



DEWAN HOUSING FINANCE CORPORATION LIMITED

Our Company was incorporated at Mumbai as Dewan Housing Finance & Leasing Company Limited on April 11, 1984 as a Public Limited Company under the provisions of the Companies Act, 1956. Our Company's name was subsequently changed to "Dewan Housing Development Finance Limited" on September 26, 1984 and thereafter to "Dewan Housing Finance Corporation Limited" on August 25, 1992.

Registered office: Warden House, 2nd Floor, Sir P.M. Road, Fort, Mumbai – 400 001, Maharashtra, India; **Tel:** +91 22 6106 6800; **Fax:** +91 22 2287 1985; **Website:** www.dhfl.com;
Corporate Office: TCG Financial Centre, 10th Floor, BKC Road, Bandra Kurla Complex, Bandra (East), Mumbai – 400 098, Maharashtra, India; **CIN:** L65910MH1984PLC032639.
Company Secretary and Compliance Officer: Ms. Niti Arya; **Tel:** +91 22 7158 3333; **Fax:** +91 22 7158 3334; **E-mail:** secretarial@dhfl.com;

PUBLIC ISSUE BY DEWAN HOUSING FINANCE CORPORATION LIMITED ("COMPANY" OR THE "ISSUER") OF UPTO 15,00,00,000 SECURED REDEEMABLE NON CONVERTIBLE DEBENTURES ("NCDs") OF FACE VALUE OF ₹1,000 EACH AGGREGATING UP TO ₹15,00,000 LAKH ("SHELF LIMIT") ("ISSUE"). THE NCDs WILL BE ISSUED IN ONE OR MORE TRANCHEs UP TO THE SHELF LIMIT, ON TERMS AND CONDITIONS AS SET OUT IN THE RELEVANT TRANCHE PROSPECTUS FOR ANY TRANCHE ISSUE (EACH A "TRANCHE ISSUE"), WHICH SHOULD BE READ TOGETHER WITH THIS DRAFT SHELF PROSPECTUS AND THE SHELF PROSPECTUS (COLLECTIVELY THE "OFFER DOCUMENT"). THE ISSUE IS BEING MADE PURSUANT TO THE PROVISIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008, AS AMENDED (THE "SEBI DEBT REGULATIONS"), THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER AS AMENDED TO THE EXTENT NOTIFIED.

OUR PROMOTERS

Our promoters are Mr. Kapil Wadhawan and Mr. Dheeraj Wadhawan. For further details, refer to the chapter "**Our Promoters**" on page 119.

GENERAL RISKS

For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue, including the risks involved. Specific attention of the Investors is invited to the chapter titled "**Risk Factors**" beginning on page 11 and "**Material Developments**" beginning on page 335, the Shelf Prospectus and in the relevant Tranche Prospectus of any Tranche Issue before making an investment in such Tranche Issue. This Draft Shelf Prospectus has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India ("SEBI"), the Reserve Bank of India ("RBI"), National Housing Bank ("NHB"), the Registrar of Companies or any stock exchange in India.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Draft Shelf Prospectus read together with the Shelf Prospectus and relevant Tranche Prospectus for a Tranche Issue does contain and will contain all information with regard to the Issuer and the relevant Tranche Issue, which is material in the context of the Issue. The information contained in this Draft Shelf Prospectus read together with the Shelf Prospectus and relevant Tranche Prospectus is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, omission of which makes this Draft Shelf Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

COUPON RATE, COUPON PAYMENT FREQUENCY, REDEMPTION DATE, REDEMPTION AMOUNT & ELIGIBLE INVESTORS

For details relating to Coupon Rate, Coupon Payment Frequency, Redemption Date, Redemption Amount & Eligible Investors of the NCDs, please refer to the chapter titled "**Issue Structure**" on page 407.

CREDIT RATING

The NCDs proposed to be issued under this Issue have been rated 'CARE AAA; Stable (Triple A; Outlook: Stable)' for an amount of ₹ 15,00,000 lakh, by CARE Ratings Limited ("CARE") vide their letter dated April 27, 2018 and 'BWR AAA (Pronounced as BWR Triple A), Outlook: Stable' (for an amount of ₹ 15,00,000 lakh, by Brickwork Ratings India Private Limited ("Brickwork") vide their letter dated April 27, 2018. The rating of CARE AAA; Stable by CARE and BWR AAA, Outlook: Stable' by Brickwork indicate that instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry the lowest credit risk. For the rationale for these ratings, see Annexure A and B to this Draft Shelf Prospectus. This rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. This rating is subject to revision or withdrawal at any time by the assigning rating agencies and should be evaluated independently of any other ratings.

LISTING

The NCDs offered through this Draft Shelf Prospectus along with the Shelf Prospectus and relevant Tranche Prospectus are proposed to be listed on BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"). Our Company has received an 'in-principle' approval from BSE vide their letter no. [●] dated [●] and NSE vide their letter no. [●] dated [●]. For the purposes of the Issue, BSE is the Designated Stock Exchange.

PUBLIC COMMENTS

This Draft Shelf Prospectus dated May 4, 2018 has been filed with the Stock Exchanges, pursuant to the provisions of the SEBI Debt Regulations and is open for public comments for a period of seven Working Days (upto 5 p.m.) from the date of filing of this Draft Shelf Prospectus with the Designated Stock Exchange. All comments on this Draft Shelf Prospectus are to be forwarded to the attention of the Compliance Officer of our Company. Comments may be sent through post, facsimile or e-mail.

LEAD MANAGERS TO THE ISSUE

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| EDELWEISS FINANCIAL SERVICES LIMITED Edelweiss House, Off CST Road Kalina, Mumbai – 400 098 Tel: +91 22 4086 3535 Fax: +91 22 4086 3610 Email: dhfl.ncd@edelweissfin.com Investor Grievance Email: customerservice.mb@edelweissfin.com Website: www.edelweissfin.com Contact Person: Mr. Mandeep Singh/ Mr. Lokesh Singhi SEBI Regn. No.: INM0000010650 | A. K. CAPITAL SERVICES LIMITED 30-39, Free Press House, 3 rd Floor, Free Press Journal Marg, 215, Nariman Point, Mumbai – 400 021 Tel: +91 22 6754 6500 Fax: +91 22 6610 0594 Email: dhflncd2018@akgroup.co.in Investor Grievance Email: investor.grievance@akgroup.co.in Website: www.akgroup.co.in Contact Person: Mr. Malay Shah/ Mr. Krish Sanghvi SEBI Regn. No.: INM000010411 | AXIS BANK LIMITED Axis House, 8 th Floor, C-2, Wadia International Centre, P.B. Marg, Worli, Mumbai – 400 025 Tel: +91 22 2425 3803 Fax: +91 22 2425 3800 Email: dhfljune2018@axisbank.com Investor Grievance Email: sharad.sawant@axisbank.com Website: www.axisbank.com Contact Person: Mr. Vikas Shinde SEBI Regn. No.: INM000006104 | Green Bridge Capital Advisory Private Limited 519-520, The Summit Business Bay, Behind Gurunanak Petrol Pump, Andheri Kurla Road, Andheri East, Mumbai – 400 093 Tel: +91 22 49289600 Fax: +91 22 49289650 Email: prashant.chaturvedi@greenbridge.in Investor Grievance e-mail: investor.complaints@greenbridge.in Website: NA Contact Person: Mr. Prashant Chaturvedi SEBI Regn. No.: INM000012430 |
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LEAD MANAGERS TO THE ISSUE

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| ICICI BANK LIMITED ICICI Bank Towers, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 Tel: +91 22 4008 6757 Fax: +91 22 2653 1089 Email: rohan.pillai@icicibank.com Investor Grievance Email: merchantbanking@icicibank.com Website: www.icicibank.com Contact Person: Mr. Ritesh Tatiya/Mr. Sanket Jain/Mr. Rohan Pillai SEBI Regn. No.: INM000010759 | ICICI SECURITIES LIMITED ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai – 400 020 Tel: +91 22 2288 2460 Fax: +91 22 2282 6580 Email: dhfl.ncd@icicisecurities.com Investor Grievance E-mail: customercare@icicisecurities.com Website: www.icicisecurities.com Contact Person: Mr. Arjun A. Mehrotra SEBI Regn. No.: INM000011179 | IIFL HOLDINGS LIMITED* 10 th Floor, IIFL Centre, Kamala City Senapati Bapat Marg, Lower Parel (West) Mumbai – 400 013 Tel: +91 22 4646 4600 Fax: +91 22 2493 1073 Email: dhfl.ncd@iiflcap.com Investor Grievance Email: ig_ib@iiflcap.com Website: www.iiflcap.com Contact Person: Mr. Sachin Kapoor/ Mr. Rajshankar Swamy SEBI Regn. No.: INM000010940 | INDUSIND BANK LIMITED 11 th Floor, Tower 1, One Indiabulls Centre, 841, Senapati Bapat Marg, Elphinstone Road Mumbai – 400 013 Tel: +91 22 7143 2208 Fax: +91 22 7143 2270 Email: joshi.rahul@indusind.com Investor Grievance Email: investmentbanking@indusind.com Website: www.indusind.com Contact Person: Mr. Rahul Joshi SEBI Regn. No.: INM000005031 |
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LEAD MANAGERS TO THE ISSUE

DEBENTURE TRUSTEE

REGISTRAR TO THE ISSUE

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| SBI CAPITAL MARKETS LIMITED 202, Maker Tower E Cuffe Parade Mumbai – 400 005 Tel: +91 22 2217 8300 Fax: +91 22 2218 8332 Email: dhflncd2018@sbicaps.com Investor Grievance Email: investor.relationships@sbicaps.com Website: www.sbicaps.com Contact Person: Mr. Sanjay Sethia SEBI Regn. No.: INM000003531 | TRUST INVESTMENT ADVISORS PRIVATE LIMITED 109/110, Balarama, BKC Bandra (E), Mumbai – 400 051 Tel: +91 22 4084 5000 Fax: +91 22 4084 5007 Email: mbd.trust@trustgroup.in Investor Grievance Email: customercare@trustgroup.in Website: www.trustgroup.in Contact Person: Mr. Vikram Thirani SEBI Regn. No.: INM000011120 | YES SECURITIES (INDIA) LIMITED IFC, Tower 1 & 2, Unit no. 602 A 6 th Floor, Senapati Bapat Marg Elphinstone Road, Mumbai – 400 013 Tel: +91 22 7100 9829 Fax: +91 22 2421 4508 Email: dhflncd2018@yesscuritiesltd.in Investor Grievance Email: igc@yesscuritiesltd.in Website: www.yesinvest.in Contact Person: Mr. Mukesh Garg SEBI Regn. No.: INM000012227 | CATALYST TRUSTEESHIP LIMITED** 'GDA House', First Floor, Plot No. 85, S No. 94 & 95, Bhusary Colony, Kothrud Pune – 411 038 Tel: +91 20 2528 0081 Fax: +91 20 2528 0275 Email: dt@gdatrustee.com Investor Grievance Email: grievance@cttrustee.com Website: www.catalysttrustee.com Contact Person: Ms. Shamala Nalawade SEBI Regn. No.: IND0000000034 | KARVY COMPUTERSHARE PRIVATE LIMITED Karvy Selenium Tower B, Plot 31-32, Financial District, Nanakramguda, Gachibowli, Hyderabad – 500 032 Tel: +91 40 6716 2222 Fax: +91 40 2343 1551 Email: einward.ris@karvy.com Investor Grievance Email: dgflncd.ipo@karvy.com Website: www.karisma.karvy.com Contact Person: Mr. M Murali Krishna SEBI Regn. No.: INR000000221 |
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ISSUE PROGRAMME***

ISSUE OPENS ON: As specified in the relevant Tranche Prospectus

ISSUE CLOSES ON: As specified in the relevant Tranche Prospectus

* IIFL Holdings Limited is deemed to be our associate as per the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended (Merchant Bankers Regulations). Further, in compliance with the provisions of Regulation 21A and explanation to Regulation 21A of the Merchant Bankers Regulations, IIFL Holdings Limited would be involved only in marketing of the Issue.

