National Office : HDIL Towers, 6th Floor,
Anant Kanekar Marg, Station Road,
Bandra (East), Mumbai - 400051.
T: +91 22 7158 3333 / 2658 3333

DHFL/CSD/2020-21/1860
Date: 22 August 2020

The Manager Listing Department BSE Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai- 400 001 Fax no. 2272 2082 / 3132/ 3121	The Manager Listing Department National Stock Exchange of India Limited, 'Exchange Plaza', C-1, Block G, Bandra- Kurla Complex, Bandra (East), Mumbai- 400 051. Fax No. 26598237 / 38
Scrip Code : 511072	**DHFL**

Dear Sir/Madam,

Sub: Submission of Unaudited Financial Results (Standalone & Consolidated) for the first quarter ended 30th June, 2020 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The Company has already intimated the Exchanges that the Reserve Bank of India ("RBI") had superseded the board of directors of Dewan Housing Finance Corporation Limited ("Company") on November 20, 2019 and appointed Mr R. Subramaniakumar as the Administrator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 22nd August, 2020, which commenced at 02.00 p.m. and concluded at 10.15 p.m., have inter-alia, considered and taken on record the Ind-AS Unaudited Financial Results (Standalone & Consolidated) of the Company for the first quarter ended 30th June, 2020 as per Regulation 33, 52 and other applicable regulations 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.

Please find enclosed herewith a copy of the said Unaudited Financial Results of the Company (Standalone and Consolidated) along with notes thereto and along with the Limited Review Report thereon.

Kindly take the same on your record.

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

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

Dewan Housing Finance Corporation Ltd. ★ Mumbai

DEWAN HOUSING FINANCE CORPORATION LIMITED
Corporate Identity Number (CIN) - L65910MH1984PLC032639
Regd. Office : Warden House, 2nd Floor, Sir P.M. Road, Fort, Mumbai - 400 001
Toll Free No. 1800 22 3435, Visit us at : www.dhfl.com., email - response@dhfl.com
Corporate Office : National Office: 6th Floor, HDIL Towers, A K Marg, Station Road, Bandra (East), Mumbai - 400051
Tel. : (022) 7158 3333

DHFL
Changing Rules, Changing Lives

STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2020

(₹ in Lakh)

PARTICULARS	Quarter ended			Year ended
	30.06.2020 (Reviewed)	31.03.2020 (Audited)	30.06.2019 (Reviewed)	31.03.2020 (Audited)
1 INCOME:				
Revenue from operations:				
- Interest income	2,31,593	2,39,360	2,33,145	9,23,225
- Fees and Commission Income	16	58	102	283
- Net gain / (loss) on derecognition of financial instruments under amortised cost category	(4)	(2,040)	4,717	2,397
- Other operating revenue	868	1,380	1,643	6,318
Total Revenue from operations	2,32,473	2,38,758	2,39,607	9,32,223
Other Income	413	459	380	2,089
Total Income	2,32,886	2,39,217	2,39,987	9,34,312
2 EXPENSES:				
Finance costs (Refer Note 10)	5,752	13,309	2,15,897	5,72,518
Net loss on fair value changes	1,84,456	12,40,327	23,642	14,99,648
Impairment on financial instruments (Net)	22,174	865	4,072	6,24,113
Employee benefits expenses	5,675	6,231	8,290	30,120
Employee Stock Options/Employee Stock Appreciation Rights Expenses	(23)	(60)	229	(1,791)
Depreciation and amortisation expense	2,046	3,994	1,665	7,941
Others expenses	3,525	4,242	6,077	26,562
Total Expenses	2,23,605	12,68,908	2,59,872	27,59,111
3 Profit / (Loss) before tax (1-2)	9,281	(10,29,691)	(19,885)	(18,24,799)
4 Tax Expense				
Current tax	-	-	2,363	-
Earlier years adjustments	-	(1,137)	-	(1,133)
Deferred tax	2,271	(2,65,065)	(1,605)	(4,62,434)
Total tax expense	2,271	(2,66,202)	758	(4,63,567)
5 Profit / (Loss) for the period / Year (3-4)	7,010	(7,63,489)	(20,643)	(13,61,232)
6 Other comprehensive income				
- Items that will not be reclassified to profit or loss				
Remeasurements of the defined benefit plans	(39)	134	32	(154)
Tax on above	10	(35)	(8)	39
- Items that will be classified to profit or loss				
Cash flow hedge reserves		20,052	(2,391)	5,320
Tax on above	-	(5,264)	613	(1,488)
Total Other comprehensive income	(29)	14,887	(1,754)	3,717
7 Total comprehensive income for the period / Year (5+6)	6,981	(7,48,602)	(22,397)	(13,57,515)
Earnings per share (Face value of ₹10 each) (not annualised)				
Basic (in ₹)	2.23	(243.29)	(6.58)	(433.76)
Diluted (in ₹)	2.23	(243.29)	(6.58)	(433.76)
Paid-up Equity Share Capital (Face value ₹ 10/-)	31,382	31,382	31,382	31,382
Reserves excluding Revaluation Reserves as at March 31				(5,85,176)

Dewan Housing Finance Corporation Ltd.

K.K. Mankeshwar & Co. Chartered Accountants

1. The above unaudited standalone 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 No 2 to 14 following hereinafter.

2. The Reserve Bank of India (RBI) vide Press Release dated November 20, 2019 in exercise of the powers conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934 (RBI Act) superseded the Board of Directors of the Company and appointed an Administrator under Section 45-IE (2) of the RBI Act. Thereafter, RBI vide its Press Release dated November 22, 2019, in exercise of the powers conferred under Section 45 IE 5(a) of the RBI Act 1934, constituted a three (3) member Advisory Committee to assist the Administrator in the discharge of his duties. On November 29, 2019, the RBI filed the Petition before the NCLT under sub-Clause (i) of clause (a) of Rule 5 of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudication Authority) Rules, 2019 (FSP Rules) to initiate CIRP against DHFL read with Section 227 of the Code. Accordingly, in terms of Rule 5(b)(i) of the FSP Rules, an interim moratorium came into effect on the filing of the application to initiate CIRP. Further, CIRP was initiated against the Corporate Debtor under Section 227 read with clause (zk) of sub - section (2) of section 239 of the Code and read with rules 5 and 6 of the FSP Rules by an order dated December 3, 2019 of the Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT/Adjudicating Authority). The Adjudicating Authority, vide the above order, appointed the Administrator to perform all the functions of a resolution professional to complete the CIRP of the Company as required under the provisions of the Code. The moratorium was declared by the NCLT.

