financial result as they belong to a period prior to the date of the appointment of the Administrator wherein the Administrator was not present and that the Administrator has taken on record the financial result solely for the purpose of compliance and discharging his duties during CIRP of the Company relying on the explanations, clarifications, certifications, representations and statements made by the existing staff of the Company, save and except the present Key Managerial Personnel ("KMPs") who have also joined recently.
- b. We also refer to the "Written Representations" explaining Present Management's limitations and inability thereof in confirming or non-confirming the assertions forming part of the standard "Written Representation" as required by us in accordance with the guidelines issued by the Institute of Chartered Accountants of India (the ICAI")
- c. We refer to multiple issues of financial significance as highlighted by the predecessor joint statutory auditors in their report for the year ended 31st March, 2019 together with the suspected irregularities as reported and are under media scrutiny. All these issues are presently investigated by the concerned agencies namely SFIO and ED. As of the date of this report, investigations are ongoing and not yet concluded and pending outcome of ongoing investigations, the present management believes that adjustments of the impact of these matters on the financial results including with regard to any adjustments to the carrying values of the loans, restatement of receivables/payables, related parties and other disclosures and compliances, as applicable can be made only when the same become known in definitive terms following the conclusion of the said investigations together with the



outcome of the ongoing transactions audits performed by independent agencies/firms appointed by the Administrator. Accordingly the present management has made no adjustments in the financial results in respect of the said reported matters. We have been advised by the present management that these investigations and audits are not yet completed with no outcomes being communicated by the concerned agencies / firms to the present management, no adjustments are made in the Statement in respect of the said reported matters.

In view of the above and pending outcome of ongoing investigation, we are unable to comment on the completeness and appropriateness of the balances in relation to these subjected matters as quoted in the Statements including the matters reported in quarter ended June 30, 2019 and September 30, 2019; and quarter and nine months ended December 31, 2019 and the consequential impact that the outcomes of the investigations and transaction audits may have on the financial results and the provisions made by the present management during this year.

- d. We refer to Note no. 9 to the Statements regarding the investments / advances by way of unsecured Inter Corporate Deposit (ICD) aggregating Rs. 565,269 lakh which were outstanding as at March 31, 2019. Of these, ICDs aggregating Rs. 1,12,936 lakh have since been repaid by the borrowers and ICDs aggregating to Rs. 1,30,661 lakh have been converted into term loans as on 31st December, 2019, resulting in an outstanding of Rs. 3,79,376 lakh-under ICDs including interest receivable thereon (Rs. 8,826 lakh having further being recovered post 31.12.2019 till date). The recoverability or otherwise of the same is yet to be ascertained. Accordingly Accounting Adjustments / Provisions are made by the Present Management against the ICDs basis the Loss Given Default (LGD)% as specified in the guidelines issued by the RBI in the circular "Implementation of the Internal Rating Based (IRB) Approaches for Calculation of Capital Charge for Credit Risk" as a proxy LGD% on a conservative basis applying its financial prudence. This is stated to be also based on industry practice followed in the cases where the companies do not have the trend of recovery experience. Present Management has stated that these provisions may undergo changes upon the actual realization on case to case basis and has cited its limitations in confirming w.r.t to completeness; correctness and authenticity of the figures as quoted in the Financial Results.

In view thereof we are unable to comment upon the completeness; correctness and adequacy / inadequacy of such provisions and their consequential effect on the carrying values of the subjected accounts and impact on the financial results.

- e. We refer to the observations made by the predecessor joint statutory auditors in respect of certain loans and Pass-through Certificates (PTC), granted or invested by the Company:



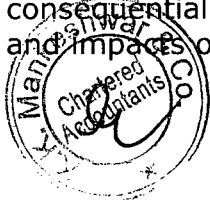
- i. Multiple accounting entries were initially recorded in certain customer accounts for receipts for which the cheques or negotiable instrument had not been deposited in the bank(s) and these have been subsequently reversed. Such instances have now been constantly reviewed by the Present Management and it plans to introduce the confirmation from Operation to that effect forward.
 - ii. Deficiencies in documentation of Project / Mortgage loans for which the Present Management has also expressed its inability to express any view on the documentation adequacy / completeness till the conclusion of the ongoing legal audit.
- f. We refer to Note no. 11 to the financial results, the Present Management continue to measure loans as on 31st December, 2019 at Fair Value Through Profit or Loss (FVTPL) based on internal valuations (as per past practices followed by the earlier management's judgement) and has made the provisions basis its financial prudence.

Further as also informed, there exists a mis-match to the extent of Rs. 3,018 crores that is yet to identified and mapped to individual parties and the underlying securities available, if any, out of the available surplus security covers. The provisions have been made in the financial results for the same due to non-availability of internal confirmations; and all the relevant and authenticate data in completeness (as stated). These provisions may undergo changes upon the actual realization on case to case basis. Further the Present Management has cited its limitations in confirming w.r.t completeness; correctness and authenticity of the figures as quoted in the Financial Results.

In view thereof we are unable to comment upon the completeness; correctness and adequacy / inadequacy of such provisions and their consequential effect on the carrying values of the subjected accounts and impact on the financial results.

- g. We refer to the observations made by the National Housing Bank (NHB) in its inspection for the year ended March 31, 2018 as per the provisions of the National Housing Bank Act, 1987. Accounting Adjustments / Provisions are made in the financial results as recommended in the NHB's Inspection Report as per NHB's Guidelines. Some of the key factors (such as credit worthiness of parties, historical / past records, market value of underlying certain securities / assets etc., that could influence the values of such provisions, are not factored into while arriving at the values of such provisions due to non-availability of all the relevant and authenticate data in completeness (as stated). These provisions may undergo changes upon the actual realization on case to case basis. Further the Present Management has cited its limitations in confirming w.r.t completeness; correctness and authenticity of the figures as quoted in the Financial results.

In view thereof we are unable to comment upon the completeness; correctness and adequacy / inadequacy of such provisions and their consequential effect on the carrying values of the subjected accounts and impact on the financial results.



- h. Due to deficiencies and non-availability of the historical data which is being used for the purpose of calculating provisioning based on Expected Credit Loss (ECL) model in past, the ECL provisions in the financial results for the 31st December, 2019 are arrived at as per past practice. Some of the key factors (such as historical / past records, market value of underlying certain securities / assets etc.), that could influence the values of such provisions, are not factored into while arriving at the values of such provisions due to non-availability of all the relevant and authenticate data in completeness (as stated). These provisions may undergo changes upon the actual realization on case to case basis. Further the Present Management has cited its limitations in confirming w.r.t completeness; correctness and authenticity of the figures as quoted in the financial results.

In view thereof we are unable to comment upon the completeness; correctness and adequacy / inadequacy of such provisions and their consequential effect on the carrying values of the subjected accounts and impact on the financial results.

- i. No provision is made by the Company, pursuant to its admission under the IBC (i.e 3rd December, 2019), in respect of it's obligation for interest on all the borrowings basis the opinion from legal advisors. The interest (including penal interest) not so provided for amounts to Rs. 52,762 lakh and the profit for the quarter and the losses for nine months ended as on 31st December, 2019 are accordingly overstated and understated respectively to that extent.

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

- j. The Company has recognized net deferred tax asset of Rs. 2,48,589 lakh as at 31st December, 2019. The Company is required to perform an assessment as required by Ind AS 12 - 'Income Taxes' which requires the Company to determine the probability of future taxable income to utilize the deferred tax asset. However, we have not been provided sufficient appropriate evidence to validate the Company's assessment about the carrying value of the deferred tax asset and consequential adjustments required, if any, to the Statement.