**Catalyst Trusteeship Limited (formerly known as GDA Trusteeship Limited) under regulation 4(4) of SEBI Debt Regulations has by its letter dated April 26, 2018 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in Offer Document and in all the subsequent periodical communications sent to the holders of the NCDs issued pursuant to this Issue.

***The Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. during the period indicated in the relevant Tranche Prospectus, except that the Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company or the NCD Public Issue Committee. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a daily national newspaper with wide circulation on or before such earlier or initial date of Issue closure. On the Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchanges.

A copy of the Shelf Prospectus and relevant Tranche Prospectus shall be filed with the Registrar of Companies, Maharashtra, Mumbai in terms of section 26 and 31 of Companies Act, 2013, along with the endorsed/certified copies of all requisite documents. For further details, please refer to the chapter titled "**Material Contracts and Documents for Inspection**" on page 457.

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SECTION I-GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, all references in this Draft Shelf Prospectus to “the Issuer”, “our Company”, “the Company” or “DHFL” are to Dewan Housing Finance Corporation Limited, a public limited company incorporated under the Companies Act, 1956, as amended and replaced from time to time, having its registered office at Warden House, 2nd Floor, Sir P.M. Road, Fort, Mumbai – 400 001, Maharashtra, India. Unless the context otherwise indicates, all references in this Draft Shelf Prospectus to “we” or “us” or “our” are to our Company, its Subsidiaries, its Joint Ventures and Associate Companies, on a consolidated basis.

Unless the context otherwise indicates or implies, the following terms have the following meanings in this Draft Shelf Prospectus, and references to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended from time to time.

Company related terms

| Term | Description |
|---|--|
| AFSL | Avanse Financial Services Limited |
| AHFL | Aadhar Housing Finance Limited (Formerly DHFL Vysya Housing Finance Limited) |
| Articles/ Articles of Association/ AoA | Articles of Association of our Company |
| Associate Companies | The associate companies of our Company, namely Avanse Financial Services Limited, DHFL Ventures Trustee Company Private Limited and Aadhar Housing Finance Limited (Formerly known as DHFL Vysya Housing Finance Limited) |
| Board/ Board of Directors | Board of Directors of our Company |
| Consortium/ Members of the Consortium (each individually, a Member of the Consortium) | The Lead Managers and Consortium Members |
| Consortium Agreement | Consortium Agreement dated [●] among our Company and the Consortium |
| Consortium Members | [●] |
| Corporate Office | TCG Financial Centre, 10 th Floor, BKC Road, Bandra Kurla Complex, Bandra (East), Mumbai – 400 098, Maharashtra, India |
| CrPC | Code of Criminal Procedure, 1973, as amended from time to time |
| DAIPL | DHFL Advisory & Investments Private Limited |
| DBAMC | Deutsche Asset Management (India) Private Limited |
| DHFL Holdings | DHFL Holdings Private Limited |
| DHFL Ventures | DHFL Ventures Trustee Company Private Limited |
| DBMF | Deutsche Mutual Fund |
| DPAMPL | DHFL Pramerica Asset Managers Private Limited |
| DPLIC | DHFL Pramerica Life Insurance Company Limited |
| DPTPL | DHFL Pramerica Trustees Private Limited |
| DIL | DHFL Investments Limited |
| DCLF | DHFL Changing Lives Foundation |
| Director | Director of our Company, unless otherwise specified |
| Equity Shares | Equity shares of our Company of face value of ₹ 10 each |
| First Blue | First Blue Home Finance Limited |
| IPC | Indian Penal Code, 1860, as amended from time to time |
| Joint Ventures | The joint ventures of our Company, namely: <ol style="list-style-type: none"> 1. DHFL Pramerica Life Insurance Company Limited (50% held through DIL) 2. DHFL Pramerica Asset Managers Private Limited (17.12% held directly and 32.88% held through DAIPL) 3. DHFL Pramerica Trustees Private Limited (50% held directly by the Company) |
| Memorandum/ | Memorandum of Association of our Company |

| Term | Description |
|--|---|
| Memorandum of Association/ MoA | |
| NCD Public Issue Committee | The committee constituted and authorised by our Board of Directors to take necessary decisions with respect to the Issue by way a board resolution dated April 30, 2018 |
| Pramerica | Prudential Financial, Inc. |
| Reformatted Consolidated Financial Information | The statement of reformatted consolidated assets and liabilities as at March 31, 2016, March 31, 2017 and March 31, 2018 and the statement of reformatted consolidated statement of profit and loss for the Fiscals 2016, 2017 and 2018 and the statement of reformatted consolidated cash flow for the Fiscals 2016, 2017 and 2018 as examined by the Statutory Auditors Our audited consolidated financial statements as at and for the years ended March 31, 2016, March 31, 2017 and March 31, 2018 form the basis for such Reformatted Consolidated Financial Information |
| Reformatted Standalone Financial Information | The statement of reformatted standalone assets and liabilities as at March 31, 2014, March 31, 2015, March 31, 2016, March 31, 2017 and March 31, 2018 and the statement of reformatted standalone statement of profit and loss for the Fiscals 2014, 2015, 2016, 2017 and 2018 and the statement of reformatted standalone cash flow for the Fiscals 2014, 2015, 2016, 2017 and 2018 as examined by the Statutory Auditors Our audited standalone financial statements as at and for the years ended March 31, 2014, March 31, 2015, March 31, 2016, March 31, 2017 and March 31, 2018 form the basis for such Reformatted Standalone Financial Information |
| Reformatted Financial Statements | Reformatted Consolidated Financial Statements and Reformatted Standalone Financial Statements |
| Registered Office | Warden House, 2 nd Floor, Sir P.M. Road, Fort, Mumbai – 400 001, Maharashtra, India |
| RoC | Registrar of Companies, Maharashtra at Mumbai |
| Statutory Auditors/Auditors | The statutory auditors of our Company, namely M/s Chaturvedi and Shah, <i>Chartered Accountants</i> |
| Subsidiaries | The subsidiaries of our Company, namely DHFL Advisory & Investments Private Limited, DHFL Investments Limited and DHFL Changing Lives Foundation |
| WGCL | Wadhawan Global Capital Limited (formerly known as Wadhawan Global Capital Private Limited) |

Issue related terms

| Term | Description |
|----------------------------|--|
| Allotment/ Allot/ Allotted | The issue and allotment of the NCDs to successful Applicants pursuant to the Issue |
| Allotment Advice | The communication sent to the Allottees conveying details of NCDs allotted to the Allottees in accordance with the Basis of Allotment |
| Allottee(s) | The successful Applicant to whom the NCDs are Allotted either in full or part, pursuant to the Issue |
| Applicant/ Investor | A person who applies for the issuance and Allotment of NCDs pursuant to the terms of this Draft Shelf Prospectus, the Shelf Prospectus, relevant Tranche Prospectus and Abridged Prospectus and the Application Form for any Tranche Issue |
| Application | An application to subscribe to the NCDs offered pursuant to this Issue by submission of a valid Application Form and payment of the Application Amount by any of the modes as prescribed under the respective Tranche Prospectus |
| Application Amount | The aggregate value of the NCDs applied for, as indicated in the Application Form for the respective Tranche Issue |
| Application Form | The form in terms of which the Applicant shall make an offer to subscribe to the NCDs through the ASBA or non-ASBA process, in terms of the Shelf Prospectus and respective Tranche Prospectus |

| Term | Description |
|---|---|
| “ASBA” or “Application Supported by Blocked Amount” or “ASBA Application” | The application (whether physical or electronic) used by an ASBA Applicant to make an Application by authorizing the SCSB to block the bid amount in the specified bank account maintained with such SCSB |
| ASBA Account | An account maintained with an SCSB which will be blocked by such SCSB to the extent of the appropriate Application Amount of an ASBA Applicant |
| ASBA Applicant | Any Applicant who applies for NCDs through the ASBA process |
| Banker(s) to the Issue/ Escrow Collection Bank(s) | The banks which are clearing members and registered with SEBI as bankers to the issue, with whom the Escrow Accounts and/or Public Issue Accounts will be opened by our Company in respect of the Issue, and as specified in the relevant Tranche Prospectus for each Tranche Issue |
| Base Issue Size | As will be specified in the relevant Tranche Prospectus for each Tranche Issue |
| Basis of Allotment | As will be specified in the relevant Tranche Prospectus for each Tranche Issue |
| Brickwork | Brickwork Ratings India Private Limited |
| BSE | BSE Limited |
| Category I Investor | <ul style="list-style-type: none"> • Public financial institutions, scheduled commercial banks, Indian multilateral and bilateral development financial institution which are authorized to invest in the NCDs; • Provident funds, pension funds with a minimum corpus of ₹2,500 lakh, superannuation funds and gratuity funds, which are authorized to invest in the NCDs; • Mutual Funds registered with SEBI • Venture Capital Funds/ Alternative Investment Fund registered with SEBI; • Insurance Companies registered with IRDA; • State industrial development corporations; • Insurance funds set up and managed by the army, navy, or air force of the Union of India; • Insurance funds set up and managed by the Department of Posts, the Union of India; • Systemically Important Non-Banking Financial Company, a nonbanking financial company registered with the Reserve Bank of India and having a net-worth of more than ₹50,000 lakh as per the last audited financial statements; • National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; |
| Category II Investor | <ul style="list-style-type: none"> • Companies within the meaning of section 2(20) of the Companies Act, 2013; statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs; • Co-operative banks and regional rural banks; • Public/private charitable/ religious trusts which are authorised to invest in the NCDs; • Scientific and/or industrial research organisations, which are authorised to invest in the NCDs; • Partnership firms in the name of the partners; • Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); • Association of Persons; and • Any other incorporated and/ or unincorporated body of persons. |
| Category III Investor | Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10 lakh across all series of NCDs in Issue |
| Category IV Investor | Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹ 10 lakh across all series of NCDs in Issue |
| Credit Rating Agencies | For the present Issue, the credit rating agencies, being CARE and Brickwork |
| CARE | CARE Ratings Limited |
| CRISIL | CRISIL Limited |

| Term | Description |
|-----------------------------|---|
| Debenture Trustee Agreement | The agreement dated May 3, 2018 entered into between the Debenture Trustee and our Company |
| Debenture Trust Deed | The trust deed to be entered into between the Debenture Trustee and our Company |
| Debenture Trustee/ Trustee | Debenture Trustee for the Debenture Holders, in this Issue being Catalyst Trusteeship Limited (formerly known as GDA Trusteeship Limited) |
| Debt Application Circular | Circular no. CIR/IMD/DF – 1/20/ 2012 issued by SEBI on July 27, 2012 |
| Deemed Date of Allotment | The date on which the Board of Directors or the NCD Public Issue Committee approves the Allotment of the NCDs for each Tranche Issue or such date as may be determined by the Board of Directors or the NCD Public Issue Committee and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the Debenture Holders from the Deemed Date of Allotment |
| Demographic Details | The demographic details of an Applicant, such as his address, occupation, bank account details, Category, PAN for printing on refund orders which are based on the details provided by the Applicant in the Application Form |
| Depositories Act | The Depositories Act, 1996, as amended from time to time |
| Depository(ies) | National Securities Depository Limited and /or Central Depository Services (India) Limited |
| DP / Depository Participant | A depository participant as defined under the Depositories Act |
| Designated Branches | Such branches of the SCSBs which shall collect the ASBA Applications and a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time |
| Designated Date | The date on which Application Amounts are transferred from the Escrow Accounts to the Public Issue Accounts or the Refund Account, as appropriate and the Registrar to the Issue issues instruction to SCSBs for transfer of funds from the ASBA Accounts to the Public Issue Account(s) following which the Board or the NCD Public Issue Committee, shall Allot the NCDs to the successful Applicants, provided that the sums received in respect of the Issue will be kept in the Escrow Accounts up to this date |
| Designated Stock Exchange | BSE Limited |
| Draft Shelf Prospectus | This Draft Shelf Prospectus dated May 4, 2018 filed by our Company with the Designated Stock Exchange for receiving public comments, in accordance with the provisions of the SEBI Debt Regulations |
| Escrow Accounts | Accounts opened with the Escrow Collection Bank(s) into which the Members of the Consortium and the Trading Members, as the case may be, will deposit Application Amounts from resident non-ASBA Applicants, in terms of the Shelf Prospectus, relevant Tranche Prospectus and the Escrow Agreement |
| Escrow Agreement | Agreement dated [●] entered into amongst our Company, the Registrar to the Issue, the Lead Managers and the Escrow Collection Banks for collection of the Application Amounts from non-ASBA Applicants and where applicable, refunds of the amounts collected from the Applicants on the terms and conditions thereof |
| ICRA | ICRA Limited |
| Interest Payment Date | Interest Payment Date as specified in the relevant Tranche Prospectus for the relevant Tranche Issue |
| Issue | Public issue by our Company of NCDs of face value of ₹ 1,000 each pursuant to the Shelf Prospectus and the relevant Tranche Prospectus for an amount upto an aggregate amount of the Shelf Limit. The NCDs will be issued in one or more tranches subject to the Shelf Limit |
| Issue Agreement | Agreement dated May 3, 2018 between our Company and the Lead Managers |
| Issue Closing Date | Issue Closing Date as specified in the relevant Tranche Prospectus for the relevant Tranche Issue |
| Issue Opening Date | Issue Opening Date as specified in the relevant Tranche Prospectus for the relevant |