3. The Administrator following his appointment and with the approval of Committee of Creditors of DHFL, as constituted by him in accordance with Section 18(c) and 21(1) of the Code and the Regulation 17(1) of the CIRP regulations, appointed the Company Secretary ("CS") and the Chief Financial Officer ("CFO") .The Key Managerial Personnel ("KMPs" or "Present Management") the Chief Executive Officer ("CEO"), appointed just before CIRP (October 2019) and joined the company on 21st November 2019 after the board was superseded on 20th November 2019, the Company Secretary ("CS") and the Chief Financial Officer ("CFO") along with the Senior management of the Company has ensured that the Company continues to operate as a "Going Concern" in line with the objective of the Code and requirements thereunder

   The Administrator and the Advisory Committee members along with the management team and the employees of the company, upon their taking charge have taken various efforts to improve the operational, financial and managerial efficiency of the Company. In this regard, various initiatives to strengthen the financial/lending policies and processes, functioning of the IT system; legal audit of material loan documents, establishing risk management framework, updating internal financial controls and updating risk controls matrices, strengthening internal audit control through in-house resources and engagement of external professional experts/consultants have been undertaken. Various actions to ensure comprehensive compliance with various applicable rules and regulations during this period have also been undertaken. While substantial progress is stated to have been made by concluding some as well, these could not be fully concluded and implemented by 30th June, 2020 and various activities continue to be ongoing.

4. The above unaudited standalone financial results of the Company for the quarter ended 30th June 2020 have been taken on record by the Administrator while discharging the powers of the 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 unaudited standalone financial results for the quarter ended June 30, 2020 have been prepared on "going concern" assumptions.

Dewan Housing Finance Corporation Ltd.

K.K. Mankeshwar & Co. Chartered Accountants

5. The Administrator, Advisors and KMPs have taken charge with effect from 21th November 2019 and have relied on information, data, clarifications and views provided by the existing staff of the Company for the purposes of the financial results and have not analysed the accuracy, validity, completeness or authenticity of the information and figures mentioned in the above stated financial results. Further, since March 25, 2020 lockdown was imposed in the Country on account of Covid 19 causing a complete shutdown of offices which extended beyond the FY 2020; the lockdown as imposed by the State Government of Maharashtra from time to time is currently in force till 31st August 2020. As a part of CIRP, a Transaction Audit to determine avoidable transactions in terms of Section 43, 45, 49, 50 and 66 of the Code and an exercise to determine the liquidation value and fair valuation of the Company was initiated which is currently underway. These activities could not be conclusively completed till the signing of the standalone financial results in view of the disruption caused due to the lockdown restrictions. The outcome of such exercise may provide additional facts/information about the past data with respect to the Company. The Administrator and the KMPs have signed the unaudited standalone financial results solely for the purpose of compliance and discharging their duties during CIRP period of the Company and in accordance with the provisions of the Code, read with the regulations and rules thereunder, and based on the explanations, clarifications, certifications, representations and statements made by the existing staff of the Company in relation to the data pertaining to the period prior to the joining of the present management and does not have personal knowledge of the past affairs, finances and operations of the Company.

6. In certain instances, the amount of the claim admitted or to be admitted by the Administrator under CIRP may differ from the amount reflecting in the books of accounts of the Company. The above unaudited financial results are drawn on the basis of figures appearing in the books of accounts of the Company as on June 30, 2020. The Administrator, Advisors, and KMPs believe that these figures may be interpreted solely for the purpose of satisfying the regulatory requirement for filing of quarterly unaudited financial results and that these figures could change during the CIRP or thereafter depending upon the findings made during the CIRP.

7. The Ministry of Corporate Affairs (MCA), has initiated investigation in the month of December 2019, into the affairs of the Company under Section 212(1) of the Companies Act, 2013 through Serious Fraud Investigation Office (SFIO). Further, Enforcement Directorate (ED) has also initiated investigation in connection with the loans given by the Company to certain borrowers. Central Bureau of Investigation (CBI) has also started investigation in connection with certain loan granted by the Company. Apart from this CBI is also investigating into the matter of amounts invested by a state government entity – Provident Fund in the Fixed Deposits of the Company. The Company is fully co-operating with all the investigating agencies and providing the necessary information/data as and when the same is sought.

8. The World Health Organisation has declared the novel coronavirus (COVID- 19) as a pandemic on March 11, 2020. Besides the impact of this outbreak on human life, it has also disrupted the financial, economic and social structures of the entire world. The Central Government in India also declared a national lockdown from March 25, 2020 to May 31, 2020, through various notifications, and subsequently the Central Government has announced various stages of Unlock with Unlock 3.0 extending till August 31, 2020. Apart from this, the State Government of Maharashtra has also from time to time declared lockdown in the State with the present one in effect till 31st August 2020. During unlock period private offices are allowed to operate with minimum number of the staff with certain conditions initially and restricted the movement as a preventive/ precautionary measures to avoid the spread of COVID- 19. The Company remains fully compliant with the guidelines and direction of both Central and State Government. The situation has caused uncertainty and impacted the collection and other operations of the Company. However, with various remote working measures, the Company has been able to restore its normal operations except certain functions which require physical movement eg. field level visits. With the unlock implemented by the Government in stages in permitted areas,

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the branches of the Company were made operational including national office and the field visits have commenced.

In order to give effect to the RBI guidelines on regulatory measures on COVID-19 – Regulatory Package, the Company has offered moratorium to its eligible customers for a period for instalments falling due between 1st March, 2020 and 31st August 2020 based on approved policy in this regard. The Company has taken various steps to ensure the effective implementation of the moratorium policy and continues to monitor the impact of such moratorium on its portfolio. ~28% of account holders by numbers have availed the Moratorium as on 30th June 2020. The recovery from some of the accounts in moratorium is forthcoming with gradual implementation of Unlock and commencement of field visits. It is believed that the recovery will further improve in Moratorium accounts during the current quarter (Q2 of Financial Year 2020-21).

9. The Company has a balance of ₹ 502,953 lakh as deferred tax asset recognised as per Ind AS – 'Income Taxes' as on 30th June 2020. The Company is running as a going concern as per the provisions of the Code, which requires that the value of the company is preserved and maintain it as a going concern. Further, various bidders have expressed interest in submitting a resolution Plan for the Company which itself is an indicator of Company's running as a 'going concern' in future.

10. The Company in line with the disclosure, relating to the non-provision of interest on borrowings in view of the CIRP, made in the Note no. 15 in the Standalone Financial results for the year ended 31st March 2020 has not provided for interest amount of ₹ 1,82,393 lakh on borrowings for the quarter ended on 30.06.2020 in view of the Company's current CIRP. 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 would have been lower by ₹ 1,35,646 lakh (net of tax) respectively.

11. The Company's main business is financing by way of loans for the purchase and/or construction of residential houses, loan against property, loan to real estate developers, including all related activities and SRA projects. Accordingly, there are no separate reportable segments as per Ind AS 108.

12. The investments/ advance by way of unsecured Inter Corporate Deposit (ICD) including interest receivable aggregating ₹ 3,86,690 lakh are outstanding as at June 30, 2020. The recoverability or otherwise of the remaining amount is yet to be ascertained, and hence the appropriate provision amounting to ₹ 2,27,547 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.