- k. As stated in Note no. 13 to financial results, the Company incurred expenditure aggregating Rs. 10,517 lakh for development of customized software for its operations and recording of transactions which has been carried as intangible asset under development as at 30th September, 2019. The Company did not perform impairment assessment as required by Ind AS 36 - 'Impairment of Assets' which requires the Company to determine whether the economic benefit in respect of this intangible asset shall be available to the Company in subsequent periods taking into consideration the uncertainty in respect of its plan to monetize its assets, secure funding from the bankers / investors, restructure its liabilities and recommence its operations. In view of foregoing, we have not been provided sufficient appropriate evidence about the carrying value of the intangible asset under development and adjustments required, if any, to the Statement.



7. In view of the foregoing, we have been unable to obtain sufficient appropriate evidence to support the values of the loans and are unable to determine if these matters would have an impact on the Statement including with regard to any adjustments to the carrying value of the loans, assets, restatement, related parties and other disclosures and compliances, as applicable. We are further unable to comment whether the loans referred in above paragraphs have been properly secured and hence these loans may have been granted including terms and conditions there-of, in a manner that is prejudicial to the interest of the Company or its members, for the reasons stated therein.
8. In view of the possible effects of the matters described in above paragraphs, we are further unable to comment on the Company's compliance of the covenants in respect of all borrowings and consequential implications including disclosures, if any, to the Statement.
9. Effective 1st April 2019, the Company is required to adopt Ind AS 116 – Leases, which requires any lease arrangement to be recognized in the Balance Sheet of the lessee as a 'right-of-use' asset with a corresponding lease liability. The Present Management has decided that any impact of this adoption on the profit / (loss) for the quarter / (nine months) ended 31st December, 2019, if any, will be considered at the year end.
10. We refer to Note no. 3 to the financial results regarding the differences as noticed in some instances between the claims submitted by the Creditors of the Company, during CIRP process, which are still being fully verified and in some instances the amount of claim admitted or to be admitted by the Present Management may differ from the amount reflecting in the books of account of the Company. Pending final outcome of the CIRP, no adjustments have been made in the financial results and books of account for the differential amounts, if any, in the claims admitted as on the date hereof.

11. The Company has incurred loss aggregating Rs. 6,08,912 lakh (including comprehensive loss) during the nine months period ended 31st December, 2019, eroding the net worth of the Company substantially. However these financial results are drawn on going concern basis under the ongoing Corporate Insolvency Resolution Process, the outcome of which cannot be presently ascertained including matters also listed herein. We are therefore unable to comment as to whether the "going concern" basis for the preparation of these financial results is appropriate.

12. Because of the significance of the matters described in paras 6 to 11 above, we have not been able to obtain moderate assurance as to whether the Statement has been prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India or state whether the Statement has disclosed the information required to be disclosed the information in terms of Regulation 33 of the Listing Regulation, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Other Matter

13. The financial results of the Company for the quarter and nine months ended 31st December, 2018; and the year ended 31st March 2019 were reviewed and audited by the predecessor joint statutory auditors, who have expressed an unmodified opinion and disclaimer of opinion respectively on those financial results/Statements.



DINESH KUMAR BACHCHAS

Partner

Membership No. 097820

For and on Behalf of

K .K. MANKESHWAR & CO.

Chartered Accountants

FRN: 106009W



Mumbai, dated the 20/02/2020

UDIN: 20097820AAACP1278

DEWAN HOUSING FINANCE CORPORATION LIMITED

Corporate Identity Number (CIN) - L65910MH1984PLC032639

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

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STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2019

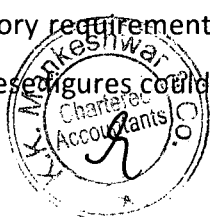
(₹ in Lakh)

PARTICULARS	Quarter ended			Nine Months ended		Year ended
	31.12.2019 (Reviewed)	30.09.2019 (Reviewed)	31.12.2018 (Reviewed)	31.12.2019 (Reviewed)	31.12.2018 (Reviewed)	31.03.2019 (Audited)
1 INCOME:						
Revenue from operations:						
- Interest Income	2,38,412	2,12,308	3,31,449	6,83,865	9,42,243	12,30,784
- Dividend Income	-	-	518	-	1,236	1,235
- Fees and Commission Income	43	80	4,099	225	31,547	27,547
- Net gain / (loss) on derecognition of financial instruments under amortised cost category	2,827	(3,108)	(5,683)	4,437	9,180	20,583
- Other operating revenue	1,901	1,394	2,315	4,938	7,876	8,239
Total Revenue from operations	2,43,183	2,10,674	3,32,698	6,93,465	9,92,082	12,88,388
Other Income	507	743	495	1,630	1,493	1,864
Total Income	2,43,690	2,11,417	3,33,193	6,95,095	9,93,575	12,90,252
2 EXPENSES:						
Finance costs (Refer Note 7)	1,42,329	2,00,983	2,41,028	5,59,209	7,04,360	9,39,285
Net loss on fair value changes	1,16,787	1,18,891	10,050	2,59,320	7,577	2,45,837
Impairment on financial instruments	(13,480)	6,32,656	13,222	6,23,248	35,551	1,08,498
Employee benefits expenses	6,938	8,661	10,078	23,889	31,441	47,000
Employee Stock Options/Employee Stock Appreciation Rights Expenses	(204)	(1,756)	2,200	(1,731)	6,714	1,533
Depreciation and amortisation expense	1,237	1,045	1,310	3,947	3,355	5,115
Others expenses	6,863	9,380	8,155	22,320	30,319	59,482
Total Expenses	2,60,470	9,69,860	2,86,043	14,90,202	8,19,317	14,06,750
3 Profit / (Loss) before tax (1-2)	(16,780)	(7,58,443)	47,150	(7,95,107)	1,74,258	(1,16,498)
4 Tax Expense						
Current tax	-	(2,359)	9,362	4	44,741	53,832
Deferred tax	(1,10,215)	(85,549)	6,428	(1,97,369)	10,781	(66,725)
Total tax expense	(1,10,215)	(87,908)	15,790	(1,97,365)	55,522	(12,893)
5 Profit / (Loss) for the period / Year (3-4)	93,435	(6,70,535)	31,360	(5,97,742)	1,18,736	(1,03,605)
6 Other comprehensive income						
- Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	(353)	33	(75)	(288)	(226)	129
Tax on above	91	(9)	21	74	63	(36)
- Items that will be classified to profit or loss						
Cash flow hedge reserves	(4,996)	(7,345)	(3,630)	(14,732)	5,644	2,506
Tax on above	1,281	1,882	1,015	3,776	(1,578)	(701)
Total Other comprehensive income	(3,977)	(5,439)	(2,669)	(11,170)	3,903	1,898
7 Total comprehensive income for the period / Year (5+6)	89,458	(6,75,974)	28,691	(6,08,912)	1,22,639	(1,01,707)
Earnings per share (Face value of Rs. 10 each) (not annualised)						
Basic (in ₹)	29.77	(213.67)	10.00	(190.47)	37.84	(33.02)
Diluted (in ₹)	29.77	(213.67)	9.98	(190.47)	37.77	(33.02)
Paid-up Equity Share Capital (Face value ₹ 10/-)	31,382	31,382	31,382	31,382	31,382	31,382
Reserves excluding Revaluation Reserves as at March 31						7,78,824