| Term | Description |
|---|--|
| | Tranche Issue |
| Issue Period | The period between the Issue Opening Date and the Issue Closing Date inclusive of both days, during which prospective Applicants may submit their Application Forms |
| Lead Managers/ LMs | Edelweiss Financial Services Limited, A.K. Capital Services Limited, Axis Bank Limited, Green Bridge Capital Advisory Private Limited, ICICI Bank Limited, ICICI Securities Limited, IndusInd Bank Limited, IIFL Holdings Limited, SBI Capital Markets Limited, Trust Investment Advisors Private Limited and YES Securities (India) Limited |
| Market Lot | One NCD |
| NCDs | Secured Redeemable Non Convertible Debentures of face value of ₹ 1,000 |
| Offer Document | This Draft Shelf Prospectus, the Shelf Prospectus and the relevant Tranche Prospectus |
| Public Issue Account | An account opened with the Banker(s) to the Issue to receive monies for allotment of NCDs from the Escrow Accounts for the Issue and/ or the SCSBs on the Designated Date |
| Record Date | 15 (fifteen) days prior to the relevant Interest Payment Date, relevant Redemption Date for NCDs issued under the relevant Tranche Prospectus. or as may be otherwise prescribed by the Stock Exchanges. In case of redemption of NCDs, the trading in the NCDs shall remain suspended between the record date and the date of redemption. In event the Record Date falls on a Sunday or holiday of Depositories, the succeeding working day or a date notified by the Company to the stock exchanges shall be considered as Record Date |
| Redemption Amount | As specified in the relevant Tranche Prospectus |
| Redemption Date | The date on which our Company is liable to redeem the NCDs in full as specified in the relevant Tranche Prospectus |
| Refund Account | The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Application Amount shall be made (excluding all Application Amounts received from ASBA Applicants) |
| Refund Banks | As specified in the relevant Tranche Prospectus |
| Register of Debenture Holders | The Register of Debenture Holders maintained by the Issuer in accordance with the provisions of the Companies Act, 2013 |
| Registrar to the Issue/ Registrar | Karvy Computershare Private Limited |
| Registrar Agreement | Agreement dated May 3, 2018 entered into between our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue |
| Security | As specified in the relevant Tranche Prospectus and Debenture Trust Deed |
| Self Certified Syndicate Banks or SCSBs | The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account, a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time |
| Shelf Limit | The aggregate limit of the Issue, being ₹ 15,00,000 lakh to be issued under this Draft Shelf Prospectus, the Shelf Prospectus through one or more Tranche Issues |
| Shelf Prospectus | The Shelf Prospectus to be filed by our Company with the SEBI, NSE, BSE and the RoC in accordance with the provisions of the Companies Act, 2013 and the SEBI Debt Regulations The Shelf Prospectus shall be valid for a period as prescribed under section 31 of the Companies Act, 2013 |
| Stock Exchange(s) | NSE and BSE |
| Syndicate or Members of the Syndicate | Collectively, the Consortium Members appointed in relation to the Issue |
| Syndicate ASBA Application Locations | ASBA Applications through the Lead Managers, Consortium Members or the Trading Members of the Stock Exchanges only in the Specified Cities |
| Syndicate SCSB | In relation to ASBA Applications submitted to a Member of the Syndicate, such |

| Term | Description |
|--------------------------------------|--|
| Branches | branches of the SCSBs at the Syndicate ASBA Application Locations named by the SCSBs to receive deposits of the Application Forms from the members of the Syndicate, and a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time |
| Tier I capital | Tier I capital means, owned fund as reduced by investment in shares of other HFCs and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten percent of the owned fund |
| Tier II capital | Tier-II capital includes the following: (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of 55%; (c) general provisions (including that for standard assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets; (d) hybrid debt capital instruments; and (e) subordinated debt to the extent the aggregate does not exceed Tier-I capital |
| Tenor | Tenor shall mean the tenor of the NCDs as specified in the relevant Tranche Prospectus |
| Transaction Registration Slip or TRS | The acknowledgement slip or document issued by any of the Members of the Consortium, the SCSBs, or the Trading Members as the case may be, to an Applicant upon demand as proof of registration of his application for the NCDs |
| Trading Members | Intermediaries registered with a Broker or a Sub-Broker under the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 and/or with the Stock Exchanges under the applicable byelaws, rules, regulations, guidelines, circulars issued by Stock Exchanges from time to time and duly registered with the Stock Exchanges for collection and electronic upload of Application Forms on the electronic application platform provided by the Stock Exchange |
| Tranche Issue | Issue of the NCDs pursuant to the respective Tranche Prospectus |
| Tranche Prospectus | The Tranche Prospectus(es) containing, inter alia, the details of NCDs including interest, other terms and conditions |
| Tripartite Agreements | Tripartite agreement dated July 8, 2016 among our Company, the Registrar and CDSL and tripartite agreement dated July 8, 2016 among our Company, the Registrar and NSDL |
| Working Day(s) | Working Day shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post issue period, i.e. period beginning from Issue Closure to listing of the securities, Working Days shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai or a public holiday in India |

Conventional and general terms or abbreviation

| Term/Abbreviation | Description/ Full Form |
|--|--|
| ₹ or Rupees or Rs. or Indian Rupees or INR | The lawful currency of India |
| AGM | Annual General Meeting |
| AS | Accounting Standards issued by the Institute of Chartered Accountants of India |
| ASBA | Application Supported by Blocked Amount |
| CDSL | Central Depository Services (India) Limited |
| Companies Act/ Act | Companies Act, 1956 |
| Companies Act, 2013 | The Companies Act, 2013 (18 of 2013), to the extent notified by the MCA and in force as on the date of this Draft Shelf Prospectus |
| CRAR | Capital to Risk-Weighted Assets Ratio |
| CSR | Corporate Social Responsibility |

| Term/Abbreviation | Description/ Full Form |
|---|--|
| ECS | Electronic Clearing Scheme |
| ESAR | Employee Stock Appreciation Rights Plan |
| ESOS | Employee Stock Option Scheme |
| DIN | Director Identification Number |
| DRR | Debenture Redemption Reserve |
| FDI | Foreign Direct Investment |
| FDI Policy | Consolidated FDI policy dated August 28, 2017 issued by DIPP and the applicable regulations (including the applicable provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017) made by the RBI prevailing on that date in relation to foreign investments in our Company's sector of business as amended from time to time. |
| FEMA | Foreign Exchange Management Act, 1999 and the regulations made thereunder. |
| Financial Year/ Fiscal/ FY | Period of 12 months ended March 31 of that particular year |
| FIR | First Information Report |
| GDP | Gross Domestic Product |
| GoI or Government | Government of India |
| HFC | Housing Finance Company |
| HNI | High Networth Individual |
| HUF | Hindu Undivided Family |
| ICAI | Institute of Chartered Accountants of India |
| IFRS | International Financial Reporting Standards |
| Income Tax Act | Income Tax Act, 1961 |
| India | Republic of India |
| Indian GAAP | Generally Accepted Accounting Principles followed in India |
| IB Code | Insolvency and Bankruptcy Code, 2016 |
| IRDA | Insurance Regulatory and Development Authority |
| IT | Information Technology |
| MCA | Ministry of Corporate Affairs, GoI |
| MoF | Ministry of Finance, GoI |
| NACH | National Automated Clearing House |
| NBFC | Non Banking Financial Company, as defined under applicable RBI guidelines |
| NEFT | National Electronic Fund Transfer |
| NHB | National Housing Bank |
| NHB Act | National Housing Bank Act, 1987 or as amended from time to time |
| National Housing Bank Directions" or "NHB Directions" or "Directions" | Housing Finance Companies (NHB) Directions, 2010 as amended from time to time |
| NPA | Non-Performing Assets |
| NRI or "Non-Resident" | A person resident outside India, as defined under the FEMA |
| NSDL | National Securities Depository Limited |
| NSE | National Stock Exchange of India Limited |
| p.a. | Per annum |
| PAN | Permanent Account Number |
| PAT | Profit After Tax |
| PCG | Partial Credit Enhancement Guarantee |
| RBI | Reserve Bank of India |
| RBI Act | Reserve Bank of India Act, 1934 |
| RTGS | Real Time Gross Settlement |
| SARFAESI Act | Securitisation & Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 |
| SEBI | Securities and Exchange Board of India |
| SEBI Act | Securities and Exchange Board of India Act, 1992 |
| SEBI ICDR Regulations | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 |

| Term/Abbreviation | Description/ Full Form |
|--------------------------|--|
| SEBI Debt Regulations | Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 |
| SEBI LODR Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 |

Business/ Industry related terms

| Term/Abbreviation | Description/ Full Form |
|--------------------------|--|
| ALCO | Asset Liability Management Committee |
| AUM | Assets Under Management |
| BOM | Branch Operations Manager |
| Chola MS | Cholamandalam MS General Insurance Company Limited |
| DSA | Direct Selling Agents |
| EMI | Equated monthly instalment |
| Fair Practices Code | The guidelines on fair practices code for HFCs issued by the NHB on September 9, 2015 as updated through the master circular issued by the NHB bearing reference no. NHB(ND)/DRS/REG/MC-03/2017 dated July 1, 2017 |
| LMI | Low and Middle income |
| LTV | Loan-to-value ratio |
| SLR | Statutory Liquidity Ratio |

Notwithstanding anything contained herein, capitalised terms that have been defined in the chapters titled “*Capital Structure*”, “*Regulations and Policies*”, “*History and other Corporate Matters*”, “*Statement of Tax Benefits*”, “*Our Management*”, “*Financial Indebtedness*”, “*Outstanding Litigation and Defaults*” and “*Issue Procedure*” on pages 40, 95, 90, 47, 106, 340, 386 and 425 respectively will have the meanings ascribed to them in such chapters.

CERTAIN CONVENTIONS, USE OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

All references in this Draft Shelf Prospectus to “India” are to the Republic of India and its territories and possessions.

Unless stated otherwise, all references to page numbers in this Draft Shelf Prospectus are to the page numbers of this Draft Shelf Prospectus.

Presentation of Financial Information

Our Company publishes its financial statements in Rupees. Our Company’s financial statements for the year ended March 31, 2014, March 31, 2015, March 31, 2016, March 31, 2017 and March 31, 2018 have been prepared in accordance with Indian GAAP including the Accounting Standards notified under the Companies Act read with General Circular 8/2014 dated April 4, 2014.

The Reformatted Standalone Financial Statements and the Reformatted Consolidated Financial Statements are included in this Draft Shelf Prospectus and collectively referred to hereinafter as the (“**Reformatted Financial Statements**”). The examination reports on the Reformatted Financial Statements as issued by the Statutory Auditors of our Company, are included in this Draft Shelf Prospectus in the chapter titled “**Financial Statements**” beginning at page 121.

Currency and Unit of Presentation

In this Draft Shelf Prospectus, references to “₹”, “Indian Rupees”, “INR”, “Rs.” and “Rupees” are to the legal currency of India, references to “US\$”, “USD”, and “U.S. dollars” are to the legal currency of the United States of America, as amended from time to time. Except as stated expressly, for the purposes of this Draft Shelf Prospectus, data will be given in ₹ in lakh.