13. The total wholesale loan portfolio including interest receivable aggregating ₹ 50,80,462 lakh (pursuant to classification of this portfolio to "held for sale" in the year ended 31st March 2019) has been "fair valued" as at 30th June 30, 2020 at ₹ 30,10,727 lakh, with the resulting fair value loss aggregating ₹ 20,69,735 lakh. Out of this, fair value loss aggregating ₹ 18,85,313 lakh has been accounted up to 31st March 2020 and balance loss of ₹ 1,84,422 lakh has been charged to the Statement of Profit and Loss for the quarter ended June 30, 2020. Further, as an outcome of valuation exercise to be completed during the CIRP, this may undergo change. However, the said valuation will be as on 3rd December, 2019, the date of commencement of CIRP. The recoverability or otherwise of these loans is yet to be ascertained and hence the appropriate provision has been made as a prudent measure on fair valuation method as per Ind As provisions.

14. The Company in the past has incurred cost for development of customised software for its operations and recording of transactions which has been carried as intangible asset under development, the

balance of which as at June 30, 2020 is ₹ 10,517 lakh. Considering the factors as stated in Note 4 above, the Company is of the view that no adjustment is required to be made to the carrying value of the intangible asset under development pursuant to the requirements of Ind AS 36 on Impairment of Assets.

15. The above standalone financial results for the quarter ended 30th June, 2020 read with the disclosures stated vide notes 2 to 14 above have been reviewed by the Statutory Auditors of the Company.

16. Figures for the previous period have been regrouped wherever necessary.

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)

Place: Chennai
Date: 22nd August 2020

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

K.K. Mankeshwar & Co. Chartered Accountants

K.K. MANKESHWAR & CO.
CHARTERED ACCOUNTANTS

A-425, SARITA VIHAR,
NEW DELHI - 1100 076
Tel. : +91-11-41402828
Fax : +91-11-41402392
del@kkmindia.com

Limited Review Report on Quarterly Unaudited Standalone Financial Results

To
The Administrator
(Appointed Under Insolvency & Bankruptcy Code, 2016 ["IBC" or "Code"])
Dewan Housing Finance Corporation Limited
Mumbai

1. We were engaged to review the accompanying statement of unaudited standalone financial results ("financial results" or "Statement") of **Dewan Housing Finance Corporation Limited** ("the Company") for the quarter ended 30th June, 2020, being submitted by the Company 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').

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, the National Company Law Tribunal (Mumbai Bench) vide its order dated December 3, 2019 ("NCLT Order"), among other things, admitted the Application filed by the RBI, commenced the Corporate Insolvency Resolution Process ("CIRP") of the Company under IBC and, confirmed the appointment of the Administrator appointed by the RBI to perform all the functions of Resolution Professional to complete the CIRP. It is also incumbent upon the Resolution Professional, under section 20 of the Code, to manage the operations of the Company as a going concern. Accordingly, the Statement for the quarter ended 30th June, 2020 have been prepared on going concern assumptions.

3. We refer to the Note no 4 & 5 to the Statement with regard to the responsibility of management in respect of the preparation of this Statement which 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, 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 express a conclusion on this Statement based on our review. Because of the matters described in paras 5 to 9 below, we were not able to obtain sufficient appropriate evidence to provide a basis for conclusion on this Statement and hence we do not express a conclusion on this Statement.

K.K. Mankeshwar & Co. Chartered Accountants

4. We conducted our review of the Statement 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. 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 Conclusion

5. We have issued a Disclaimer Report basis the observations forming part of the report for the financial year ended 31st March, 2020. The status update of these observations together with the observations noted for the quarter ended 30th June, 2020 is as below:

   a. We refer to the Note no 5 to the Statement regarding that the Administrator, Advisors and KMPs (Present Management) have taken charge with effect from 21st November 2019 and have relied on information, data, clarifications and views provided by the existing staff of the Company for the purposes of the financial results and have not analyzed the accuracy, validity, completeness or authenticity of the information and figures mentioned in the above stated financial results. Further, since 25th March, 2020 lockdown was imposed in the Country on account of COVID-19 causing a complete shutdown of offices which extended beyond the FY 2020; the lockdown as imposed by the State Government of Maharashtra from time to time is currently in force till 31st August, 2020. As a part of CIRP, a Transaction Audit to determine avoidable transactions in terms of Section 43, 45, 49, 50 and 66 of the Code and an exercise to determine the liquidation value and fair valuation of the Company was initiated which is currently underway. These activities could not be conclusively completed till the signing of the Statement in view of the disruption caused due to the lockdown restrictions. The outcome of such exercise may provide additional facts/information about the past data with respect to the Company. The Administrator and the KMPs have signed the Statement solely for the purpose of compliance and discharging their duties during CIRP period of the Company and in accordance with the provisions of the Code, read with the regulations and rules thereunder, and based on the explanations, clarifications, certifications, representations and statement made by the existing staff of the Company in relation to the data pertaining to the period prior to the joining of the present management and does not have personal knowledge of the past affairs, finances and operations of the Company.

   b. We refer to Note no. 3 to the Statement regarding the Administrator and the Advisory Committee Members along with the management team and the employees of the Company, upon their taking charge have taken various efforts to improve the operational, financial and managerial efficiency of the Company. In this regard, various initiatives to strengthen the financial/lending policies and processes, functioning of the IT systems, legal audit of material loan documents, establishing risk management

framework, and updating internal financial controls and updating risk controls matrices, strengthening internal audit control through in-house resources and engagement of external professional experts/consultants have been undertaken. Various actions to ensure comprehensive compliance with various applicable rules and regulations during this period have also been undertaken. While substantial progress is stated to have been made by concluding some as well, these could not be fully concluded and implemented by 30th June, 2020 and various activities continue to be ongoing.

In view of the foregoing we have been unable to obtain sufficient and appropriate evidence in support of the outcomes of the said initiatives and their impact upon the overall governance / control environment within the Company.

c. 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")

d. We refer to Note no. 7 to the Statement together with multiple issues of financial significance as highlighted in our audit report for the year ended 31st March, 2020 together with the suspected irregularities as reported and under media scrutiny. These issues are presently investigated by the concerned agencies namely Ministry of Corporate Affairs (MCA); Serious Fraud Investigation Office (SFIO), Enforcement Directorate (ED), and Central Bureau of Investigation (CBI). As of the date of this report, investigations are ongoing together with transactions audits performed by independent agencies/firms appointed by the Administrator. Further, we also understand that various regulatory authorities / lenders are currently carrying out their own investigations which are yet to be completed/concluded; and they may make a determination on whether any fraud or any other non-compliance/ illegalities have occurred in relation to the allegations and matters under public scrutiny. We have been informed by the Present Management that these investigations and audits are not yet completed; with no outcomes being communicated by the concerned agencies / firms to the Present Management, and accordingly no adjustments are made in the Statement in respect of the said reported matters.

In view of the above, we are unable to comment on the completeness and appropriateness of the balances in relation to these subjected matters, as quoted, in the Statement 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 so far.

e. We refer to Note no. 12 to the Statement regarding the investments/ advance by way of unsecured Inter Corporate Deposit (ICD) including interest receivable aggregating Rs 3,86,690 lakh are outstanding as on 30th June, 2020. The recoverability or otherwise of the remaining amount is yet to be ascertained, and hence the appropriate provision amounting to Rs 2,27,547 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

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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. Present Management has citied its limitations in confirming w.r.t to completeness; correctness and authenticity of the figures as quoted in the Statement.