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1. The financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 – Interim Financial Reporting, notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, and other accounting principles generally accepted in India, subject to Note Nos 2 to 16 following hereinafter.
2. The above unaudited standalone financial results of the Company for the period ended 31st December 2019 have been taken on record by the Administrator while discharging the powers of the erstwhile Board of Directors of the Company which were conferred upon him by the RBI Order dated November 20, 2019 and subsequently, powers conferred upon him in accordance with the NCLT Order dated December 3, 2019 to run the Company as a going concern during CIRP. Hence the financial results of the period ended December 31, 2019 have been prepared on going concern assumptions. The Administrator, Advisors and present KMPs have not been able analyse in depth the accuracy, validity, completeness or authenticity of the information and figures mentioned in the provisional financial statements as they have joined after 20th November 2019. As a part of CIRP, Avoidance Transaction Audit as per section 43, 45, 50 and 66 of the IBC code and valuation assessment of liquidation value and fair valuation of the Company assets is underway. Meanwhile legal audit has also been initiated to ascertain enforceability of the loan documents and security. The outcome of these procedures may provide an additional fact about data. The Administrator has signed the unaudited financial results solely for the purpose of compliance and discharging his duties during CIRP of the Company, in accordance with the provisions of the IBC, read with the regulations and rules thereunder, and based on the explanations, clarifications, certifications, representations and statements made by the existing staff of the Company, save and except the key managerial personnel (“KMPs”) who have also joined after the third week of November 2019.
3. In some instances, the amount of the claim admitted or to be admitted by the Administrator under CIRP process may differ from the amount reflecting in the books of account of the Company. The above unaudited financial results are drawn on the basis of December 31, 2019 figures as per the books of account of the Company. The Administrator, Advisors, and KMPs believe that these figures may be interpreted solely for the purpose of satisfying the regulatory requirement for filing of Nine months / quarterly unaudited financial results and that these figures could change during the CIRP process or thereafter.



4. The Ministry of Corporate Affairs (MCA), vide its letter dated December 2, 2019 has initiated investigation into the affairs of the Company under Section 212(1) of the Companies Act, 2013 by Serious Fraud Investigation Office (SFIO). Further, Enforcement Directorate has also initiated investigation in connection with the loans given by the Company to certain borrowers. The Company is fully co-operating with the investigating agencies.
5. Effective 1st April 2019, the Company is required to adopt Ind AS 116 – Lease, effect of this if any, will be considered at the year end.
6. The Company has elected to exercise the option of lower tax rate provided under Section 115BAA of the Income-tax Act, 1961, Accordingly, the Company has re-measured its deferred tax assets and has taken a charge of ₹ 36,616 lakh, basis the rate provided in the said section. The Company has credited a net sum of ₹ 1,97,369 lakh to the Statement of Profit and Loss for the nine months ended 31st December 2019 on account of deferred tax asset created as per Ind AS 12 - 'Income Taxes'.
7. Pursuant to the admission of the Company under the IBC, with a view to reflecting fairly the position for the purpose of presentation in respect of the Company's obligation for interest and principal amount in respect of all the borrowings, the Company has not provided for interest amount of ₹ 52,762 lakh on borrowings since insolvency commencement date i.e 3rd December 2019 based on the opinion from legal advisors. Under the IBC, the treatment of creditors under the resolution plan is as per debts due as on the insolvency commencement date and therefore no interest is accrued and payable after this date. If the interest was accrued on borrowings, the Profit for the quarter and nine months would have been lower by ₹ 39,239 lakh.
8. The Company's main business is financing by way of loans for the construction of residential houses, loan against property, loan to real estate developers and including all related activities and SRA projects. Accordingly, there are no separate reportable segments as per Ind AS 108.
9. The investments/ advance by way of unsecured Inter Corporate Deposit (ICD) aggregating ₹ 5,65,269 lakh were outstanding as at March 31, 2019. Of these, ICDs aggregating ₹ ₹ 1,12,936 lakh have since been repaid by the borrowers and ICDs aggregating to ₹ 1,30,661 lakh have



been converted into term loans as on 31st December 2019, resulting in an outstanding of ₹ 3,79,376 lakh- under ICDs including interest receivable thereon. The company has recovered ₹ 8,826 lakh after 31st December 2019 and the recoverability or otherwise of the remaining amount is yet to be ascertained, and hence the appropriate provision amounting to ₹ 2,22,536 lakh has been made as a prudent measure. Due to non-availability of the recovery data, the company has considered the Loss Given Default percentage (LGD%) as specified in the guidelines issued by RBI in the circular "Implementation of the Internal Rating Based (IRB) Approaches for Calculation of Capital Charge for Credit Risk" as a proxy LGD%. This is also based on the industry practice followed in the cases where the companies do not have the trend of recovery experience.

10. The Company is undergoing substantial financial stress since second half of the previous financial year. The Company has suffered consistent downgrades in its credit ratings since February 2019. On 5th June 2019, the credit rating was reduced to 'default grade'. As a result, the Company's ability to raise funds has been substantially impaired and the business has been brought to a standstill with there being minimal / virtually no disbursements
11. The wholesale loan portfolio aggregating ₹ 48,34,757 lakh (pursuant to classification of this portfolio to "held for sale" in the previous year ended on 31st March 2019) have been "fair valued" as at 31st December 2019 based on internal valuations at ₹ 42,36,151 lakh and the resulting fair value loss aggregating ₹ 5,98,606 lakh. Out of this fair value loss aggregating to ₹ 4,85,206 lakh has been accounted up to 30th September 2019 and balance loss of ₹ 1,13,399 lakh has been charged to the Statement of Profit and Loss for the quarter ended 31st December 2019. Valuation is carried out by maintaining the same basis as followed by the erstwhile management in the previous year and also half year ended on 30th September 2019. Further, as a outcome of valuation exercise to be completed in CIRP, this may undergo change. The recoverability or otherwise of these loans is yet to be ascertained and hence the appropriate provision has been made as a prudent measure. As a part of CIRP, Avoidance Transaction Audit as per section 43, 45, 50 and 66 of the IBC code and valuation assessment of liquidation value and fair valuation of the Company is underway. Meanwhile legal audit has also been initiated to ascertain enforceability of the loan documents and security. The outcome of these procedures may provide an additional fact about data.

12. The Company had applied IND AS 109 with respect to Expected Credit Losses (ECL) for the first time for the year ended 31st March, 2019. During the current period, provisions for ECL on



the loan portfolio have been made by maintaining the same set of underlying assumptions as followed in the previous year.

13. Any Adjustment if required to be made to the carrying value of the intangible assets under development aggregating ₹ 10,517 lakh for development of customised software for its operations, pursuant to the requirements of Ind AS 36 on Impairment of Assets, would be done at the year-end, based on detailed audit exercise.
14. The Auditors qualifications, observations and matters emphasised in the printed Annual Report of FY 2018-19 and those pertaining to June 2019 and September 2019 results, may continue to be relevant for 3rd quarter ended December, 2019. The Administrator, Advisors and present KMPs are not in a position to express any opinion in this regard.
15. The above results for the quarter and nine months ended Decemeber,2019 read with the disclosures/disclaimers stated vide notes 1 to 14 above have been subjected to a Limited Review by the Statutory Auditors of the Company. The auditors have issued a disclaimer of opinion in respect of results for the quarter and nine months ended 31st Decemebr,2019.
16. Figures for the previous period have been regrouped wherever necessary.