Industry and Market Data

Any industry and market data used in this Draft Shelf Prospectus consists of estimates based on data reports compiled by Government bodies, professional organizations and analysts, data from other external sources including CRISIL, available in the public domain and knowledge of the markets in which we compete. These publications generally state that the information contained therein has been obtained from publicly available documents from various sources believed to be reliable, but it has not been independently verified by us, its accuracy and completeness is not guaranteed, and its reliability cannot be assured. Although we believe that the industry and market data used in this Draft Shelf Prospectus is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified by us for purposes of presentation. Data from these sources may also not be comparable. The extent to which the industry and market data presented in this Draft Shelf Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.

In this Draft Shelf Prospectus, any discrepancy in any table between total and the sum of the amounts listed are due to rounding off.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Draft Shelf Prospectus that are not statements of historical fact constitute “forward-looking statements”. Investors can generally identify forward-looking statements by terminology such as “aim”, “anticipate”, “believe”, “continue”, “could”, “estimate”, “expect”, “intend”, “may”, “objective”, “plan”, “potential”, “project”, “pursue”, “shall”, “seek”, “should”, “will”, “would”, or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All statements regarding our expected financial conditions, results of operations, business plans, strategies and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability, new business and other matters discussed in this Draft Shelf Prospectus that are not historical facts. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include, among others:

- our inability to maintain our growth;
- any increase in the level of non-performing assets on our loan portfolio, for any reason whatsoever;
- our ability to manage our credit quality;
- interest rates and inflation in India;
- volatility in interest rates for our lending and investment operations as well as the rates at which our Company borrows from banks/financial institution;
- general, political, economic, social and business conditions in Indian and other global markets;
- our ability to successfully implement our strategy, growth and expansion plans;
- competition from our existing as well as new competitors;
- change in the government policies, regulations and/or directions issued by the NHB in connection with HFCs;
- availability of adequate debt and equity financing at commercially acceptable terms;
- performance of the Indian debt and equity markets;
- our ability to comply with certain specific conditions prescribed by the GoI in relation to our business changes in laws and regulations applicable to companies in India, including foreign exchange control regulations in India; and
- other factors discussed in this Draft Shelf Prospectus, including under the chapter titled “**Risk Factors**” on page 11.

The abovementioned list of important factors is not exhaustive. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the chapters titled “**Our Business**” and “**Outstanding Litigations and Defaults**” on pages 69 and 386 respectively of this Draft Shelf Prospectus. The forward-looking statements contained in this Draft Shelf Prospectus are based on the beliefs of management, as well as the assumptions made by, and information currently available to management. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable as of the date of this Draft Shelf Prospectus, our Company cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

Neither the Lead Managers, our Company, its Directors and its officers, nor any of their respective affiliates or associates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI Debt Regulations, our Company, the Lead Managers will ensure that investors in India are informed of material developments between the date of filing the Shelf Prospectus and relevant Tranche Prospectus with the RoC and the date of the Allotment.

SECTION II-RISK FACTORS

Prospective investors should carefully consider all the information in this Draft Shelf Prospectus, including the risks and uncertainties described below, and under the section titled “Our Business” on page 69 and under “Financial Statements” on page 121, before making an investment in the NCDs. The risks and uncertainties described in this section are not the only risks that we currently face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business prospects, results of operations and financial condition. If any of the following or any other risks actually occur, our business prospects, results of operations and financial condition could be adversely affected and the price of and the value of your investment in the NCDs could decline and you may lose all or part of your redemption amounts and/ or interest amounts.

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed below. However, there are certain risk factors where the effect is not quantifiable and hence has not been disclosed in the below risk factors. The numbering of risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.

In this section, unless the context otherwise requires, a reference to “our Company”, is a reference to Dewan Housing Finance Corporation Limited on a standalone basis and references to “we”, “us”, and “our” are to our Company, Subsidiaries, Joint Ventures and Associates on consolidated basis. Unless otherwise specifically stated in this section, financial information included in this section have been derived from our Reformatted Financial Statements.

Internal Risks and Risks Associated with our Business

1. Our business has been growing consistently in the past. Any inability to maintain our growth may have a material adverse effect on our business, results of operations and financial condition.

Our business has steadily expanded in the three-fiscal year-period ended March 31, 2016, 2017 and 2018. As at March 31, 2016, 2017 and 2018, our total outstanding loans stood at ₹ 61,77,502 lakh, ₹72,09,618 lakh and ₹ 91,93,232 lakh, respectively.

For the fiscal years ended March 31, 2016, 2017 and 2018, our revenue from operations was ₹ 7,29,510 lakh, ₹ 8,85,176 lakh and ₹ 10,45,016 lakh, respectively, and our profit after tax was ₹ 7,29,206 lakh, ₹ 2,89,645 lakh and ₹ 1,17,213 lakh, respectively. The Company’s revenue from operations and profit after tax grew at a CAGR of 19.7% and 26.8%, respectively, during the three fiscal years ended March 31, 2016, 2017 and 2018.

Our growth strategy includes increasing the number of loans we extend, diversifying our product portfolio and expanding our customer base. There can be no assurance that our growth strategy will continue to be successful or that we will be able to continue to expand further or diversify our product portfolio.

In order to maintain our growth in the future, we will, inter alia, need to continue to focus on: (i) raising funds at optimum costs; (ii) our managerial, technical and operational capabilities; (iii) the appropriate allocation of our resources; and (iv) our information and risk management systems. In addition, we may be required to manage relationships with a greater number of customers, third party agents, lenders and other parties.

Our business depends significantly on our marketing initiatives. Our sales and marketing efforts are mainly conducted by third party social media marketing providers. Our advertisement and business promotion expenses amounted to ₹ 9,836 lakh, ₹ 9,104 lakh and ₹ 8,053 lakh in the fiscal years ended March 31, 2016, 2017 and 2018, respectively. Our business sourcing expenses amounted to ₹ 13,368 lakh, ₹ 14,762 lakh and ₹ 32,156 lakh, respectively, for the same periods. If we fail to supervise and control the sales and marketing activities of such third party service providers, the quality of our marketing initiatives may deteriorate. There can be no assurance in relation to the impact of such initiatives and any failure to achieve the desired results may negatively impact the Company’s ability to leverage its brand value. Further, there can be no assurance that we would be able to continue such initiatives in the future in a similar manner and on commercially viable terms.

Further, we cannot assure you that we will not experience issues such as capital constraints and capital at an appropriate rate, difficulties in expanding our existing business and operations, and hiring and training of new personnel in order to manage and operate our expanded business.

Any or a combination of some or all of the above-mentioned factors may result in a failure to maintain the growth of our loan portfolio which may in turn have a material adverse effect on our business, results of operations and financial condition.

2. Our business is particularly vulnerable to volatility in interest rates.

A significant component of our income is the interest income that we receive from the loans we disburse. Our interest income is affected by any volatility in interest rates in our lending operations. Interest rates are highly volatile due to many factors beyond our control, including the monetary policies of the RBI, deregulation of the financial sector in India, and domestic and international economic and political conditions.

If there is an increase in the interest rates that we pay on our borrowings, which we are unable to pass on to our customers, we may find it difficult to compete with our competitors, who may have access to funds sourced at a lower cost. Further, to the extent our borrowings are linked to market interest rates, we may have to pay interest at a higher rate than lenders that borrow only at fixed interest rates. Fluctuations in interest rates may also adversely affect our treasury operations. If there is a sudden or sharp rise in interest rates, we could be adversely affected by the decline in the market value of our securities portfolio and other fixed income securities.

Further, we may lend money on a long-term, fixed interest rate basis, typically without an escalation clause in our loan agreements. Any increase in interest rates over the duration of such loans may result in our losing potential interest income. Our failure to pass on increased interest rates on our borrowings may cause our net interest income to decline, which would decrease our return on assets and could adversely affect our business, future financial performance and results of operations.

Also, when interest rates decline, we are subject to greater re-pricing and prepayment risks as borrowers take advantage of the attractive interest rate environment. In periods of low interest rates and high competition among lenders, borrowers may seek to reduce their borrowing cost by asking lenders to re-price loans. If we are required to restructure loans, it could adversely affect our profitability. If borrowers prepay loans, the return on our capital may be impaired if we are not able to deploy the received funds at similar interest rates.

There can be no assurance that we will be able to adequately manage our interest rate risk in the future, which could have an adverse effect on our net interest margin.

3. Any increase in the levels of non-performing assets in our loan portfolio, for any reason whatsoever, would adversely affect our business, results of operations and financial condition.

With the growth in our business, we expect an increase in our loan portfolio. Should the overall credit quality of our loan portfolio deteriorate, the current level of our provisions may not be adequate to cover further increases in the amount of our NPAs. There can be no assurance that there will be no further deterioration in our provisioning coverage as a percentage of gross NPAs or otherwise, or that the percentage of NPAs that we will be able to recover will be similar to our past experience of recoveries of NPAs.

As at March 31, 2018, our gross NPAs as a percentage of our outstanding loans was 0.96% and our net NPAs, as a percentage of our outstanding loans, was 0.56%. The provisioning in respect of our outstanding loan portfolio has been undertaken in accordance with the NHB guidelines and other applicable laws. The provisioning requirements may also require the exercise of subjective judgments of management. The level of our provisions may be inadequate to cover further increases in the amount of our non-performing loans or decrease in the value of the underlying collateral. If our provisioning requirements are insufficient to cover our existing or future levels of non-performing loans or other loan losses that may occur, or if future regulation requires us to increase our provisions, our results of operation and financials may get adversely affected including our ability to raise additional capital and debt funds at favourable terms.

In addition, provisioning norms may be revised by the NHB from time to time and become more stringent for HFCs. The NHB has amended the provisioning norms in the NHB Directions 2010 pursuant to notification no. NHB.HFC.DIR.3/CMD/2011 dated August 5, 2011, notification no. NHB.HFC.DIR.4/CMD/2012 dated January 19, 2012, and notification no. NHB.HFC.DIR.9/CMD/2013 dated September 6, 2013. Further, NHB's Master Circular bearing No. NHB(ND)/DRS/REG/MC-01/2015 dated September 9, 2015 has incorporated the provisioning norms for housing finance companies in one place, which has subsequently been updated by the NHB's Master Circular bearing No. NHB(ND)/DRS/REG/MC-01/2017 dated July 1, 2017 (updated up to June 30, 2017) and the subsequent notifications issued by the NHB bearing Notification

No.NHB.HFC.DIR.18/MD&CEO/2017 dated August 2, 2017, Notification No.NHB.HFC.DIR.19/MD&CEO/2017 dated September 28, 2017 and Notification No.NHB.HFC.DIR.20/MD&CEO/2017 dated December 8, 2017. As a result of the aforesaid notifications, we have had to revise our provisioning in accordance with these norms as they changed. For further details, refer to the chapter “**Regulation and Policies**” on page 95.

If the quality of our loan portfolio deteriorates or we are unable to implement effective monitoring and collection methods, our financial condition and results of operations may be affected. In addition, we anticipate that the size of our loan portfolio will grow as a result of our expansion strategy in existing as well as new products, which will expose us to an increased risk of defaults.

If our customers are unable to meet their financial obligation in a timely manner, then it could adversely affect our results of operations. Any negative trends or financial difficulties particularly among our borrowers could increase the level of non-performing assets in our portfolio and adversely affect our business and financial performance. If a significant number of our customers are unable to meet their financial obligations in a timely manner, it may lead to an increase in our level of NPAs. If we are not able to prevent increases in our level of NPAs, our business and our future financial performance could be adversely affected.

4. Our indebtedness and conditions and restrictions imposed by our financing arrangements could adversely affect our ability to conduct our business and operations.

We have entered into agreements with certain banks and financial institutions for short-term and long-term borrowings. Some of these agreements contain restrictive covenants which require us to obtain consent from our lenders, before, amongst other things, altering our capital structure, disposing assets out of the ordinary course of business, incurring capital expenditure above certain limits, effecting any scheme of amalgamation or reconstitution, creating any charge or lien on the assets or receivables of the Company and any alteration to the Memorandum of Association or Articles of Association. In addition, upon the occurrence of an event of default, we would be restricted from declaring dividends. Certain of the loan agreements also give the lenders the right to nominate up to two directors to the Board to protect the interest of the lenders. Our financing agreements also require us to maintain certain financial ratios.