In view of the foregoing 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 Statement.

f. We refer to the observations made in respect of certain loans and Pass-through Certificates (PTC), granted or invested by the Company wherein for with regard to deficiencies in documentation of Project / Mortgage loans 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.

g. We refer to the Note no. 13 to the Statement regarding the total wholesale loan portfolio including interest receivable aggregating Rs 50,80,462 lakh (pursuant to classification of this portfolio to "held for sale" in the year ended 31st March 2019) has been "fair valued" as on 30th June, 2020 at Rs 30,10,727 lakh, with the resulting fair value loss aggregating Rs 20,69,735 lakh. Out of this, fair value loss aggregating Rs 18,85,313 lakh has been accounted up to 31st March 2020 and balance loss of Rs 1,84,422 lakh has been charged to the Statement of Profit and Loss for the quarter ended 30th June, 2020. Further, as an outcome of valuation exercise to be completed during the 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 on fair valuation method as per Indian Accounting Standards (Ind AS) provisions.

We also noted that the Present Management revisited the underlying assumptions w.r.t calculate the provisions for ECL on the retail loan portfolio to remediate the deficiencies, in Q4 of 2019-20, therein to measure ECL provisions as on 31st March, 2020 and followed it during the quarter ending 30th June, 2020. However due to inherent deficiencies key factors i.e documentation of relevant underlying securities / assets; non-availability of relevant and authenticate data in completeness etc., that could influence the values of such provisions, are still to be fully factored into while arriving at the values of such provisions.

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 comment upon the completeness; correctness and adequacy / inadequacy of such provisions and their consequential effect on the carrying values of the subjected accounts, penal actions, if any, and impact on the Statement including with regard to any adjustments to the carrying value of the loans, restatement, related parties and other disclosures and compliances as applicable subject to the moratorium declared by NCLT Order in respect of the Company.



h. The net worth of the Company is fully eroded rendering the Company unable to comply with the regulatory requirements of NHB in respect of the Net Owned Fund (NOF) and which also resulted in multiple contraventions of the provisions of NHB Act, 1987, Directions and Guidelines thereon. Although the aforesaid non-compliance may in ordinary course result in potential action against the Company by NHB in this regard, we are unable to comment on the same since the Company is presently under moratorium imposed by the Hon'ble NCLT which prevents any actions against the Company

i. We refer to Note No. 10 to the Statement regarding that the Company in line with the disclosure, relating to the non-provision of interest on borrowings in view of the CIRP, made in the Note no. 15 in the standalone financial results for the year ended 31st March, 2020 has not provided for interest amount of Rs 1,82,393 lakh on borrowings for the quarter ended 30th June, 2020 in view of the Company's current CIRP. 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 would have been lower by Rs 1,35,646 lakh (net of tax) respectively. The Company has obtained an opinion from legal advisors in this regard.

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

j. We refer to Note no. 9 to the Statement regarding that the Company has a balance of Rs. 5,02,953 lakh as deferred tax asset as on 30th June 2020. The Company is required to perform an assessment as required by Ind AS 12 - 'Income Taxes' which requires the Company to determine the probability of future taxable income to utilize the deferred tax asset. In the light of the above and pending outcome of the CIRP, we are unable to comment on the same.

k. We refer to Note no. 14 to the Statement regarding that the Company in the past has incurred cost for development of customised software for its operations and recording of transactions which has been carried as intangible asset under development, the balance of which as on 30th June, 2020 is Rs. 10,517 lakh. The Company has not performed an impairment assessment as required by Ind AS 36 - 'Impairment of Assets' which requires the Company to determine whether the economic benefit in respect of this intangible asset shall be available to the Company in subsequent periods taking into consideration the uncertainty in respect of its plan to monetize its assets, secure funding from the bankers / investors and restructure its liabilities.

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.

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l. In view of the possible effects of the matters described in paras 5(a) to 5(k) above, we are also unable to comment on the Company's compliance of the covenants in respect of all borrowings and consequential implications including disclosures, if any.

6. 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, appropriateness of classification of loans, assets, restatement, related parties and other disclosures and compliances, as applicable. Further the loans referred in above paragraphs may not have been properly secured and may have been granted including terms and conditions there-of, in a manner that is prejudicial to the interest of the Company or its members, for the reasons stated therein.

7. We refer to Note no. 6 to the Statement regarding that the differences as noticed in some instances between the claims submitted by the Creditors of the Company, during CIRP, in which in some instances the amount of claim admitted or to be admitted by the Present Management may differ from the amount reflecting in the books of account of the Company. Pending final outcome of the CIRP, no adjustments have been made in the Statement and books of account for the differential amounts, if any, in the claims admitted as on the date of acceptance of claims.

8. We refer to Note no. 8 to the Statement regarding that as per RBI guidelines on regulatory measures on COVID-19 – Regulatory Package, the Company has offered moratorium to its eligible customers for a period for instalments falling due between 1st March, 2020 and 31st August 2020. The Company has taken various steps to ensure the effective implementation of the moratorium policy and continues to monitor the impact of such moratorium on its portfolio. ~28% of account holders by numbers have availed the Moratorium as on 30th June 2020. The recovery from some of the accounts in moratorium is forthcoming with gradual implementation of Unlock and commencement of field visits. The Present Management believed that the recovery will further improve in Moratorium accounts during the current quarter (Q2 of Financial Year 2020-21).

Further, the extent to which the COVID-19 pandemic will impact the Company's financial performance is dependent on future developments, which are uncertain.

Material uncertainty related to Going Concern

9. The Company has accumulated losses exceeding the share capital and reserves and its net worth has been fully eroded; and it is now under Corporate Insolvency Resolution Process (CIRP). These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, this Statement are drawn on going concern basis under the ongoing CIRP, the outcome of which cannot be presently ascertained including matters also listed herein. Therefore, Company's ability to remain as a "going concern" depends upon outcome of the ongoing CIRP and we are unable to comment on whether the Company will be able to continue as going concern.

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Disclaimer of Conclusion

10. Because of the significance of the matters described in paras 5 to 9 above, we have not been able to obtain sufficient appropriate evidence 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.