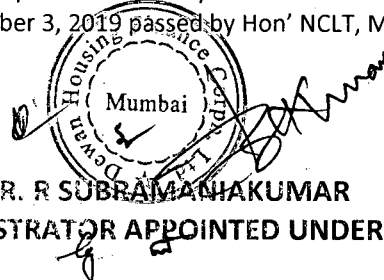


Place: Mumbai

Date: 20 February 2020

For DEWAN HOUSING FINANCE CORPORATION LIMITED

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



MR. R SUBRAMANIAKUMAR

ADMINISTRATOR APPOINTED UNDER IBC

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

Address for Correspondence - Ground & 6th Floor, HDIL Towers, Anant Kanekar Marg, Station Road, Bandra (East), Mumbai 400051

Email ID for Correspondence: dhfladministrator@dhfl.com

DEWAN HOUSING FINANCE CORPORATION LIMITED

Corporate Identity Number (CIN) – L65910MH1984PLC032639

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

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Tel. : (022) 7158 3333

**UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2019**

(₹ in Lakh)

PARTICULARS	STANDALONE						CONSOLIDATED					
	Quarter ended			Half Year ended		Year ended	Quarter ended			Half Year ended		Year ended
	31.12.2019 (Reviewed)	30.09.2019 (Reviewed)	31.12.2018 (Reviewed)	31.12.2019 (Reviewed)	31.12.2018 (Reviewed)	31.03.2019 (Audited)	31.12.2019 (Reviewed)	30.09.2019 (Reviewed)	31.12.2018 (Unaudited)	31.12.2019 (Reviewed)	31.12.2018 (Unaudited)	31.03.2019 (Audited)
Total income from operations (Net)	2,43,690	2,11,417	3,33,193	6,95,095	9,93,575	12,90,252	2,43,688	2,58,116	3,33,193	7,41,787	9,93,578	12,91,166
Net Profit / (Loss) for the period (Before Tax and Exceptional items)	(16,780)	(7,58,443)	47,150	(7,95,107)	1,74,258	(1,16,498)	(16,784)	(7,51,774)	46,547	(7,89,349)	1,72,451	(1,10,401)
Net Profit / (Loss) for the Period Before Tax (after Exceptional items)	(16,780)	(7,58,443)	47,150	(7,95,107)	1,74,258	(1,16,498)	(16,784)	(7,51,774)	46,547	(7,89,349)	1,72,451	(1,10,401)
Net Profit / (Loss) for the Period After Tax (after Exceptional items)	93,435	(6,70,535)	31,360	(5,97,742)	1,18,736	(1,03,605)	93,431	(6,63,866)	30,757	(5,91,984)	1,16,929	(98,393)
Share of Net Profits of Associates and Joint Ventures	-	-	-	-	-	-	-	(196)	615	(2,896)	1,566	1,802
Net Profit / (Loss) After Tax (Fully attributable to owners of the Parent)	93,435	(6,70,535)	31,360	(5,97,742)	1,18,736	(1,03,605)	93,431	(6,64,062)	31,372	(5,94,880)	1,18,495	(96,591)
Other Comprehensive Income (After Tax)	(3,977)	(5,439)	(2,669)	(11,170)	3,903	1,898	(3,977)	(5,438)	(2,684)	(11,170)	3,866	1,893
Total Comprehensive Income Fully attributable to owners of the Parent	89,458	(6,75,974)	28,691	(6,08,912)	1,22,639	(1,01,707)	89,454	(6,69,500)	28,689	(6,06,050)	1,22,361	(94,698)
Equity Share Capital (Face Value of ₹ 10/- each)	31,382	31,382	31,382	31,382	31,382	31,382	31,382	31,382	31,382	31,382	31,382	31,382
Reserves excluding Revaluation Reserves as at March 31	-	-	-	-	-	7,78,824	-	-	-	-	-	7,62,355
Earnings Per Share (before / After extraordinary items) (Face Value of ₹ 10/- each)												
Basic :	29.77	(213.67)	10.00	(190.47)	37.84	(33.02)	29.77	(211.60)	10.93	(189.56)	37.76	(30.78)
Diluted :	29.77	(213.67)	9.98	(190.47)	37.77	(33.02)	29.77	(211.60)	10.91	(189.56)	37.69	(30.78)

Note:

- The above unaudited standalone financial results of the Company for the period ended 31st December 2019 have been taken on record by the Administrator while discharging the powers of the erstwhile Board of Directors of the Company which were conferred upon him by the RBI Order dated November 20, 2019 and subsequently, powers conferred upon him in accordance with the NCLT Order dated December 3, 2019 to run the Company as a going concern during CIRP. Hence the financial results of the period ended December 31, 2019 have been prepared on going concern assumptions. The Administrator, Advisors and present KMPs have not been able to analyse in depth the accuracy, validity, completeness or authenticity of the information and figures mentioned in the provisional financial statements as they have joined after 20th November 2019. As a part of CIRP, Avoidance Transaction Audit as per section 43, 45, 50 and 66 of the IBC code and valuation assessment of liquidation value and fair valuation of the Company assets is underway. Meanwhile legal audit has also been initiated to ascertain enforceability of the loan documents and security. The outcome of these procedures may provide an additional fact about data. The Administrator has signed the unaudited financial results solely for the purpose of compliance and discharging his duties during CIRP of the Company, in accordance with the provisions of the IBC, read with the regulations and rules thereunder, and based on the explanations, clarifications, certifications, representations and statements made by the existing staff of the Company, save and except the key managerial personnel ("KMPs") who have also joined after the third week of November 2019.
- Pursuant to the admission of the Company under the IBC, with a view to reflecting fairly the position for the purpose of presentation in respect of the Company's obligation for interest and principal amount in respect of all the borrowings, the Company has not provided for interest amount of ₹ 52,762 lakh on borrowings since insolvency commencement date i.e 3rd December 2019 based on the opinion from legal advisors. Under the IBC, the treatment of creditors under the resolution plan is as per debts due as on the insolvency commencement date and therefore no interest is accrued and payable after this date. If the interest was accrued on borrowings, the Profit for the quarter and nine months would have been lower by ₹ 39,239 lakh.
- The above is an extract of the detailed format of Quarterly Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the Quarterly Financial Results with notes there to and Limited Review Report are available on the Stock Exchange website (www.bseindia.com and nseindia.com) and on the Company's website www.dhfl.com.

Place : Mumbai

Date : February 20, 2019

For DEWAN HOUSING FINANCE CORPORATION LIMITED
(a Company under Corporate Insolvency Resolution Process by an order dated December 3, 2019
passed by Hon' NCLT, Mumbai)

MR. R. SUBRAMANIAMKUMAR
ADMINISTRATOR APPOINTED UNDER IBC

The Administrator has been appointed under Rule 5(a)(iii) of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 under the Insolvency and Bankruptcy Code, 2016. The affairs, business and property of Dewan Housing Finance Corporation Limited are being managed by the Administrator, Mr. R. Subramaniakumar, who acts as agent of the Company only and without any personal liability. Address for Correspondence : Ground & 6th Floor, HDIL Towers, Anant Kanekar Marg, Station Road, Bandra (East), Mumbai 400051. Email ID for Correspondence: dhfladministrator@dhfl.com

K. K. MANKESHWAR & CO.

CHARTERED ACCOUNTANTS

331, KALYANDAS UDYOG BHAVAN,
CENTURY BAZAR LANE,
PRABHADEVI, MUMBAI - 400 025.
Phone : 022 - 6663 3296
Email : mum@kkmindia.com

Limited Review Report on Unaudited Quarterly and Year-to-date consolidated financial results

To

The Administrator

(Appointed Under Insolvency & Bankruptcy Code ["IBC" or "Code"])