In the event we breach any financial or other covenants contained in any of our financing arrangements or in the event we had breached any terms in the past which is noticed in the future, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. We may be forced to sell some or all of the assets in our portfolio if we do not have sufficient cash or credit facilities to make repayments. Furthermore, our financing arrangements contain cross-default provisions which could automatically trigger defaults under other financing arrangements.

We cannot assure you that our business will generate sufficient cash to enable us to service our debt or to fund our other liquidity needs. In addition, we may need to refinance all or a portion of our debt on or before maturity. We cannot assure you that we will be able to refinance any of our debt on commercially reasonable terms or at all.

5. We have undertaken, and may undertake in the future, strategic acquisitions and alliances, which may be difficult to integrate, and may end up being unsuccessful.

We have in the past pursued and may from time to time pursue in the future, strategic acquisitions and alliances in order to increase our market presence. In Fiscal 2004, we and our Promoters acquired a majority stake in Vysya Bank Housing Finance Limited to strengthen our presence in the southern and western parts of India. After the acquisition, Vysya Bank Housing Finance Limited changed its name to “DHFL Vysya Housing Finance Limited”. In Fiscal 2011, we set up Aadhar Housing Finance Limited (AHFL) in partnership with IFC to focus on low-cost housing and financial inclusion in the northern and eastern parts of India. In Fiscal 2013, the Company established Avanse Financial Services Limited in participation with IFC to provide affordable educational loans. In January 2013, the Company also completed the amalgamation of its subsidiaries, First Blue, which the Company acquired in March 2011, and DHFL Holdings (the Company’s wholly owned subsidiary through which it held its shareholding in First Blue) into the Company to diversify its customer base and extend its geographical reach.

In Fiscal 2014, we acquired 50% stake in DLF Pramerica Life Insurance Company Limited subsequently re-named as DHFL Pramerica Life Insurance Company Limited, to provide life insurance solutions in India. In Fiscal 2015, we entered into a joint venture with PGLH of Delaware, Inc. pursuant to which we acquired a 50% stake in

each of DPAMPL (erstwhile Pramerica Asset Managers Private Limited) and DPTPL (erstwhile Pramerica Trustees Private Limited), the asset management company and trustee company of DHFL Pramerica Mutual Fund (erstwhile Pramerica Mutual Fund). Further, in Fiscal 2016, DPAMPL and DPTPL along with others, entered into definitive agreements with DBAMC, Deutsche Trustee Services (India) Private Limited, the asset management company and trustee company of DBMF and Deutsche India Holdings Private Limited, sponsor of DBMF, to acquire (i) the rights to manage the schemes of DBMF, and (ii) portfolio management accounts of DBAMC. On March 4, 2016, the said acquisition was completed.

The Company's ability to achieve the benefits it anticipates from recent and future acquisitions and alliances will depend in large part upon whether it is able to integrate the acquired businesses into the rest of the Company in an efficient and effective manner. The integration and the achievement of synergies requires, among other things, coordination of business development and procurement efforts, manufacturing improvements and employee retention, hiring and training policies, as well as the alignment of products, sales and marketing operations, compliance and control procedures, research and development activities and information and software systems. Any difficulties encountered in combining operations could result in higher integration costs and lower savings than expected. The failure to successfully integrate an acquired business or the inability to realize the anticipated benefits of such acquisitions could materially and adversely affect the Company's business, results of operations, financial condition and prospects.

Further, acquired businesses may have unknown or contingent liabilities, including liabilities for failure to comply with relevant laws and regulations, and we may become liable for the past activities of such businesses. Although we have policies in place to ensure that the practices of newly acquired facilities conform to our standards, and generally will seek indemnification from prospective sellers covering these matters, we may become liable for past activities of any acquired business. Further, we may be subject to various obligations or restrictions under the relevant transaction agreements or shareholders' agreement such as restrictions on the transfer of shares, tag-along rights, drag-along rights, option agreement, right-of-first refusal for existing shareholders, lock-in clauses etc. These provisions may, as the case may be, prevent the Company from disposing or acquiring shares in the subject entities, or force the Company to sell or acquire shares in the subject entities against its better judgment.

6. *We regularly introduce new products for our customers, and there is no assurance that our new products will be profitable in the future.*

We regularly introduce new products and services in our existing lines of business. We may incur costs to expand our range of products and services and cannot guarantee that such new products and services will be successful once offered, whether due to factors within or outside of our control, such as general economic conditions, a failure to understand customer demand and market requirements or management focus on these new products. If we fail to develop and launch these products and services successfully, we may lose a part or all of the costs incurred in development and promotion or discontinue these products and services entirely, which could in turn adversely affect our business and results of operations.

7. *We may experience difficulties in expanding our business into new regions and markets.*

As part of our growth strategy, we continue to evaluate attractive growth opportunities to expand our business into new regions and markets. Factors such as competition, customer requirements, regulatory regimes, culture, business practices and customs in these new markets may differ from those in our current markets, and our experience in our current markets may not be applicable to these new markets. In addition, as we enter new markets and geographical regions, we are likely to compete not only with other banks and financial institutions but also the local unorganized or semi-organized private financiers, who are more familiar with local regulations, business practices and customs, and have stronger relationships with potential customers.

As we continue to expand our geographic footprint, our business may be exposed to various additional challenges, including obtaining necessary governmental approvals, identifying and collaborating with local business and partners with whom we may have no previous working relationship; successfully marketing our products in markets with which we have no previous familiarity; attracting potential customers in a market in which we do not have significant experience or visibility; falling under additional local tax jurisdictions; attracting and retaining new employees; expanding our technological infrastructure; maintaining standardized systems and procedures; and adapting our marketing strategy and operations to different regions of India or outside of India in which different languages are spoken. To address these challenges, we may have to make significant investments that may not yield desired results or incur costs that we may not recover. Our inability to expand our current operations may adversely affect our business prospects, financial conditions and results of operations.

- 8. *In order to sustain our growth, we will need to maintain a minimum capital adequacy ratio statutory liquidity ratio. There is no assurance that we will be able to access the capital markets when necessary in order to maintain such a ratio.***

The NHB Directions require a minimum capital adequacy ratio comprising of Tier I and Tier II capital aggregating to 12.00% of the aggregate risk weighted assets and of risk adjusted value of off-balance sheet items of the Company. The NHB Directions assign weightages to balance sheet assets. We must maintain this minimum capital adequacy level to support our continuous growth. Our capital adequacy ratio, calculated in accordance with Indian GAAP, was 15.29% as on March 31, 2018. Our ability to support and grow our business could be limited by a declining capital adequacy ratio if we are unable to or have difficulty accessing the capital markets.

Similarly, pursuant to the NHB guidelines, HFCs are required to maintain a statutory liquidity ratio in respect of public deposits raised. As at March 31, 2018, the SLR requirement was 12.5% which is divided into 6.0% of government bonds and 6.5% of fixed deposits. As at March 31, 2018, the Company has invested ₹ 63,095 lakh in approved securities comprising government securities, government guaranteed bonds etc. and ₹ 65,014 lakh in bank fixed deposits and NHB bonds, being 7.33% and 7.55%, respectively, which are well within the limits prescribed by the NHB. Additionally, there is no assurance that the NHB will not increase the current capital adequacy ratio and SLR requirements.

- 9. *As a HFC, we face the risk of default and non-payment by borrowers. Any such defaults and non-payments would result in write-offs and/or provisions in our financial statements which may have a material adverse effect on our profitability and asset quality.***

Any lending activity is exposed to credit risk arising from the risk of default and non-payment by borrowers. Our outstanding loan portfolio has grown at a CAGR of 22.0% from ₹ 61,77,502 lakh as of March 31, 2016 to ₹ 91,93,232 lakh as of March 31, 2018. The size of our loan portfolio is expected to continue to grow as a result of our expansion strategy. As our portfolio expands, we will be exposed to an increasing risk of defaults. Any negative trends or financial difficulties among our borrowers could increase the level of non-performing assets in our portfolio and adversely affect our business and financial performance. The borrowers may default in their repayment obligations due to various reasons including insolvency, lack of liquidity, etc. Any such defaults and non-payments would result in write-offs and/or provisions in our financial statements which may materially and adversely affect our profitability and asset quality.

- 10. *We are a listed HFC and are subject to various regulatory and legal requirements. Also, future regulatory changes may have a material adverse effect on our business, results of operations and financial condition.***

Our business is highly-regulated. The operations of a HFC in India are subject to various regulations framed by the Ministry of Corporate Affairs and the NHB, amongst others. We are also subject to the corporate, taxation and other laws in effect in India which require continued monitoring and compliance. These regulations, apart from regulating the manner in which a company carries out its business and internal operation, prescribe various periodical compliances and filings including but not limited to filing of forms and declarations with the relevant registrar of companies, and the NHB. Pursuant to the NHB regulations, HFCs are currently required to maintain a minimum CRAR consisting of Tier I and Tier II capital which collectively shall not be less than 12.00% of their aggregate risk weighted assets and their risk adjusted value of off-balance sheet items.

In particular, according to the NHB Directions, 2010, at no point can our total Tier II capital exceed 100% of the Tier I capital. For further details, please see the section titled “Regulation and Policies”. This ratio is used to measure an HFC’s capital strength and to promote the stability and efficiency of the housing finance system. Our capital adequacy ratio, calculated in accordance with Indian GAAP, was 15.29% as at March 31, 2018. As our asset book grows further our CRAR may decline and this may require us to raise fresh capital. There is no assurance that NHB will not increase the minimum capital adequacy requirements. Should we be required to raise additional capital in the future in order to maintain our CRAR above the existing and future minimum required levels, we cannot guarantee that we will be able to obtain this capital on favorable terms, in a timely manner or at all. Additionally, under Clause 29C of the NHB Act, our Company is required to create a reserve fund and transfer to such fund an amount of no less than 20% of its net profits every year before any dividend is declared. If we fail to meet the requirements prescribed by the NHB, then the NHB may take certain actions, including but not limited to levying penalties, restricting our lending activities, investment activities and asset growth, and suspending all but our low-risk activities and imposing restrictions on the payment of dividends.

Further, as a listed company, we are subject to continuing obligations pursuant to the SEBI Listing Regulations. The SEBI Listing Regulations came into force on December 1, 2015, replacing the equity listing agreement, and are applicable to listed companies in India. The SEBI Listing Regulations provide broad principles in relation to disclosures and obligations of the listed entities.

The requirement for compliance with such applicable regulations presents a number of risks, particularly in areas where applicable regulations may be subject to varying interpretations. Further, if the interpretations of the regulators and authorities with respect to these regulations vary from our interpretation, we may be subject to penalties and the business of the Company could be adversely affected.

Furthermore, we are also subject to changes in Indian laws, regulations and accounting principles. There can be no assurance that the laws and regulations governing companies in India will not change in the future or that such changes or the interpretations or enforcement of existing and future laws and rules by governmental and regulatory authorities will not affect our business and future financial performance. The introduction of additional government controls or newly implemented laws and regulations, depending on the nature and extent thereof and our ability to make corresponding adjustments, may result in a material adverse effect on our business, results of operations and financial condition and our future growth plans. In particular, decisions taken by regulators concerning economic policies or goals that are inconsistent with our interests, could adversely affect our results of operations.

We cannot assure you that our Company will be in compliance with the various regulatory and legal requirements in a timely manner or at all. Further, we cannot assure you that we will be able to adapt to new laws, regulations or policies that may come into effect from time to time with respect to the housing finance industry in general. Further, changes in tax laws may adversely affect demand for real estate and therefore, for housing finance in India.

11. We are subject to periodic inspections by the NHB. Non-compliance with the NHB's observations made during any such inspections could adversely affect our reputation, business, financial condition, results of operations and cash flows.