DINESH KUMAR BACHCHAS
Partner
Membership No. 097820
For and on Behalf of
K .K. MANKESHWAR & CO.
Chartered Accountants
FRN: 106009W
UDIN: 20097820AAAALS8613
New Delhi, dated the
22nd August 2020

K.K. Mankeshwar & Co. Chartered Accountants

DEWAN HOUSING FINANCE CORPORATION LIMITED
Corporate Identity Number (CIN) : L65910MH1984PLC032639
Regd. Office : Warden House, 2nd Floor, Sir P.M. Road, Fort, Mumbai - 400 001
Toll Free No. 1800 22 3435, Visit us at : www.dhfl.com., email - response@dhfl.com
National Office : 6th Floor, HDIL Towers, A.K. Marg, Station Road, Bandra (East), Mumbai - 400051.
Tel. : (022) 7158 3333

DHFL
Changing Rules Changing Lives

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE, 2020

(₹ in Lakh)

	PARTICULARS	Quarter ended			Year ended
		30.06.2020 (Reviewed)	31.03.2020 (Audited)	30.06.2019 (Reviewed)	31.03.2020 (Audited)
	INCOME:				
	Revenue from operations:				
	- Interest income	2,31,593	2,39,360	2,33,142	9,23,216
	- Fees and Commission income	16	58	102	283
	- Net gain/(loss) on derecognition of financial instruments under amortised cost category	(4)	(2,040)	4,717	2,397
	- Other operating revenue	868	24,962	1,643	29,900
I	**Total Revenue from operations**	2,32,473	2,62,340	2,39,604	9,55,796
II	Other Income	413	(46,242)	380	2,089
III	**Total Income (I+II)**	2,32,886	2,16,098	2,39,984	9,57,885
	EXPENSES:				
	Finance costs (Refer note no 11)	5,752	13,318	2,16,554	5,73,621
	Net loss/(gain) on fair value changes	1,84,456	12,04,563	23,642	15,03,471
	Impairment on financial instruments (Net)	22,174	722	4,315	6,24,213
	Employee benefits expenses	5,675	6,231	8,290	30,120
	Employee Stock Options/Employee Stock Appreciation Rights Expenses	(23)	(60)	229	(1,791)
	Depreciation and amortisation expense	2,046	3,994	1,665	7,941
	Others expenses	3,525	4,233	6,078	26,562
IV	**Total Expenses**	2,23,605	12,33,001	2,60,773	27,64,137
V	**(Loss)/Profit before Share of Net Profits of Associates and Joint Ventures and tax (III-IV)**	9,281	(10,16,903)	(20,789)	(18,06,252)
	Tax Expense				
	Current tax	-	(4)	2,363	
	Earlier years adjustments	-	(1,133)		(1,133)
	Deferred tax	2,271	(2,65,065)	(1,605)	(4,62,434)
VI	**Total Tax expense**	2,271	(2,66,202)	758	(4,63,567)
VII	**Net (Loss)/Profit After Tax before share of Net Profits of Associates and Joint Ventures for the period (V-VI)**	7,010	(7,50,701)	(21,547)	(13,42,685)
VIII	**Share of Net Profits/(Loss) of Associates and Joint Ventures**	-	-	(2,701)	(2,896)
IX	**Net (Loss)/Profit After Tax (Fully attributable to owners of the Parent) (VII+VIII)**	7,010	(7,50,701)	(24,248)	(13,45,581)
	Other comprehensive income				
	(A) Items that will not be reclassified to profit or loss				
	(i) Remeasurements of the defined employee benefit plans	(39)	134	32	(154)
	(ii) Share of Other comprehensive income/(loss) of associates and joint ventures	-		(1)	-
	(iii) Income tax relating to items that will not be reclassifies to profit or loss	10	(35)	(8)	39
	Subtotal (A)	(29)	99	23	(115)
	(B) Items that will be classified to profit or loss				
	(i) Cash flow hedge reserves	-	20,052	(2,391)	5,320
	(ii) Tax on above		(5,264)	613	(1,488)
	Subtotal (B)	-	14,788	(1,778)	3,832
X	**Total Other comprehensive income/(loss) (Fully attributable to owners of the Parent) (A+B)**	(29)	14,887	(1,755)	3,717
XI	**Total Comprehensive Income/(loss) Fully attributable to owners of the Parent (IX+X)**	6,981	(7,35,814)	(26,003)	(13,41,864)
	Earnings per share (Face value of ₹ 10 each) (not annualised)				
	Basic (in ₹)	2.23	(239.21)	(7.73)	(428.77)
	Diluted (in ₹)	2.23	(239.21)	(7.73)	(428.77)
	Paid-up Equity Share Capital (Face value ₹ 10/-)	31,382	31,382	31,382	31,382
	Reserves excluding Revaluation Reserves as at March 31				(5,85,996)

Dewan Housing Finance Corporation Limited

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1. The above unaudited consolidated 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 No 2 to 15 following hereinafter.

2. The key data of the standalone financial results of Dewan Housing Finance Corporation Limited is as under:

(₹ in Lakh)

PARTICULARS	Quarter ended			Year ended
	30.06.2020	31.03.2020	30.06.2019	31.03.2020
	(Reviewed)	(Audited)	(Reviewed)	(Audited)
Total Income	232,886	2,39,217	2,39,987	9,34,312
Profit / (Loss) before tax	9,281	(10,29,691)	(19,885)	(18,24,799)
Total tax expense	2,271	(2,66,202)	758	(4,63,567)
Profit / (Loss) After Tax	7,010	(7,63,489)	(20,643)	(13,61,232)
Other comprehensive income	(29)	14,887	(1,754)	3,717
Total comprehensive income for the period	6,981	(748,602)	(22,397)	(1,357,515)

3. The Reserve Bank of India (RBI) vide Press Release dated November 20, 2019 in exercise of the powers conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934 (RBI Act) superseded the Board of Directors of the Company and appointed an Administrator under Section 45-IE (2) of the RBI Act. Thereafter, RBI vide its Press Release dated November 22, 2019, in exercise of the powers conferred under Section 45 IE 5(a) of the RBI Act 1934, constituted a three (3) member Advisory Committee to assist the Administrator in the discharge of his duties. On November 29, 2019, the RBI filed the Petition before the NCLT under sub-Clause (i) of clause (a) of Rule 5 of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudication Authority) Rules, 2019 (FSP Rules) to initiate CIRP against DHFL read with Section 227 of the Code. Accordingly, in terms of Rule 5(b)(i) of the FSP Rules, an interim moratorium came into effect on the filing of the application to initiate CIRP. Further, CIRP was initiated against the Corporate Debtor under Section 227 read with clause (zk) of sub - section (2) of section 239 of the Code and read with rules 5 and 6 of the FSP Rules by an order dated December 3, 2019 of the Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT/Adjudicating Authority). The Adjudicating Authority, vide the above order, appointed the Administrator to perform all the functions of a resolution professional to complete the CIRP of the Company as required under the provisions of the Code. The moratorium was declared by the NCLT.

4. The Administrator following his appointment and with the approval of Committee of Creditors of DHFL, as constituted by him in accordance with Section 18(c) and 21(1) of the Code and the Regulation 17(1) of the CIRP regulations, appointed the Company Secretary ("CS") and the Chief Financial Officer ("CFO") .The Key Managerial Personnel ("KMPs" or "Present Management") the Chief Executive Officer ("CEO"), appointed just before CIRP (October 2019) and joined the company on 21st November 2019 after the board was superseded on 20th November 2019, the Company Secretary ("CS") and the Chief Financial Officer ("CFO") along with the Senior management of the Company has ensured that the Company continues to operate as a "Going Concern" in line with the objective of the Code and requirements thereunder.

Dewan Housing Finance Corporation Ltd.