Dewan Housing Finance Corporation Limited

Mumbai

1. We have reviewed the accompanying statement of unaudited consolidated financial results ("Statement") of **Dewan Housing Finance Corporation Limited** ('the Parent' or 'the Company') and its subsidiaries (the Parent and its subsidiaries together referred to as the 'Group') for the quarter and nine months ended 31st December 2019, and its share of the net loss and total comprehensive income of its associates and joint ventures for the nine months ended 31st December 2019, being submitted by the Parent pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015, as amended (the 'Listing Regulations'). Attention is drawn to the fact that the figures of consolidated financial results pertaining to the corresponding period ended December 31, 2018 reported for the first time in accordance with Listing Regulations forming part of the Statement, read with circular no. CIR/CFR/CMD/144/2010 dated March 20, 2010 and the same are reported in these financial results, are not reviewed by us.
2. The Reserve Bank of India (RBI) vide its letter and press release dated November 20, 2019 ("RBI Order") issued under Section 45IE of the Reserve Bank of India Act, 1934, superseded the Board of Directors of the Company owing to governance concerns and defaults by the Company in meeting various payment obligations and appointed an Administrator to run the Company. Subsequently, in accordance with the order dated December 3, 2019 of the National Company Law Tribunal (Mumbai Bench) ("NCLT Order"), the Corporate Insolvency Resolution Process ("CIRP") of the Company commenced under IBC, the RBI appointed Administrator, among other things, to run the Company as a "going concern" during CIRP as also incumbent upon the Resolution Professional, under section 20 of the Code, to manage the operations of the Company as a going concern. Accordingly, the financial results for the quarter and nine months ended 31st December 2019 have been prepared on going concern assumptions.
3. The above unaudited financial results of the Company for the quarter and nine months ended 31st December 2019 have been taken on record by the Administrator while discharging the powers of the Board of Directors of the Company which were conferred by the RBI Order and in accordance with the NCLT Order solely for the purpose of ensuring regulatory compliance.



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• 243, Shri Krishna Residency, Canal Road, Dharampeth, NAGPUR - 440010. • Phone : 0712-6629946 / 6629947

• Block E New R. D. A. Building, Bombay Market, G. E. Road, RAIPUR - 492 201 • Phone : 0771-2229 078 / 6537 589

• A-425 Sarita Vihar, New Delhi 110076, • Phone : 011-4140 2828 / 4140 2392

• Gera Garden Office No 201, Building No.1, II Floor, Near Vivanta Taj Hotel, Koregaon Park, Pune 411001 • Phone : +91-020-25530238

4. We refer Note no. 2 to the Statement with regard to the responsibility in respect of the preparation of these financial results, and noted that these have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the 'Listing Regulations'). Our responsibility is to issue a report on this Statement based on our review.
5. We conducted our limited review in accordance with the Standard on Review Engagement (SRE) 2410, "*Review of Interim Financial Information performed by the Independent Auditor of the Entity*" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Disclaimer of Opinion

6. The predecessor joint statutory auditors had issued a Disclaimer Report basis the observations forming part of their report for the financial year ended 31st March, 2019. Subsequently Disclaimer Reports have been issued for the quarter ended June 30, 2019 and for the quarter and half year ended September 30, 2019 basis the observations forming part of the said reports. The status update of these observations together with the observations noted during / upto the period ended December 31, 2019 is as below:
 - a. We refer to the Note no. 1 and 2 to the financial results stating that the Administrator and the present KMPs ("present management") takes no responsibility with respect to the accuracy, validity, completeness and/or authenticity of the information and figures mentioned in the financial result as they belong to a period prior to the date of the appointment of the Administrator wherein the Administrator was not present and that the Administrator has taken on record the financial result solely for the purpose of compliance and discharging his duties during CIRP of the Company relying on the explanations, clarifications, certifications, representations and statements made by the existing staff of the Company, save and except the present Key Managerial Personnel ("KMPs") who have also joined recently.



- b. We also refer to the "Written Representations" explaining Present Management's limitations and inability thereof in confirming or non-confirming the assertions forming part of the standard "Written Representation" as required by us in accordance with the guidelines issued by the Institute of Chartered Accountants of India (the ICAI")
- c. We refer to multiple issues of financial significance as highlighted by the predecessor joint statutory auditors in their report for the year ended 31st March, 2019 together with the suspected irregularities as reported and are under media scrutiny. All these issues are presently investigated by the concerned agencies namely SFIO and ED. As of the date of this report, investigations are ongoing and not yet concluded and pending outcome of ongoing investigations, the present management believes that adjustments of the impact of these matters on the financial results including with regard to any adjustments to the carrying values of the loans, restatement of receivables/payables, related parties and other disclosures and compliances, as applicable can be made only when the same become known in definitive terms following the conclusion of the said investigations together with the outcome of the ongoing transactions audits performed by independent agencies/firms appointed by the Administrator. Accordingly the present management has made no adjustments in the financial results in respect of the said reported matters. We have been advised by the present management that these investigations and audits are not yet completed with no outcomes being communicated by the concerned agencies / firms to the present management, no adjustments are made in the Statement in respect of the said reported matters.

In view of the above and pending outcome of ongoing investigation, we are unable to comment on the completeness and appropriateness of the balances in relation to these subjected matters as quoted in the Statements including the matters reported in quarter ended June 30, 2019 and September 30, 2019; and quarter and nine months ended December 31, 2019 and the consequential impact that the outcomes of the investigations and transaction audits may have on the financial results and the provisions made by the present management during this year.

- d. We refer to Note no. 9 to the Statements regarding the investments / advances by way of unsecured Inter Corporate Deposit (ICD) aggregating Rs. 565,269 lakh which were outstanding as at March 31, 2019. Of these, ICDs aggregating Rs. 1,12,936 lakh have since been repaid by the borrowers and ICDs aggregating to Rs. 1,30,661 lakh have been converted into term loans as on 31st December, 2019, resulting in an outstanding of Rs. 3,79,376 lakh-under ICDs including interest receivable thereon (Rs. 8,826 lakh having further being recovered post 31.12.2019 till date). The recoverability or otherwise of the same is yet to be ascertained. Accordingly Accounting Adjustments / Provisions are made by the Present Management against the ICDs basis the Loss Given Default (LGD)% as specified in the guidelines issued by the RBI in the circular "Implementation of the Internal Rating Based (IRB) Approaches for Calculation of Capital Charge for Credit



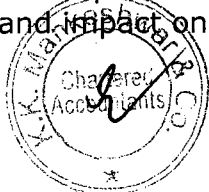
Risk" as a proxy LGD% on a conservative basis applying its financial prudence. This is stated to be also based on industry practice followed in the cases where the companies do not have the trend of recovery experience. Present Management has stated that these provisions may undergo changes upon the actual realization on case to case basis and has cited its limitations in confirming w.r.t to completeness; correctness and authenticity of the figures as quoted in the Financial Results.

In view thereof we are unable to comment upon the completeness; correctness and adequacy / inadequacy of such provisions and their consequential effect on the carrying values of the subjected accounts and impact on the financial results.

- e. We refer to the observations made by the predecessor joint statutory auditors in respect of certain loans and Pass-through Certificates (PTC), granted or invested by the Company:
- i) Multiple accounting entries were initially recorded in certain customer accounts for receipts for which the cheques or negotiable instrument had not been deposited in the bank(s) and these have been subsequently reversed. Such instances have now been constantly reviewed by the Present Management and it plans to introduce the confirmation from Operation to that effect forward.
 - ii) Deficiencies in documentation of Project / Mortgage loans for which the Present Management has also expressed its inability to express any view on the documentation adequacy / completeness till the conclusion of the ongoing legal audit.
- f. We refer to Note no. 11 to the financial results, the Present Management continue to measure loans as on 31st December, 2019 at Fair Value Through Profit or Loss (FVTPL) based on internal valuations (as per past practices followed by the earlier management's judgement) and has made the provisions basis its financial prudence.