The NHB conducts periodic inspections of our books of accounts and other records for the purpose of verifying the correctness or completeness of any statement, information or particulars furnished to the NHB or for obtaining any information which we may have failed to furnish on being called upon to do so. Inspection by the NHB is a regular exercise and is carried out periodically by the NHB for all housing finance institution accepting deposits under Section 34 of the NHB Act.

In the past, the NHB had made certain observations during its periodic inspections in connection with our operations and had imposed penalties, including for non-maintenance of reserve fund during the Fiscal 2012, failure to separately disclose the reserve fund under the provisions of the NHB Act, non-submission of quarterly statement on asset liability management and failure to notify the NHB about the change or closure of an office. Even though we have provided the NHB with necessary clarifications, paid some of the requisite penalties under protest and taken necessary steps to comply with the NHB's observations, any adverse notices or orders by the NHB during any future inspections could adversely affect our reputation, business, financial condition, results of operations and cash flows.

We are currently in receipt of the annual inspection report of NHB for Fiscal 2017 and we are in the process of the responding to the specific observations of the NHB. In the event we are unable to satisfactorily address the observations of the NHB or are unable to comply with any specified NHB requirements for any reason, we may also be restricted in our ability to conduct our business. In the event we are unable to resolve the observations of the NHB, including *inter alia* alleged overstatement of net owned funds as on March 31, 2017, NHB may take appropriate action against our Company which could have a material and adverse effect on our business, financial condition and reputation.

12. We may face maturity mismatches between our assets and liabilities in the future which may cause liquidity issues.

We regularly monitor our funding levels to ensure we are able to satisfy the requirement for loan disbursements and maturity of our liabilities.

As at March 31, 2018, our assets maturing within one year exceeded our liabilities maturing within the same

period by ₹ 7,96,548 lakh. As at March 31, 2018, our assets maturing between one year and three years exceeded our liabilities maturing during the same period by ₹ 3,97,549 lakh and our assets maturing between three and five years exceeded our liabilities maturing during the same period by ₹ 1,71,17,452 lakh, while our liabilities maturing in over five years exceeded our assets maturing in the same period by ₹ 17,82,905 lakh.

We maintain diverse sources of funding and liquid assets to facilitate flexibility in meeting our liquidity requirements. Liquidity is provided principally by long-term borrowings from banks and mutual funds, short and long-term general financing through the domestic debt markets, international debt markets, commercial borrowing from international debtors and retained earnings, proceeds from securitization and equity issuances.

Our liquidity position could be adversely affected, and we may be required to pay higher interest rates in order to attract or retain our borrowings in order to meet our liquidity requirements in the future, which could have a material adverse effect on our business and financial results.

13. If we fail to identify, monitor and manage risks and effectively implement our risk management policies, it could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We have devoted resources to develop our risk management policies and procedures and aim to continue to do so in the future. Please refer to the chapter titled “*Our Business*” on page 69. Despite this, our policies and procedures to identify, monitor and manage risks may not be fully effective. Some of our risk management systems are not automated and are subject to human error. Some of our methods of managing risks are based upon the use of observed historical market behavior. As a result, these methods may not accurately predict future risk exposures, which could be significantly greater than those indicated by the historical measures.

To the extent any of the instruments and strategies we use to hedge or otherwise manage our exposure to market or credit risk are not effective, we may not be able to mitigate effectively our risk exposures in particular market environments or against particular types of risk. Further, some of our risk management strategies may not be effective in a difficult or less liquid market environment, where other market participants may be attempting to use the same or similar strategies to deal with the difficult market conditions. In such circumstances, it may be difficult for us to reduce our risk positions due to the activity of such other market participants. Other risk management methods depend upon an evaluation of information regarding markets, clients or other matters. This information may not in all cases be accurate, complete, up-to-date or properly evaluated.

Our investment and interest rate risk are dependent upon our ability to properly identify, and mark-to-market changes in the value of financial instruments caused by changes in market prices or rates. Our earnings are dependent upon the effectiveness of our management of changes in credit quality and risk concentrations, the accuracy of our valuation models and our critical accounting estimates and the adequacy of our allowances for loan losses.

To the extent our assessments, assumptions or estimates prove inaccurate or not predictive of actual results, we could suffer higher than anticipated losses. See also the Risk Factor titled “*If the level of non-performing assets in our loan portfolio were to increase, our financial condition would be adversely affected*”.

If we fail to effectively implement our risk management policies, it could materially and adversely affect our business, financial condition, results of operations and cash flows.

14. Any decrease in revenue we earn from the distribution of insurance products may have an adverse effect on our results of operations.

Prior to our participation in DPLIC we served as the master policy holder of MRTA of a few leading life insurers. These MRTA insurance products are single premium and are designed to cover the life-risk of the borrowers (i.e., our housing loan customers), who may opt for MRTA products to the extent of the loan availed. As per the arrangement with DPLIC, we became a master policy holder for DHFL Pramerica’s MRTA products effective January 2014. We will continue to service our customers who opted for other MRTA products with our pre-existing insurance associates until such time as they repay their loans with us. However, effective January 2014, we primarily focus on distribution of insurance products of DPLIC. New customers will have the option to purchase MRTA products from other insurers while availing a loan with us, provided that the premiums for such policies will need to be paid up-front by the customer to the relevant insurer. We have been registered with the IRDA as a “Corporate Agent – Composite” until March 31, 2019. With such registration, we are authorized to

solicit customers and serve the businesses of both life and general insurance companies. In this regard, we have entered into corporate agency agreements with DPLIC, Chola MS and DHFL General Insurance Limited. We also act as group administrator and manager for group credit life, group health and/or personal accident insurance cover for our customers, including DPLIC, Chola MS and DHFL General Insurance. To ensure adequate insurance coverage for the properties financed during the tenure of the loan, we advise our customers on appropriate insurance products.

Since the commission rates are regulated by the IRDA, any adverse change affecting the insurance companies' ability to fix premiums based on the prevailing economic, regulatory, taxation-related and competitive factors could result in decrease in commission rates which may significantly affect our profitability. Further, any inability on our part or the part of DPLIC, Chola MS or DHFL General Insurance Limited to introduce policies suited to the needs of our customers could affect our Company's ability to distribute the policies successfully and in turn result in lesser commissions being earned.

15. We may not be successful in our asset management and mutual funds business which could have a material adverse effect on our business, results of operations and financial condition.

In Fiscal 2015, we entered into a joint venture with PGLH of Delaware, Inc. pursuant to which we acquired a 50% stake in each of DPAMPL and DPTPL, the asset management company and trustee company of DHFL Pramerica Mutual Fund (erstwhile Pramerica Mutual Fund). DPAMPL develops, manages, markets and operates an asset management business headquartered in Mumbai with a presence in 23 cities in India as of March 31, 2018. We believe that DPAMPL and DPTPL will help us to extend our philosophy of financial inclusion by increasing product offerings to the LMI segment that we have profitably served over the years. DPAMPL had approximately ₹ 22,32,492 lakh of discretionary and advisory assets under management at March 31, 2018. DPTPL provides trusteeship services and ensures that the activities of DPAMPL are in compliance with the SEBI (Mutual Funds) Regulations, 1996, as amended. In August 2015, DPAMPL and DPTPL along with others, entered into definitive agreements with DBAMC, Deutsche Trustee Services (India) Private Limited, the asset management company and trustee company of DBMF and Deutsche India Holdings Private Limited, sponsor of DBMF, to acquire (i) the rights to manage the schemes of DBMF, and (ii) portfolio management accounts of DBAMC. On March 4, 2016, the said acquisition was completed.

Through these joint ventures and acquisitions, we aim to provide asset management services to customers in the LMI segment by leveraging on our pan-India distribution network, including our branches, staff and sales force, for the marketing, distribution and sale of mutual funds products. In addition, the acquisition of Deutsche Bank's asset management business in India allows us to expand our distribution platform and product portfolios significantly in India. During the fiscal year ended March 31, 2018, DPAMPL had net profit of ₹ 776.03 lakh. We do not have a significant track record of operating mutual funds business. We cannot assure you that we will be successful in our asset management and mutual funds business. Any failure in our new asset management and mutual funds business could have a material adverse effect on our business, results of operations and financial condition.

16. We have entered into tie-ups with commercial banks which may be terminated or may restrict our ability to recover outstanding loans which have been disbursed.

We have entered into tie-ups with commercial banks, including public and private sector banks. Our tie-ups with such banks provide us with access to our ally banks' customers and branch networks and provide our ally banks with the option to participate in our loan syndication programs. Our agreements with the ally banks can be terminated by either party with notice. Since we entered into such tie-ups with the objective to expand our customer base in strategic geographical locations by leveraging the respective reach of our tie-up partners, in the event any such agreement is terminated by the counterparty bank, we may not be able to identify an alternative strategic partner to replace the geographic coverage provided by the terminating party in a timely manner or at all. In such case, our business and results of operations could be materially and adversely affected.

Additionally, under the terms of our tie-up agreements, in most cases, the loans are to be disbursed to the selected customer by our Company and the ally banks in a 50:50 ratio. As a result, consent of our ally banks would be required for initiating enforcement proceedings. Any delay in obtaining such consent may restrict our ability to recover dues in a timely manner.

17. We may be unable to realize the expected value of collateral when borrowers default on their obligations to us, which could have a material adverse effect on our business, financial condition,

results of operations and cash flows.

We follow internal risk management guidelines in relation to portfolio monitoring which, inter alia, include a periodic assessment of loan to security value on the basis of conservative market price levels and ageing analysis, amongst others. However, we may not be able to realize the full value of the collateral as a result of the following (among other factors):

- delays in bankruptcy and foreclosure proceedings;
- defects or deficiencies in the perfection of collateral (including due to inability to obtain any approvals that may be required from third parties);
- destruction/ material damage to the underlying property.
- fraud by borrowers;
- errors in assessing the value of the collateral;
- illiquid market for the sale of the collateral; and
- applicable legislative provisions or changes thereto and past or future judicial pronouncements.

As a result of any of the foregoing factors, we may not be able to realize the full value of collateral, which could have an adverse effect on our financial condition, results of operations and cash flows.

18. As a HFC, we have significant exposure to the real estate sector and any negative events affecting this sector could adversely affect our business and result of operations.

Our lending products include retail mortgage loans and residential project loans. Retail loans are bifurcated into housing loans and property (non-housing) loans. Housing loans include home purchase loans, home improvement loans, home construction loans, home extension loans, home loans for self-employed customers, plot/land loans and plot and construction loans, NRI home loans. Property (non-housing) loans include loans against property (mortgage loans), commercial loans, lease rental finance, project loans and SME loans and are availed for working capital and other business needs and construction of residential projects.

The primary security for the loans disbursed by the Company is the underlying property; the value of this security is largely dependent on housing market conditions prevalent at that time. The value of the collateral on the loans disbursed by the Company may decline due to adverse market conditions, including an economic downturn or a downward movement in real estate prices. In the event the real estate sector is adversely affected due to a decline of demand for real properties, changes in regulations or other trends or events, which negatively impact the real estate sector, the value of our collaterals may diminish which may affect our business and results of operations. Failure to recover the expected value of collateral could expose the Company to losses and, in turn, result in a material adverse effect on our business, results of operations and financial condition.

Following the introduction of the SARFAESI Act and the subsequent extension of its application to HFCs, we are allowed to foreclose on secured property after 60 days' notice to a borrower, whose loan has been classified as non-performing. Although the enactment of the SARFAESI Act has strengthened the rights of creditors by allowing expedited enforcement of security in an event of default, there is still no assurance that we will be able to realize the full value of our collateral, due to, among other things, delays on our part in taking action to secure the property, delays in bankruptcy foreclosure proceedings, stock market downturns, defects in the perfection of collateral and fraudulent transfers by borrowers.

Further, among the various regulatory developments that have impacted the real estate sector recently, we believe that the implementation of the Real Estate Regulation and Development Act, 2016 (RERaD Act) is expected to have the biggest impact over the long term. After notification of certain sections of the Act with effect from May 2016, the full provisions of the Act became effective from May 2017 onwards. Subsequent to this, the obligations of real estate project developers under the provisions of the Act, including mandatory project registration, enhanced disclosure norms and penal provisions for violation of rules have become effective across India. While most of the state governments have notified rules in relation to RERA, other states are in the process of doing so. To ensure compliance with the requirements of the RERA, players in the real estate sector may need to allocate additional resources, which may increase compliance and they may face regulatory actions or be required to undertake remedial steps, which may have an adverse effect the business, operations and financial condition of various players in the sector leading to less than anticipated growth in the housing sector, resulting in adverse effect on our business.