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The Administrator and the Advisory Committee members along with the management team and the employees of the company, upon their taking charge have taken various efforts to improve the operational, financial and managerial efficiency of the Company. In this regard, various initiatives to strengthen the financial/lending policies and processes, functioning of the IT system; legal audit of material loan documents, establishing risk management framework, updating internal financial controls and updating risk controls matrices, strengthening internal audit control through in-house resources and engagement of external professional experts/consultants have been undertaken. Various actions to ensure comprehensive compliance with various applicable rules and regulations during this period have also been undertaken. While substantial progress is stated to have been made by concluding some as well, these could not be fully concluded and implemented by 30th June, 2020 and various activities continue to be ongoing.

5. The above unaudited consolidated financial results of the Company for the quarter ended 30th June 2020 have been taken on record by the Administrator while discharging the powers of the 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 unaudited consolidated financial results for the quarter ended June 30, 2020 have been prepared on "going concern" assumptions.

6. The Administrator, Advisors and KMPs have taken charge with effect from 21st November 2019 and have relied on information, data, clarifications and views provided by the existing staff of the Company for the purposes of the financial results and have not analysed the accuracy, validity, completeness or authenticity of the information and figures mentioned in the above stated financial results. Further, since March 25, 2020 lockdown was imposed in the Country on account of Covid 19 causing a complete shutdown of offices which extended beyond the FY 2020; the lockdown as imposed by the State Government of Maharashtra from time to time is currently in force till 31st August 2020. As a part of CIRP, a Transaction Audit to determine avoidable transactions in terms of Section 43, 45, 49, 50 and 66 of the Code and an exercise to determine the liquidation value and fair valuation of the Company was initiated which is currently underway. These activities could not be conclusively completed till the signing of the consolidated financial results in view of the disruption caused due to the lockdown restrictions. The outcome of such exercise may provide additional facts/information about the past data with respect to the Company. The Administrator and the KMPs have signed the unaudited consolidated financial results solely for the purpose of compliance and discharging their duties during CIRP period of the Company and in accordance with the provisions of the Code, read with the regulations and rules thereunder, and based on the explanations, clarifications, certifications, representations and statements made by the existing staff of the Company in relation to the data pertaining to the period prior to the joining of the present management and does not have personal knowledge of the past affairs, finances and operations of the Company.

7. In certain instances, the amount of the claim admitted or to be admitted by the Administrator under CIRP may differ from the amount reflecting in the books of accounts of the Company. The above unaudited consolidated financial results are drawn on the basis of figures appearing in the books of accounts of the Company as on June 30, 2020. The Administrator, Advisors, and KMPs believe that these figures may be interpreted solely for the purpose of satisfying the regulatory requirement for filing of quarterly unaudited consolidated financial results and that these figures could change during the CIRP or thereafter depending upon the findings made during the CIRP.

8. The Ministry of Corporate Affairs (MCA), has initiated investigation in the month of December 2019, into the affairs of the Company under Section 212(1) of the Companies Act, 2013 through Serious Fraud Investigation Office (SFIO). Further, Enforcement Directorate (ED) has also initiated investigation in connection with the loans given by the Company to certain borrowers. Central Bureau of Investigation (CBI) has also started investigation in connection with certain loan granted by the

Infrastructure Finance Corporation Ltd.
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Company. Apart from this CBI is also investigating into the matter of amounts invested by a state government entity – Provident Fund in the Fixed Deposits of the Company. The Company is fully co-operating with all the investigating agencies and providing the necessary information/data as and when the same is sought.

9. The World Health Organisation has declared the novel coronavirus (COVID- 19) as a pandemic on March 11, 2020. Besides the impact of this outbreak on human life, it has also disrupted the financial, economic and social structures of the entire world. The Central Government in India also declared a national lockdown from March 25, 2020 to May 31, 2020, through various notifications, and subsequently the Central Government has announced various stages of Unlock with Unlock 3.0 extending till August 31, 2020. Apart from this, the State Government of Maharashtra has also from time to time declared lockdown in the State with the present one in effect till 31st August 2020. During unlock period private offices are allowed to operate with minimum number of the staff with certain conditions initially and restricted the movement as a preventive/ precautionary measures to avoid the spread of COVID- 19. The Company remains fully compliant with the guidelines and direction of both Central and State Government. The situation has caused uncertainty and impacted the collection and other operations of the Company. However, with various remote working measures, the Company has been able to restore its normal operations except certain functions which require physical movement eg. Field level visits. With the unlock implemented by the Government in stages in permitted areas, the branches of the Company were made operational including national office and the field visits have commenced.

   In order to give effect to the RBI guidelines on regulatory measures on COVID-19 – Regulatory Package, the Company has offered moratorium to its eligible customers for a period for instalments falling due between 1st March, 2020 and 31st August 2020 based on approved policy in this regard. The Company has taken various steps to ensure the effective implementation of the moratorium policy and continues to monitor the impact of such moratorium on its portfolio. ~28% of account holders by numbers have availed the Moratorium as on 30th June 2020. The recovery from some of the accounts in moratorium is forthcoming with gradual implementation of Unlock and commencement of field visits. It is believed that the recovery will further improve in Moratorium accounts during the current quarter (Q2 of Financial Year 2020-21).

10. The Company has a balance of ₹ 502,953 lakh as deferred tax asset recognised as per Ind AS – 'Income Taxes' as on 30th June 2020. The Company is running as a going concern as per the provisions of the Code, which requires that the value of the company is preserved and maintain it as a going concern. Further, various bidders have expressed interest in submitting a resolution Plan for the Company which itself is an indicator of Company's running as a 'going concern' in future.

11. The Company in line with the disclosure, relating to the non-provision of interest on borrowings in view of the CIRP, made in the Note no. 16 in the consolidated financial results for the year ended 31st March 2020 has not provided for interest amount of ₹ 1,82,393 lakh on borrowings for the quarter ended on 30.06.2020 in view of the Company's current CIRP. 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 would have been lower by ₹ 1, 35,646 lakh (net of tax) respectively.

12. The Company's main business is financing by way of loans for the purchase and/or construction of residential houses, loan against property, loan to real estate developers, including all related activities and SRA projects. Accordingly, there are no separate reportable segments as per Ind AS 108.

13. The investments/ advance by way of unsecured Inter Corporate Deposit (ICD) including interest receivable aggregating ₹ 3,86,690 lakh are outstanding as at June 30, 2020. The recoverability or otherwise of the remaining amount is yet to be ascertained, and hence the appropriate provision amounting to ₹ 2,27,547 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

K.K. Mankeshwar & Co. Chartered Accountants

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.

14. The total wholesale loan portfolio including interest receivable aggregating ₹ 50,80,462 lakh (pursuant to classification of this portfolio to "held for sale" in the year ended 31st March 2019) has been "fair valued" as at 30th June 30, 2020 at ₹ 30,10,727 lakh, with the resulting fair value loss aggregating ₹ 20,69,735 lakh. Out of this, fair value loss aggregating ₹ 18,85,313 lakh has been accounted up to 31st March 2020 and balance loss of ₹ 1,84,422 lakh has been charged to the Statement of Profit and Loss for the quarter ended June 30, 2020. Further, as an outcome of valuation exercise to be completed during the CIRP, this may undergo change. However, the said valuation will be as on 3rd December, 2019, the date of commencement of CIRP. The recoverability or otherwise of these loans is yet to be ascertained and hence the appropriate provision has been made as a prudent measure on fair valuation method as per Ind As provisions.