Further as also informed, there exists a mis-match to the extent of Rs. 3,018 crores that is yet to identified and mapped to individual parties and the underlying securities available, if any, out of the available surplus security covers. The provisions have been made in the financial results for the same due to non-availability of internal confirmations; and all the relevant and authenticate data in completeness (as stated). These provisions may undergo changes upon the actual realization on case to case basis. Further the Present Management has cited its limitations in confirming w.r.t completeness; correctness and authenticity of the figures as quoted in the Financial Results.

In view thereof we are unable to comment upon the completeness; correctness and adequacy / inadequacy of such provisions and their consequential effect on the carrying values of the subjected accounts and impact on the financial results.



- g. We refer to the observations made by the National Housing Bank (NHB) in its inspection for the year ended March 31, 2018 as per the provisions of the National Housing Bank Act, 1987. Accounting Adjustments / Provisions are made in the financial results as recommended in the NHB's Inspection Report as per NHB's Guidelines. Some of the key factors (such as credit worthiness of parties, historical / past records, market value of underlying certain securities / assets etc., that could influence the values of such provisions, are not factored into while arriving at the values of such provisions due to non-availability of all the relevant and authenticate data in completeness (as stated). These provisions may undergo changes upon the actual realization on case to case basis. Further the Present Management has cited its limitations in confirming w.r.t completeness; correctness and authenticity of the figures as quoted in the Financial results.

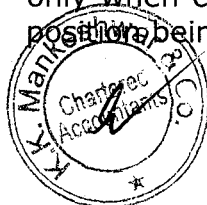
In view thereof we are unable to comment upon the completeness; correctness and adequacy / inadequacy of such provisions and their consequential effect on the carrying values of the subjected accounts and impacts on the financial results.

- h. Due to deficiencies and non-availability of the historical data which is being used for the purpose of calculating provisioning based on Expected Credit Loss (ECL) model in past, the ECL provisions in the financial results for the 31st December, 2019 are arrived at as per past practice. Some of the key factors (such as historical / past records, market value of underlying certain securities / assets etc.), that could influence the values of such provisions, are not factored into while arriving at the values of such provisions due to non-availability of all the relevant and authenticate data in completeness (as stated). These provisions may undergo changes upon the actual realization on case to case basis. Further the Present Management has cited its limitations in confirming w.r.t completeness; correctness and authenticity of the figures as quoted in the financial results.

In view thereof we are unable to comment upon the completeness; correctness and adequacy / inadequacy of such provisions and their consequential effect on the carrying values of the subjected accounts and impact on the financial results.

- i. No provision is made by the Company, pursuant to its admission under the IBC (i.e 3rd December, 2019), in respect of it's obligation for interest on all the borrowings basis the opinion from legal advisors. The interest (including penal interest) not so provided for amounts to Rs. 52,762 lakh and the profit for the quarter and the losses for nine months ended as on 31st December, 2019 are accordingly overstated and understated respectively to that extent.

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



- j. The Company has recognized net deferred tax asset of Rs. 2,48,589 lakh as at 31st December, 2019. The Company is required to perform an assessment as required by Ind AS 12 - 'Income Taxes' which requires the Company to determine the probability of future taxable income to utilize the deferred tax asset. However, we have not been provided sufficient appropriate evidence to validate the Company's assessment about the carrying value of the deferred tax asset and consequential adjustments required, if any, to the Statement.
- k. As stated in Note no. 13 to financial results, the Company incurred expenditure aggregating Rs. 10,517 lakh for development of customized software for its operations and recording of transactions which has been carried as intangible asset under development as at 30th September, 2019. The Company did not perform impairment assessment as required by Ind AS 36 - 'Impairment of Assets' which requires the Company to determine whether the economic benefit in respect of this intangible asset shall be available to the Company in subsequent periods taking into consideration the uncertainty in respect of its plan to monetize its assets, secure funding from the bankers / investors, restructure its liabilities and recommence its operations. In view of foregoing, we have not been provided sufficient appropriate evidence about the carrying value of the intangible asset under development and adjustments required, if any, to the Statement.
7. In view of the foregoing, we have been unable to obtain sufficient appropriate evidence to support the values of the loans and are unable to determine if these matters would have an impact on the Statement including with regard to any adjustments to the carrying value of the loans, assets, restatement, related parties and other disclosures and compliances, as applicable. We are further unable to comment whether the loans referred in above paragraphs have been properly secured and hence these loans may have been granted including terms and conditions there-of, in a manner that is prejudicial to the interest of the Company or its members, for the reasons stated therein.
8. In view of the possible effects of the matters described in above paragraphs, we are further unable to comment on the Company's compliance of the covenants in respect of all borrowings and consequential implications including disclosures, if any, to the Statement.
9. Effective 1st April 2019, the Company is required to adopt Ind AS 116 - Leases, which requires any lease arrangement to be recognized in the Balance Sheet of the lessee as a 'right-of-use' asset with a corresponding lease liability. The Present Management has decided that any impact of this adoption on the profit / (loss) for the quarter / (nine months) ended 31st December, 2019, if any, will be considered at the year end.
10. We refer to Note no. 3 to the financial results regarding the differences as noticed in some instances between the claims submitted by the Creditors of the Company, during CIRP process, which are still being fully verified and in some instances the amount of claim admitted or to be admitted by the Present Management may differ from the amount reflecting in the books of



account of the Company. Pending final outcome of the CIRP, no adjustments have been made in the financial results and books of account for the differential amounts, if any, in the claims admitted as on the date hereof.

Material uncertainty related to Going Concern

11. The Company has incurred loss aggregating Rs. 6,06,050 lakh (including comprehensive loss) during the nine months period ended 31st December, 2019, eroding the net worth of the Company substantially. However these financial results are drawn on going concern basis under the ongoing Corporate Insolvency Resolution Process, the outcome of which cannot be presently ascertained including matters also listed herein. We are therefore unable to comment as to whether the "going concern" basis for the preparation of these financial results is appropriate.

12. The Statement includes the results of the following entities:

- i) Parent entity
 - Dewan Housing Finance Corporation Limited
- ii) Subsidiary companies:
 - DHFL Advisory & Investments Private Limited
 - DHFL Holding Limited
- iii) Associates:
 - Aadhar Housing Finance Limited (upto date of sale)
 - Avanse Financial Services Limited (upto date of sale)
- iv) Joint Ventures:
 - DHFL Pramerica Asset Managers Private Limited (upto date of sale)
 - DHFL Pramerica Trustees Private Limited (upto date of sale)

Disclaimer of Opinion

13. Because of the significance of the matters described in paras 6 to 11 above, we have not been able to obtain moderate assurance as to whether the Statement has been prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India or state whether the Statement has disclosed the information required to be disclosed the information in terms of Regulation 33 of the Listing Regulation, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Other Matters

14. We did not review the financial information of two subsidiaries included in the consolidated financial results, whose financial information reflect total revenues of Rs. 46,702 lakh, and net profit after tax of Rs. 22,227 Lakh for the nine months ended 31st December, 2019 as considered in the consolidated financial results. The consolidated financial results also include



the Group's share of net loss of Rs. 2,896 lakh for the nine months ended 31st December, 2019, as considered in the consolidated financial results, in respect of two associates and joint ventures, whose financial information have not been reviewed by us. These unaudited financial results and other unaudited financial information have been furnished to us by the Management and our report, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and joint ventures, is based solely on such unaudited financial results and other unaudited financial information. We are unable to comment on the impact on profit/losses on the consolidated financial statements for the quarter and nine months ended 31st December 2019, had these subsidiaries, associates and joint ventures been subjected to review.