19. Our growth in profitability depends on the continued growth of our loan portfolio.

Our results of operations depend on a number of internal and external factors, including changes in demand for housing loans in India, the competitive landscape, our ability to expand geographically and diversify our product offerings and the size of our loan portfolio. Changes in market interest rates could impact the interest rates charged on our interest-earning assets in a way different to its effect on the interest rates paid on our interest-bearing liabilities, and thus affecting the value of our investments. Further, we may experience issues such as capital constraints. We cannot assure that we will be able to expand our existing business and operations successfully, or that we will be able to retain existing personnel or to hire and train new personnel to manage and operate our expanded business.

20. We operate in a highly competitive industry in India

We operate in a highly competitive industry in India. Our housing finance operations face competition from local operators on factors such as service and price. We also compete with local companies in capturing new business operations in India. Some of these companies have significant financial resources, marketing and other capabilities. In India, some of the local companies have extensive local knowledge, business relationships and a longer operational track record in the relevant local markets than us. As a result, there can be no assurance that we will be able to compete successfully against our existing or potential competitors. Increased competition in relation to the Issuer’s activities may have an adverse effect on our financial condition and operating results.

21. We may not be able to secure the requisite amount of financing at competitive rates for our growth plans and continue to gain undisrupted access to our funding sources, which could adversely affect our business, results of operations and financial condition.

Our liquidity and ongoing profitability are, in large part, dependent upon our timely access to, and the costs associated with, raising capital. Our funding requirements historically have been met predominantly from a combination of borrowings such as loans from banks and financial institutions (including external commercial borrowings), refinancing from the NHB, public (fixed) deposits, and issuance of commercial papers and non-convertible debentures and other debt instruments on private placement basis. Thus, our continued growth will depend, among other things, on our ability to secure requisite financing at competitive rates, to manage our expansion process, to make timely capital investments, to control input costs and to maintain sufficient operational control.

As of March 31, 2018, the refinancing availed by us from the NHB under the NHB’s refinancing scheme was ₹ 2,84,820 lakh. Pursuant to the refinancing arrangement, we have provided to NHB certain standard documents such as a non-disposal undertaking from our Promoters and Promoter Group with respect to their shareholdings and corporate guarantee from WGCL. The refinancing facilities availed by our Company contribute to 3.07 % of our indebtedness as on March 31, 2018. Any failure to obtain such refinancing facilities due to inter alia change in the regulatory environment could have an adverse impact our loan portfolio.

Our inability to secure requisite financing could have an adverse effect on our business, results of operations and financial condition. Changes in Indian laws and regulations, our obligations to lenders or under debt instruments can disrupt funding sources which would have a material adverse effect on our liquidity and financial condition. Further, any inability on our part to secure requisite financing or continue with our existing financing arrangement could have an adverse effect on our business, results of operations and financial condition.

22. Any downgrade in our credit ratings may increase interest rates for refinancing our outstanding debt, which would increase our financing costs, and adversely affect our future issuances of debt and our ability to borrow on a competitive basis.

We have received the following credit ratings for our domestic fund raising:

| Nature of borrowing | Rating / Outlook | | | |
|---|-----------------------|----------------------------|----------|------------|
| | CARE | Brickwork | ICRA | CRISIL |
| Short-term debt / Commercial Paper | CARE A1+ | - | ICRA A1+ | CRISIL A1+ |
| Public (fixed) Deposits / Short Term Deposits | CARE AAA (FD); Stable | BWR FAAA (Outlook: Stable) | - | CRISIL A1+ |
| Subordinated debt | CARE AA+; Stable | BWR AAA (Outlook: Stable) | - | - |

| Nature of borrowing | Rating / Outlook | | | |
|------------------------|------------------|------------------------------|--------------|----------------|
| | CARE | Brickwork | ICRA | CRISIL |
| NCDs | CARE AAA; Stable | BWR AAA (Outlook: Stable) | - | - |
| IPDIs | CARE AA; Stable | BWR AA+ (Outlook: Stable) | - | - |
| Long-term bank loans | CARE AAA; Stable | - | - | - |
| Structured obligations | CARE AAA(SO) | - | ICRA AAA(SO) | CRISIL AAA(SO) |

These ratings indicate the highest or very strong degree of safety regarding timely servicing of financial obligations and allow us to access debt financing at competitive rates of interest. Any downgrade in our credit ratings may increase interest rates for refinancing our outstanding debt, which would increase our financing costs, and adversely affect our future issuances of debt and our ability to borrow on a competitive basis, which may adversely affect our business, results of operations and financial condition.

23. Our ability to raise foreign capital may be constrained by Indian law.

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted without onerous conditions, or at all. Limitations on raising foreign debt may have an adverse effect on our business, results of operations and financial condition.

24. Our investments are subject to market risk and our exposure to capital markets is subject to certain regulatory limits.

As part of our treasury management, we invest a portion of our public deposits in certain long-term fixed income securities in order to meet our SLR requirements. We also invest surplus funds out of our borrowings and operations in such securities. These securities include government securities, bonds carrying sovereign guarantee, bonds issued by state governments or public sector enterprises, debt mutual funds, fixed deposits with banks and other highly rated bonds. Our investment policy prescribes investment limits for each of these securities. Certain of these investments are unlisted, offering limited exit options. The value of these investments depends on several factors beyond our control, including the domestic and international economic and political scenario, inflationary expectations and the RBI's monetary policies. Any decline in the value of the investments may have an adversely effect on our business, financial condition and results of operations. Further, pursuant to the NHB Directions, we are not permitted to have an aggregate exposure to capital markets (both fund and non-fund based) in excess of 40.00% of our net worth as of the end of the previous financial year. Within the overall ceiling, direct investments in shares, convertible bonds or debentures, units of equity-oriented mutual funds and all exposures to venture capital funds should not exceed 20.00% of our net worth. Such restrictions may limit our investments or access to capital, which may have an adverse effect on our business, financial condition and results of operations.

25. We have contingent liabilities as at March 31, 2018 and our financial condition may be adversely affected if these contingent liabilities materialize.

The table below sets forth our contingent liabilities on a consolidated basis not provided for in our financial statements as at March 31, 2018:

| (₹ in lakh) | |
|--|-----------------------------|
| Particulars | Amount as at March 31, 2018 |
| Bank Guarantees | 10,730 |
| Claims against the Company not acknowledged as debts | 1,891 |

The contingent liabilities have arisen in the normal course of our business and are subject to the prudential norms as prescribed by the NHB. If any of the above contingent liabilities materialize, our financial condition may be adversely affected.

26. We are party to certain legal proceedings and any adverse outcome in these or other proceedings may adversely affect our business.

We are involved in several legal proceedings in the ordinary course of our business such as consumer disputes, debt-recovery proceedings, proceedings under the SARFAESI Act, income tax proceedings and civil disputes.

These proceedings are pending at different levels of adjudication before various courts, tribunals and appellate tribunals. A significant degree of judgment is required to assess our exposure in these proceedings and determine the appropriate level of provisions, if any. Although we expect that none of these legal proceedings, either individually or in the aggregate, will have a material adverse effect on us or our financial condition, there can be no assurance on the outcome of the legal proceedings or that the provisions we make will be adequate to cover all losses we may incur in such proceedings, or that our actual liability will be as reflected in any provision that we have made in connection with any such legal proceedings.

Although we intend to defend or appeal these proceedings, we will be required to devote management and financial resources in their defense or prosecution. If a significant number of these disputes are determined against our Company and if our Company is required to pay all or a portion of the disputed amounts or if we are unable to recover amounts for which we have filed recovery proceedings, there could be an adverse impact on our reputation, business, results of operations and financial condition.

27. We may not be able to renew or maintain our statutory and regulatory permits and approvals required to operate our business.

We require certain statutory and regulatory permits and approvals to operate our business. We have a license from the NHB, which requires us to comply with certain terms and conditions for us to continue our housing finance operations. In the event that we are unable to comply with any or all of these terms and conditions or seek waivers or extensions of time for complying with these terms and conditions, it is possible that the NHB may revoke this license or may place stringent restrictions on our operations. This may result in the interruption of all or some of our operations. Further, under certain of our contractual arrangements, we are required to obtain and hold all necessary and applicable approvals, registrations and licenses from authorities such as the SEBI, the IRDA, local government authorities, etc.

Failure by us to renew, maintain or obtain the required permits, licenses or approvals, including those set out above, may have a material adverse effect on our business, results of operations and cash flows.

28. Our business is dependent on relationships with our clients established through, amongst others, our branches. Closure of branches or loss of our key branch personnel may lead to damage to these relationships and a decline in our revenue and profits.

Our business is dependent on the key branch personnel who directly manage client relationships. We encourage dedicated branch personnel to service specific clients since we believe that this leads to long-term client relationships, a trust based business environment and, over time, better cross-selling opportunities. While no branch manager or operating group of managers contributes a meaningful percentage of our business, our business may suffer materially if a substantial number of branch managers either become ineffective or leave the Company.

29. Our business and operations significantly depend on senior management and key employees and may be adversely affected if we are unable to retain them.

Our business and operations largely depend on the continued services and performance of our senior management and other key employees. The need and competition for skilled senior management in our industry is intense, and we may not be able to retain our existing senior management or attract and retain new senior management in the future. The loss of the services of our senior members of our management team and key employees could seriously impair our ability to continue to manage and expand our business efficiently and adversely affect our business, results of operations and financial condition.

30. Our business and operations significantly depend on our Promoters and any change in control of our Company may correspondingly adversely affect our business, results of operations and financial condition.

Our principal shareholders, including our Promoters and Promoter Group, owned 39.23% of our issued share capital as at March 31, 2018. We rely on our Promoters for their know-how and experience in the housing finance industry. Further, our Promoters, Mr. Kapil Wadhawan and Mr. Dheeraj Wadhawan, have provided personal guarantees to the bank lenders for all of the Company's term loans and to the NHB for all of the Company's borrowings from the NHB. Pursuant to the refinancing arrangement, Mr. Kapil Wadhawan, Mr. Dheeraj Wadhawan, WGCL, Kyta Advisors Private Limited and Ms. Aruna Wadhawan have provided non-disposal undertakings to the NHB. WGCL has also provided Corporate Guarantee for the same.

There can be no assurance that our Promoters and Promoter Group will continue to provide such guarantees or undertakings in relation to our debt obligations in the future or that we will be in a position to maintain our current debt facilities or to otherwise obtain any additional debt facilities in the absence of such guarantees provided by our Promoters. A leave of our Promoters or any change of control of our Promoters could adversely affect our business, results of operations and financial condition.

31. Joint ventures and associate companies that are not wholly owned by us present risks that we would not otherwise face.

Our business and our strategy involve the use of joint ventures and associate companies in which we do not own 100%, including our joint ventures with Pramerica formed to provide life insurance products and to provide asset management products; and our participation in associate companies together with IFC, among other shareholders, which brings risks that we would not otherwise face. Our joint ventures and associate companies that are not wholly owned by us are generally less well-capitalized than we are. In addition, there are specific risks applicable to the failure to control activities of joint ventures and associate companies and these risks, in turn, add potential risks to us. Such risks include greater risk of joint venture partners or other investors failing to meet their obligations under related joint venture or other agreements, conflicts with joint venture partners/investors, the possibility of a joint venture partner/investors taking valuable knowledge from us and the inability of a joint venture/associate company to access the capital markets, which could lead to resource demands on us in order to maintain or advance our strategy.