15. The Company in the past has incurred cost for development of customised software for its operations and recording of transactions which has been carried as intangible asset under development, the balance of which as at June 30, 2020 is ₹ 10,517 lakh. Considering the factors as stated in Note 4 above, the Company is of the view that no adjustment is required to be made to the carrying value of the intangible asset under development pursuant to the requirements of Ind AS 36 on Impairment of Assets.

16. The above consolidated financial results for the quarter ended 30th June, 2020 read with the disclosures stated vide notes 2 to 15 above have been reviewed by the Statutory Auditors of the Company.

17. Figures for the previous period have been regrouped wherever necessary.

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

Place: Chennai
Date: 22nd August 2020

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

Email ID for Correspondence: dhfladministrator@dhfl.com

K.K. Mankeshwar & Co. Chartered Accountants

Dewan Housing Finance Corporation Ltd. MUMBAI

K.K. MANKESHWAR & CO.
CHARTERED ACCOUNTANTS

A-425, SARITA VIHAR,
NEW DELHI - 1100 076
Tel. : +91-11-41402828
Fax : +91-11-41402392
del@kkmindia.com

Limited Review Report on Quarterly Unaudited Consolidated Financial Results

To
The Administrator
(Appointed Under Insolvency & Bankruptcy Code ["IBC" or "Code"])
Dewan Housing Finance Corporation Limited
Mumbai

1. We were engaged to review 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 ended 30th June 2020, 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').

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, the National Company Law Tribunal (Mumbai Bench) vide its order dated December 3, 2019 ("NCLT Order"), among other things, admitted the Application filed by the RBI, commenced the Corporate Insolvency Resolution Process ("CIRP") of the Company under IBC and, confirmed the appointment of the Administrator appointed by the RBI to perform all the functions of Resolution Professional to complete the CIRP. It is also incumbent upon the Resolution Professional, under section 20 of the Code, to manage the operations of the Company as a going concern. Accordingly, the Statement for the quarter ended 30th June, 2020 have been prepared on going concern assumptions.

3. We refer to the Note no 5 & 6 to the Statement with regard to the responsibility of management in respect of the preparation of this Statement which 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, 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 express a conclusion on this Statement based on our review. Because of the matters described in paras 6 to 10 below, we were not able to obtain sufficient appropriate evidence to provide a basis for conclusion on this Statement and hence we do not express a conclusion on this Statement.

K.K. Mankeshwar & Co. Chartered Accountants

4. We conducted our 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. 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.

5. 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 Holdings Limited

Basis for Disclaimer of Conclusion

6. We have issued a Disclaimer Report basis the observations forming part of the report for the financial year ended 31st March, 2020. The status update of these observations together with the observations noted for the quarter ended 30th June, 2020 is as below:

   a. We refer to the Note no 6 to the Statement regarding that the Administrator, Advisors and KMPs (Present Management) have taken charge with effect from 21st November 2019 and have relied on information, data, clarifications and views provided by the existing staff of the Company for the purposes of the financial results and have not analyzed the accuracy, validity, completeness or authenticity of the information and figures mentioned in the above stated financial results. Further, since 25th March, 2020 lockdown was imposed in the Country on account of COVID- 19 causing a complete shutdown of offices which extended beyond the FY 2020; the lockdown as imposed by the State Government of Maharashtra from time to time is currently in force till 31st August, 2020. As a part of CIRP, a Transaction Audit to determine avoidable transactions in terms of Section 43, 45, 49, 50 and 66 of the Code and an exercise to determine the liquidation value and fair valuation of the Company was initiated which is currently underway. These activities could not be conclusively completed till the signing of the Statement in view of the disruption caused due to the lockdown restrictions. The outcome of such exercise may provide additional facts/information about the past data with respect to the Company. The Administrator and the KMPs have signed the Statement solely for the purpose of compliance and discharging their duties during CIRP period of the Company and in accordance with the provisions of the Code, read with the regulations and rules thereunder, and based on the explanations, clarifications, certifications, representations and

K.K. Mankeshwar & Co. Chartered Accountants

statement made by the existing staff of the Company in relation to the data pertaining to the period prior to the joining of the present management and does not have personal knowledge of the past affairs, finances and operations of the Company.

b. We refer to Note no. 4 to the Statement regarding the Administrator and the Advisory Committee Members along with the management team and the employees of the Company, upon their taking charge have taken various efforts to improve the operational, financial and managerial efficiency of the Company. In this regard, various initiatives to strengthen the financial/lending policies and processes, functioning of the IT system; legal audit of material loan documents, establishing risk management framework, and updating internal financial controls and updating risk controls matrices, strengthening internal audit control through in-house resources and engagement of external professional experts/consultants have been undertaken. Various actions to ensure comprehensive compliance with various applicable rules and regulations during this period have also been undertaken. While substantial progress is stated to have been made by concluding some as well, these could not be fully concluded and implemented by 30th June, 2020 and various activities continue to be ongoing.

In view of the foregoing we have been unable to obtain sufficient and appropriate evidence in support of the outcomes of the said initiatives and their impact upon the overall governance / control environment within the Company.

c. 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")

d. We refer to Note no. 8 to the Statement together with multiple issues of financial significance as highlighted in our audit report for the year ended 31st March, 2020 together with the suspected irregularities as reported and under media scrutiny. These issues are presently investigated by the concerned agencies namely Ministry of Corporate Affairs (MCA); Serious Fraud Investigation Office (SFIO), Enforcement Directorate (ED), and Central Bureau of Investigation (CBI). As of the date of this report, investigations are ongoing together with transactions audits performed by independent agencies/firms appointed by the Administrator. Further, we also understand that various regulatory authorities / lenders are currently carrying out their own investigations which are yet to be completed/concluded; and they may make a determination on whether any fraud or any other non-compliance/ illegalities have occurred in relation to the allegations and matters under public scrutiny. We have been informed by the Present Management that these investigations and audits are not yet completed; with no outcomes being communicated by the concerned agencies / firms to the Present Management, and accordingly, no

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adjustments are made in the Statement in respect of the said reported matters.

In view of the above, we are unable to comment on the completeness and appropriateness of the balances in relation to these subjected matters, as quoted, in the Statement 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 so far.

e. We refer to Note no. 13 to the Statement regarding the investments/ advance by way of unsecured Inter Corporate Deposit (ICD) including interest receivable aggregating Rs 3,86,690 lakh are outstanding as on 30th June, 2020. The recoverability or otherwise of the remaining amount is yet to be ascertained, and hence the appropriate provision amounting to Rs 2,27,547 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. Present Management has citied its limitations in confirming w.r.t to completeness; correctness and authenticity of the figures as quoted in the Statement.