15. The consolidated financial statements of the Group for the year ended 31st March 2019 were audited by the predecessor joint statutory auditors, who have expressed disclaimer of opinion on the same.



DINESH KUMAR BACHCHAS

Partner

Membership No. 097820

For and on Behalf of

K .K. MANKESHWAR & CO.

Chartered Accountants

FRN: 106009W



Mumbai, dated the 20/02/2020
20th February 2020
UDIN: 2009780AAAACB1773

DEWAN HOUSING FINANCE CORPORATION LIMITED

Corporate Identity Number (CIN) - L65910MH1984PLC032639

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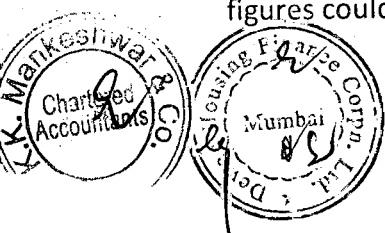

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31st DECEMBER, 2019

(₹ in Lakh)

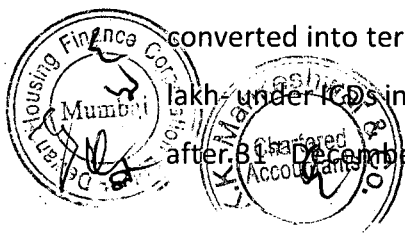
PARTICULARS	Quarter ended			Nine Months ended		Year ended
	31.12.2019 (Reviewed)	30.09.2019 (Reviewed)	31.12.2018 (Unaudited)	31.12.2019 (Reviewed)	31.12.2018 (Unaudited)	31.03.2019 (Audited)
INCOME:						
Revenue from operations:						
- Interest Income	2,38,409	2,12,305	3,31,449	6,83,856	9,42,243	12,30,771
- Dividend Income	-	-	518	-	1,236	1,074
- Fees and Commission Income	43	80	4,099	225	31,547	27,547
- Net gain/(loss) on derecognition of financial instruments under amortised cost category	2,828	(3,108)	(5,683)	4,437	9,180	20,583
- Other operating revenue	1,901	1,394	2,315	4,938	7,876	8,239
I Total Revenue from operations	2,43,181	2,10,671	3,32,698	6,93,456	9,92,082	12,88,214
II Other Income	507	47,445	495	48,331	1,496	2,952
III Total Income (I+II)	2,43,688	2,58,116	3,33,193	7,41,787	9,93,578	12,91,166
EXPENSES:						
Finance costs	1,42,329	2,01,419	2,41,629	5,60,303	7,06,164	9,41,691
Net loss/(gain) on fair value changes	1,16,787	1,58,479	10,050	2,98,908	7,577	2,45,837
Impairment on financial instruments	(13,480)	6,32,656	13,222	6,23,491	35,551	1,00,897
Employee benefits expenses	6,938	8,661	10,078	23,889	31,441	47,000
Employee Stock Options/Employee Stock Appreciation Rights Expenses	(204)	(1,756)	2,200	(1,731)	6,714	1,533
Depreciation and amortisation expense	1,237	1,045	1,310	3,947	3,355	5,115
Others expenses	6,865	9,386	8,157	22,329	30,325	59,494
IV Total Expenses	2,60,472	10,09,890	2,86,646	15,31,136	8,21,127	14,01,567
V (Loss)/Profit before Share of Net Profits of Associates and Joint Ventures and tax (III-IV)	(16,784)	(7,51,774)	46,547	(7,89,349)	1,72,451	(1,10,401)
Tax Expense						
Current tax	-	(2,359)	9,362	4	44,741	53,832
Deferred tax	(1,10,215)	(85,549)	6,428	(1,97,369)	10,781	(65,840)
VI Total Tax expense	(1,10,215)	(87,908)	15,790	(1,97,365)	55,522	(12,008)
VII Net (Loss)/Profit After Tax before share of Net Profits of Associates and Joint Ventures for the period (V-VI)	93,431	(6,63,866)	30,757	(5,91,984)	1,16,929	(98,393)
VIII Share of Net Profits/(Loss) of Associates and Joint Ventures	-	(196)	615	(2,896)	1,566	1,802
IX Net (Loss)/Profit After Tax (Fully attributable to owners of the Parent) (VII+VIII)	93,431	(6,64,062)	31,372	(5,94,880)	1,18,495	(96,591)
Other comprehensive income						
(A) Items that will not be reclassified to profit or loss						
(i) Remeasurements of the defined employee benefit plans	(353)	33	116	(288)	(35)	129
Share of Other comprehensive income/(loss) of associates and joint ventures	-	1	(204)	-	(226)	(5)
(iii) Income tax relating to items that will not be reclassified to profit or loss	91	(9)	19	74	61	(36)
Subtotal (A)	(262)	25	(69)	(214)	(200)	88
(B) Items that will be classified to profit or loss						
(i) Cash flow hedge reserves	(4,996)	(7,345)	(3,630)	(14,732)	5,644	2,506
(ii) Tax on above	1,281	1,882	1,015	3,776	(1,578)	(701)
Subtotal (B)	(3,715)	(5,463)	(2,615)	(10,956)	4,066	1,805
X Total Other comprehensive income/(loss) (Fully attributable to owners of the Parent) (A+B)	(3,977)	(5,438)	(2,684)	(11,170)	3,866	1,893
XI Total Comprehensive income/(loss) Fully attributable to owners of the Parent (IX+X)	89,454	(6,69,500)	28,689	(6,06,050)	1,22,361	(94,698)
Earnings per share (Face value of ₹ 10 each) (not annualised)						
Basic (in ₹)	29.77	(211.60)	10.93	(189.56)	37.76	(30.78)
Diluted (in ₹)	29.77	(211.60)	10.91	(189.56)	37.69	(30.78)
Paid-up Equity Share Capital (Face value ₹ 10/-)	31,382	31,382	31,382	31,382	31,382	31,382
Reserves excluding Revaluation Reserves as at March 31						7,62,355



1. The financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 – Interim Financial Reporting, notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, and other accounting principles generally accepted in India, subject to Note Nos 2 to 17 following hereinafter.
2. The above unaudited consolidated financial results of the Company for the period ended 31st December 2019 have been taken on record by the Administrator while discharging the powers of the erstwhile Board of Directors of the Company which were conferred upon him by the RBI Order dated November 20, 2019 and subsequently, powers conferred upon him in accordance with the NCLT Order dated December 3, 2019 to run the Company as a going concern during CIRP. Hence the financial results of the period ended December 31, 2019 have been prepared on going concern assumptions. The Administrator, Advisors and present KMPs have not been able to analyse in depth the accuracy, validity, completeness or authenticity of the information and figures mentioned in the provisional financial statements as they have joined after 20th November 2019. As a part of CIRP, Avoidance Transaction Audit as per section 43, 45, 50 and 66 of the IBC code and valuation assessment of liquidation value and fair valuation of the Company assets is underway. Meanwhile legal audit has also been initiated to ascertain enforceability of the loan documents and security. The outcome of these procedures may provide an additional fact about data. The Administrator has signed the unaudited financial results solely for the purpose of compliance and discharging his duties during CIRP of the Company, in accordance with the provisions of the IBC, read with the regulations and rules thereunder, and based on the explanations, clarifications, certifications, representations and statements made by the existing staff of the Company, save and except the key managerial personnel (“KMPs”) who have also joined after the third week of November 2019.
3. In some instances, the amount of the claim admitted or to be admitted by the Administrator under CIRP process may differ from the amount reflecting in the books of account of the Company. The above unaudited financial results are drawn on the basis of December 31, 2019 figures as per the books of account of the Company. The Administrator, Advisors, and KMPs believe that these figures may be interpreted solely for the purpose of satisfying the regulatory requirement for filing of Nine months / quarterly unaudited financial results and that these figures could change during the CIRP process or thereafter.