In view of the foregoing 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 Statement.

f. We refer to the observations made in respect of certain loans and Pass-through Certificates (PTC), granted or invested by the Company wherein for with regard to deficiencies in documentation of Project / Mortgage loans 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.

g. We refer to the Note no. 14 to the Statement regarding the total wholesale loan portfolio including interest receivable aggregating Rs 50,80,462 lakh (pursuant to classification of this portfolio to "held for sale" in the year ended 31st March 2019) has been "fair valued" as on 30th June, 2020 at Rs 30,10,727 lakh, with the resulting fair value loss aggregating Rs 20,69,735 lakh. Out of this, fair value loss aggregating Rs 18,85,313 lakh has been accounted up to 31st March 2020 and balance loss of Rs 1,84,422 lakh has been charged to the Statement of Profit and Loss for the quarter ended 30th June, 2020. Further, as an outcome of valuation exercise to be completed during the 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 on fair valuation method as per Indian Accounting Standards (Ind AS) provisions.

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We also noted that the Present Management revisited the underlying assumptions w.r.t calculate the provisions for ECL on the retail loan portfolio to remediate the deficiencies, in Q4 of 2019-20, therein to measure ECL provisions as on 31st March, 2020 and followed it during the quarter ending 30th June, 2020. However due to inherent deficiencies key factors i.e documentation of relevant underlying securities / assets; non-availability of relevant and authenticate data in completeness etc., that could influence the values of such provisions, are still to be fully factored into while arriving at the values of such provisions.

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 comment upon the completeness; correctness and adequacy / inadequacy of such provisions and their consequential effect on the carrying values of the subjected accounts, penal actions, if any, and impact on the Statement including with regard to any adjustments to the carrying value of the loans, restatement, related parties and other disclosures and compliances as applicable subject to the moratorium declared by NCLT Order in respect of the Company.

h. The net worth of the Company is fully eroded rendering the Company unable to comply with the regulatory requirements of NHB in respect of the Net Owned Fund (NOF) and which also resulted in multiple contraventions of the provisions of NHB Act, 1987, Directions and Guidelines thereon. Although the aforesaid non-compliance may in ordinary course result in potential action against the Company by NHB in this regard, we are unable to comment on the same since the Company is presently under moratorium imposed by the Hon'ble NCLT which prevents any actions against the Company

i. We refer to Note No. 11 to the Statement regarding that the Company in line with the disclosure, relating to the non-provision of interest on borrowings in view of the CIRP, made in the Note no. 16 in the consolidated financial results for the year ended 31st March, 2020 has not provided for interest amount of Rs 1,82,393 lakh on borrowings for the quarter ended 30th June, 2020 in view of the Company's current CIRP. 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 would have been lower by Rs 1,35,646 lakh (net of tax) respectively. The Company has obtained an opinion from legal advisors in this regard.

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



j. We refer to Note no. 10 to the Statement regarding that the Company has a balance of Rs. 5,02,953 lakh as deferred tax asset as on 30th June 2020. The Company is required to perform an assessment as required by Ind AS 12 - 'Income Taxes' which requires the Company to determine the probability of future taxable income to utilize the deferred tax asset. In the light of the above and pending outcome of the CIRP, we are unable to comment on the same.

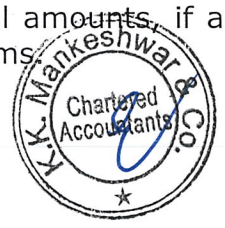
k. We refer to Note no. 15 to the Statement regarding that the Company in the past has incurred cost for development of customised software for its operations and recording of transactions which has been carried as intangible asset under development, the balance of which as on 30th June, 2020 is Rs. 10,517 lakh. The Company has not performed an impairment assessment as required by Ind AS 36 - 'Impairment of Assets' which requires the Company to determine whether the economic benefit in respect of this intangible asset shall be available to the Company in subsequent periods taking into consideration the uncertainty in respect of its plan to monetize its assets, secure funding from the bankers / investors and restructure its liabilities.

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.

l. In view of the possible effects of the matters described in paras 6(a) to 6(k) above, we are also unable to comment on the Company's compliance of the covenants in respect of all borrowings and consequential implications including disclosures, if any.

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, appropriateness of classification of loans, assets, restatement, related parties and other disclosures and compliances, as applicable. Further the loans referred in above paragraphs may not have been properly secured and may have been granted including terms and conditions there-of, in a manner that is prejudicial to the interest of the Company or its members, for the reasons stated therein.

8. We refer to Note no. 7 to the Statement regarding that the differences as noticed in some instances between the claims submitted by the Creditors of the Company, during CIRP, in which in some instances the amount of claim admitted or to be admitted by the Present Management may differ from the amount reflecting in the books of account of the Company. Pending final outcome of the CIRP, no adjustments have been made in the Statement and books of account for the differential amounts, if any, in the claims admitted as on the date of acceptance of claims.



9. We refer to Note no. 9 to the Statement regarding that as per RBI guidelines on regulatory measures on COVID-19 - Regulatory Package, the Company has offered moratorium to its eligible customers for a period for instalments falling due between 1st March, 2020 and 31st August 2020. The Company has taken various steps to ensure the effective implementation of the moratorium policy and continues to monitor the impact of such moratorium on its portfolio. ~28% of account holders by numbers have availed the Moratorium as on 30th June 2020. The recovery from some of the accounts in moratorium is forthcoming with gradual implementation of Unlock and commencement of field visits. The Present Management believed that the recovery will further improve in Moratorium accounts during the current quarter (Q2 of Financial Year 2020-21).

   Further, the extent to which the COVID-19 pandemic will impact the Company's financial performance is dependent on future developments, which are uncertain.

Material uncertainty related to Going Concern

10. The Group has accumulated losses exceeding the share capital and reserves and its net worth has been fully eroded; and it is now under Corporate Insolvency Resolution Process (CIRP). These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group ability to continue as a going concern. However, this Statement are drawn on going concern basis under the ongoing CIRP, the outcome of which cannot be presently ascertained including matters also listed herein. Therefore, Group ability to remain as a "going concern" depends upon outcome of the ongoing CIRP and we are unable to comment on whether the Group will be able to continue as going concern.

Disclaimer of Conclusion

11. Because of the significance of the matters described in paras 6 to 10 above, we have not been able to obtain sufficient appropriate evidence 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.

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Other Matters

12. We did not review the financial information of one subsidiary included in the Statement, whose financial information reflect total revenues of Rs. Nil, and net loss after tax of Rs. 0.01 Lakh for the quarter ended 30th June, 2020 as considered in the Statement. The unaudited financial results and other unaudited financial information have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the affairs of this subsidiary, is based solely on such unaudited financial results and other unaudited financial information. Accordingly to the information and explanations given to us by the Management, these financial results are not material to the Group.

DINESH KUMAR BACHCHAS
Partner
Membership No. 097820
For and on Behalf of
K .K. MANKESHWAR & CO.
Chartered Accountants
FRN: 106009W
UDIN: 20097820AAAAAL7903
New Delhi, dated the
22nd August 2020

K.K. Mankeshwar & Co. Chartered Accountants