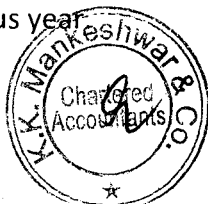
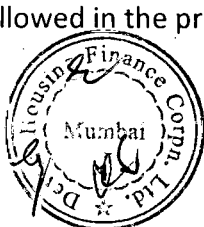


4. The Ministry of Corporate Affairs (MCA), vide its letter dated December 2, 2019 has initiated investigation into the affairs of the Company under Section 212(1) of the Companies Act, 2013 by Serious Fraud Investigation Office (SFIO). Further, Enforcement Directorate has also initiated investigation in connection with the loans given by the Company to certain borrowers. The Company is fully co-operating with the investigating agencies.
5. Effective 1st April 2019, the Company is required to adopt Ind AS 116 – Lease, effect of this if any, will be considered at the year end.
6. The Company has elected to exercise the option of lower tax rate provided under Section 115BAA of the Income-tax Act, 1961, Accordingly, the Company has re-measured its deferred tax assets and has taken a charge of ₹ 36,616 lakh, basis the rate provided in the said section. The Company has credited a net sum of ₹ 1,97,369 lakh to the Statement of Profit and Loss for the nine months ended 31st December 2019 on account of deferred tax asset created as per Ind AS 12 - 'Income Taxes'
7. Pursuant to the admission of the Company under the IBC, with a view to reflecting fairly the position for the purpose of presentation in respect of the Company's obligation for interest and principal amount in respect of all the borrowings, the Company has not provided for interest amount of ₹ 52,762 lakh on borrowings since insolvency commencement date i.e 3rd December 2019 based on the opinion from legal advisors. Under the IBC, the treatment of creditors under the resolution plan is as per debts due as on the insolvency commencement date and therefore no interest is accrued and payable after this date. If the interest was accrued on borrowings, the Profit for the quarter and nine months would have been lower by ₹ 39,239 lakh.
8. The Company's main business is financing by way of loans for the construction of residential houses, loan against property, loan to real estate developers and including all related activities and SRA projects. Accordingly, there are no separate reportable segments as per Ind AS 108.
9. The investments/ advance by way of unsecured Inter Corporate Deposit (ICD) aggregating ₹ 5,65,269 lakh were outstanding as at March 31, 2019. Of these, ICDs aggregating ₹ 1,12,936 lakh have since been repaid by the borrowers and ICDs aggregating to ₹ 1,30,661 lakh have been converted into term loans as on 31st December 2019, resulting in an outstanding of ₹ 3,79,376 lakh under ICDs including interest receivable thereon. The company has recovered ₹ 8,826 lakh after 31st December 2019 and the recoverability or otherwise of the remaining amount is yet to



be ascertained, and hence the appropriate provision amounting to ₹ 2,22,526 lakh has been made as a prudent measure. Due to non-availability of the recovery data, the company has considered the Loss Given Default percentage (LGD%) as specified in the guidelines issued by RBI in the circular "Implementation of the Internal Rating Based (IRB) Approaches for Calculation of Capital Charge for Credit Risk" as a proxy LGD%. This is also based on the industry practice followed in the cases where the companies do not have the trend of recovery experience.

10. The Company is undergoing substantial financial stress since second half of the previous financial year. The Company has suffered consistent downgrades in its credit ratings since February 2019. On 5th June 2019, the credit rating was reduced to 'default grade'. As a result, the Company's ability to raise funds has been substantially impaired and the business has been brought to a standstill with there being minimal / virtually no disbursements
11. The wholesale loan portfolio aggregating ₹ 48,34,757 lakh (pursuant to classification of this portfolio to "held for sale" in the previous year ended on 31st March 2019) have been "fair valued" as at 31st December 2019 based on internal valuations at ₹ 42,36,151 lakh and the resulting fair value loss aggregating ₹ 5,98,606 lakh. Out of this fair value loss aggregating to ₹ 4,85,206 lakh has been accounted up to 30th September 2019 and balance loss of ₹ 1,13,399 lakh has been charged to the Statement of Profit and Loss for the quarter ended 31st December 2019. Valuation is carried out by maintaining the same basis as followed by the erstwhile management in the previous year and also half year ended on 30th September 2019 Further, as a outcome of valuation exercise to be completed in CIRP, this may undergo change. The recoverability or otherwise of these loans is yet to be ascertained and hence the appropriate provision has been made as a prudent measure. As a part of CIRP, Avoidance Transaction Audit as per section 43, 45, 50 and 66 of the IBC code and valuation assessment of liquidation value and fair valuation of the Company is underway. Meanwhile legal audit has also been initiated to ascertain enforceability of the loan documents and security. The outcome of these procedures may provide an additional fact about data.
12. The Company had applied IND AS 109 with respect to Expected Credit Losses (ECL) for the first time for the year ended 31st March, 2019. During the current period, provisions for ECL on the loan portfolio have been made by maintaining the same set of underlying assumptions as followed in the previous year



13. Any Adjustment if required to be made to the carrying value of the intangible assets under development aggregating ₹ 10,517 lakh, for development of customised software for its operations, pursuant to the requirements of Ind AS 36 on Impairment of Assets, would be done at the year-end, based on detailed audit exercise.
14. The Auditors qualifications, observations and matters emphasised in the printed Annual Report of FY 2018-19 and those pertaining to June 2019 and September 2019 results, may continue to be relevant for 3rd quarter ended December, 2019. The Administrator, Advisors and present KMPs are not in a position to express any opinion in this regard.
15. The above results for the quarter and nine months ended Decemeber,2019 read with the disclosures/disclaimers stated vide notes 1 to 14 above have been subjected to a Limited Review by the Statutory Auditors of the Company. The auditors have issued a disclaimer of opinion in respect of results for the quarter and nine months ended 31st Decemebr,2019.
16. The consolidated financial results include the financial information of subsidiaries, associates and joint ventures which are based on statements based on results certified by the management of respective company. Further, the Company holds 100% of equity share capital of DHFL Investments Limited (DIL), however, based on the agreements dated 31st March 2017, the Company does not exercise control over DIL and hence is not considered as a subsidiary company for the purpose of preparation of these financial statement.
17. Figures for the previous period have been regrouped wherever necessary.



Place: Mumbai
Date: 20 February 2020



For DEWAN HOUSING FINANCE CORPORATION LIMITED
(a Company under Corporate Insolvency Resolution Process by an order dated December 3, 2019 passed by Hon' NCLT, Mumbai)

MR. R SUBRAMANIAKUMAR
ADMINISTRATOR APPOINTED UNDER IBC

The Administrator has been appointed under Rule 5(a)(iii) of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019 under the Insolvency and Bankruptcy Code, 2016. The affairs, business and property of Dewan Housing Finance Corporation Limited are being managed by the Administrator, Mr. R. Subramaniakumar, who acts as agent of the Company only and without any personal liability.
Address for Correspondence - Ground & 6th Floor, HDIL Towers, Anant Kanekar Marg, Station Road, Bandra (East), Mumbai 400051

Email ID for Correspondence: dhfladministrator@dhfl.com