On March 2, 2015, the Indian government increased the sectoral cap on foreign investment in the insurance sector from 26% to 49%. Subsequently, on August 11, 2016, Pramerica sought and obtained approval from the IRDA to increase its shareholding in DHFL Pramerica from 26% to 49% pursuant to the shareholder's agreement. On October 24, 2016, our promoters' entities transferred to Pramerica shares aggregating to 23% of the total share capital of DHFL Pramerica. During Fiscal 2017, we sold our entire stake in DHFL Pramerica, representing 50% of the paid up equity share capital of DHFL Pramerica, to our wholly owned subsidiary DIL. DIL raised funds from WGCL in the form of Compulsory Convertible Debentures in order to fund the aforementioned acquisition. Therefore, following such transaction and as of March 31, 2018, the percentage shareholding in DHFL Pramerica held by us (through our wholly owned subsidiary DIL), Pramerica and our promoters' entities amounted to 50%, 49% and 1% respectively. As per the IRDA Guidelines dated October 19, 2015, an insurance company is required to be Indian owned and controlled. Consequently, we have appointed directors to mitigate any adverse effect of any potential change of control in the event that our shareholding is diluted. However, there is no assurance that there will be no material adverse effect to the current joint venture and our ability to influence the decision-making of the joint venture should our shareholding be diluted. Further, in Fiscal 2015, we entered into a joint venture with PGLH of Delaware Inc. pursuant to which we acquired a 50% stake in each of DPAMPL and DPTPL.

Our business and our strategy with the use of joint ventures and associate companies are also restricted by the NHB Directions and other regulatory restrictions. For example, we are not able to hold more than 15% in other housing finance companies such as AHFL. Under the guidelines for entry of housing finance companies into the insurance business, we are permitted to hold only 50% in an insurance joint venture and such percentage can be increased only with NHB approval.

32. Our business is subject to operational risks, including fraud.

We are exposed to many types of operational risks, including the risk of fraud or other misconduct by employees or outsiders, unauthorized transactions by employees, inadequate training and operational errors, improperly documented transactions, failure of operational and information security procedures, computer systems, software or equipment. We attempt to mitigate operational risk by maintaining a comprehensive system of internal controls, establishing systems and procedures to monitor transactions, maintaining key back-up procedures, undertaking regular contingency planning and providing employees with continuous training. Although we carefully recruit all our employees, we have in the past been subject to the fraudulent acts committed by our employees or third parties. As a result, we have suffered monetary losses and may suffer further monetary losses, which may not be covered under our insurance and may thereby adversely affect our profitability and results of operations. Further, our reputation could be adversely affected by significant frauds committed by employees, customers or outsiders. Any failure to mitigate such risks could adversely affect our business and results of operations.

In order to prevent frauds in loan cases involving multiple lending from different banks or HFCs, the GoI has set up the CERSAI under Section 20 of the SARFAESI Act 2002 in order to create a central database of all mortgages

given by and to lending institutions. We are registered with CERSAI and we submit the relevant data to CERSAI from time to time and also comply with the quarterly fraud reporting requirement of NHB in accordance with its circular bearing Circular No. NHB(ND)/HFC(P&D)/2391/2003 dated September 23, 2003. We also appoint a number of providers of credit verification and investigation services to obtain information on the credit worthiness of our prospective customers. However, there can be no assurance that these measures will be effective in preventing frauds.

We seek to protect our computer systems and network infrastructure from physical break-ins as well as fraud and system failures. Computer break-ins and power and communication disruptions could affect the security of information stored in and transmitted through our computer systems and network infrastructure. We employ security systems, including firewalls and password encryption, designed to minimize the risk of security breaches. Although we intend to continue to implement security technology and establish operational procedures to prevent fraud, break-ins, damage and failures, there can be no assurance that these security measures will be adequate. A significant failure of security measures or operational procedures could have a material adverse effect on our business and our future financial performance. Further, we may need to regularly upgrade our technology systems, at substantial cost, to increase efficiency and remain competitive. There can be no assurance that such technology upgrades will be successful and that we will recover the cost of our investments.

Although since March 31, 2014, we have initiated the exercise to convert all loan documentation into electronic files, we continue to maintain all loan documentation, including original security documents, in physical custody using third party services for storage. Loss of the original documents could impede enforcement of our security interest and expose us to liability towards our customers.

33. Our business is highly dependent on information technology. A failure, inadequacy or security breach in our information technology and telecommunication systems or an inability to adapt to rapid technological changes may adversely affect our business, results of operation and financial condition.

Our ability to operate and remain competitive depends in part on our ability to maintain and upgrade our information technology systems and infrastructure on a timely and cost-effective basis, including our ability to process a large number of transactions on a daily basis. Our operations also rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks. Our financial, accounting or other data processing systems and management information systems or our corporate website may fail to operate adequately or become disabled as a result of events that may be beyond our control, including a disruption of electrical or communications services. Further, our computer systems, software and networks may be vulnerable to unauthorized access, computer viruses or other attacks that may compromise data integrity and security and result in client information or identity theft, for which we may potentially be liable. Further, the information available to and received by our management through our existing systems may not be timely and sufficient to manage risks or to plan for and respond to changes in market conditions and other developments in our operations. If any of these systems are disabled or if there are other shortcomings or failures in our internal processes or systems, it may disrupt our business or impact our operational efficiencies and render us liable to regulatory intervention or damage to our reputation. The occurrence of any such events may adversely affect our business, results of operations and financial condition.

We have recently introduced a new program to support our growth, improve operational efficiency and optimize costs through the use of technology. This program is expected to establish a scalable and flexible technology landscape, align it with the Company's evolving business needs, improve customer centricity and bring the Company's technology platform to a new level. We are dependent on various external vendors for the implementation of the program and certain other elements of our operations, including implementing information technology infrastructure and hardware, industry standard commercial off-the-shelf products, branch roll-outs, networking, managing our data-center and back-up support for disaster recovery. We are, therefore, exposed to the risk that external vendors or service providers may be unable to fulfill their contractual obligations to us (or will be subject to the risk of fraud or operational errors by their respective employees) and the risk that their (or their vendors') business continuity and data security systems prove to be inadequate or fail to perform. Failure to perform any of these functions by our external vendors or service providers could materially and adversely affect our business, results of operations and cash flows.

In addition, the future success of our business will depend in part on our ability to respond to technological advances and to emerging banking industry standards and practices on a cost-effective and timely basis. The development and implementation of such technology entail significant technical and business risks. There can be no assurance that we will successfully implement new technologies effectively or adapt our technology and

systems to meet customer requirements or emerging industry standards. If we are unable, for technical, legal, financial or other reasons, to adapt in a timely manner to changing market conditions, customer requirements or technological changes, our financial condition could be adversely affected. Any technical failures associated with our information technology systems or network infrastructure, including those caused by power failures and breaches in security caused by computer viruses and other unauthorized tampering, may cause interruptions or delays in our ability to provide services to our customers on a timely basis or at all, and may also result in added costs to address such system failures and/or security breaches, and for information retrieval and verification.

34. We depend on the accuracy and completeness of information provided by our potential borrowers. Our reliance on any misleading information given by potential borrowers may affect our judgment of credit worthiness of potential borrowers, and the value of and title to the collateral, which may affect our business, results of operations and financial condition.

In deciding whether to extend credit or enter into other transactions with potential borrowers, we rely on information furnished to us by potential borrowers, and analysis of the information by independent valuers and advocates. To further verify the information provided by potential borrowers, we conduct searches on CIBIL for creditworthiness of our borrowers. We also verify information with registrar and sub-registrar of assurances for encumbrances on collateral. We follow the KYC guidelines as prescribed by the NHB on the potential borrower, verify the place of business or place of employment as applicable to the potential borrower and also verify the details with the caution list of the NHB as circulated from time to time. Such information includes representations with respect to the accuracy and completeness of information relating to the financial condition of potential borrowers, and independent valuation reports and title reports with respect to the property secured. We have framed our policies to prevent frauds in accordance with the KYC guidelines issued by NHB dated October 11, 2010 mandating the policies of HFCs to have certain key elements, including, inter-alia, a customer acceptance policy, customer identification procedures, monitoring of transactions and risk management. Further, our Company has a well-established and streamlined credit appraisal process. We cannot assure you that information furnished to us by potential borrowers and analysis of the information by independent valuers or the independent searches conducted by us with CIBIL and NHB will be accurate, and our reliance on such information given by potential borrowers may affect our judgment of the credit worthiness of potential borrowers, and the value of and title to the collateral, which may affect our business, results of operations and financial condition.

35. Our insurance coverage may not adequately protect us against losses, and successful claims that exceed our insurance coverage could harm our results of operations and diminish our financial position.

We maintain insurance coverage of the type and in the amounts that we believe are commensurate with our operations. Our insurance policies, however, may not provide adequate coverage in certain circumstances and may be subject to certain deductibles, exclusions and limits on coverage. In addition, there are various types of risks and losses for which we do not maintain insurance because they are either uninsurable or because insurance is not available to us on acceptable terms. A successful assertion of one or more large claims against us that exceeds our available insurance coverage or results in changes in our insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect our business, results of operations and financial condition.

36. We are yet to receive certain registrations in connection with the protection of our trademarks. Failure to protect our intellectual property rights could adversely affect our competitive position, business, financial condition and profitability.

We have applied for certain registrations in connection with the protection of our trademarks, which are currently pending. The registration of any intellectual property right is a time-consuming process, and there can be no assurance that any such registration will be granted. Unless our trademarks are registered, we may only get passing off relief, in case of infringement of our Trademarks, which could materially and adversely affect our brand image, goodwill and business.

37. We depend on third party selling agents for referral of a certain portion of our customers, who do not work exclusively for us.

We depend on external direct selling agents (DSAs), who are typically proprietorships and self-employed professionals, to source a portion of its customers. Such DSAs pass on leads of any loan requirements of these small businesses to our Company. Our Company's agreements with such DSAs typically do not provide for any

exclusivity, and accordingly, such DSAs can work with other lenders, including our Company's competitors. There can be no assurance that our Company's DSAs will continue to drive a significant number of leads to our Company, and not to its competitors, or at all.

38. *We have not entered into formal license agreements with certain of our associate companies with respect to the use of our registered trademarks. Any misuse of our logo and other registered trademarks may have an adverse effect on our reputation and goodwill, business and results of operations.*

Certain of our associate companies are currently using our registered trademarks without any written license agreements with our Company. As a result, in the event of any misuse of our registered trademarks by any other party, we may not have any contractual right to prevent the use of our name or variations thereof, nor ensure that we will continue to have a right to use it. We further cannot assure you that our goodwill in such name or logo will not be diluted or harmed by misuse of our name or logo, which could have a material adverse effect on our reputation, goodwill, business, results of operations and financial condition.

39. *Public companies in India, including us, may be required to prepare financial statements under Ind-AS. The transition to Ind-AS in India is still unclear and we may be adversely affected by this transition.*

The MCA modified the "Companies (Indian Accounting Standards) Rules, 2015" on February 16, 2015 ("IAS Rules"). The IAS Rules provide that the financial statements of the companies to which they apply (as more specifically described below) shall be prepared and audited in accordance with Ind-AS. Under the IAS Rules, any company may voluntarily implement Ind-AS for the accounting period beginning from April 1, 2015. Further, the IAS Rules prescribe that any company having a net worth of more than ₹ 50,000 lakh, and any holding company, subsidiary, joint venture or an associate company of such company, would have to mandatorily adopt Ind-AS for the accounting period beginning from April 1, 2016 with comparatives for the period ending March 31, 2016. These IAS Rules were initially not applicable to banking companies, insurance companies and NBFCs/ HFCs. However, MCA published its press release dated January 18, 2016 and laid down the road map for implementation of Ind-AS for scheduled commercial banks, insurance companies and NBFCs/ HFCs (with net worth of ₹ 50,000 lakh or more) from April 1, 2018 onwards.

On January 19, 2016, we submitted a request to the National Housing Bank seeking their clarification on whether Housing Finance Companies, are exempted from the applicability of Ind-AS for fiscal 2016-17. However, there is a possibility that the applicability of such rules may change, and we may not be able to ascertain the impact of such rules on the Company's financial reporting. There can be no assurance that the Company's financial condition, results of operations, cash flows or changes in shareholders' equity will not appear materially worse under Ind-AS than under Indian GAAP. In the Company's transition to Ind-AS reporting, our Company may encounter difficulties in the ongoing process of implementing and enhancing its management information systems. Moreover, there is increasing competition for the small number of Ind-AS experienced accounting personnel available as more Indian companies begin to prepare Ind-AS financial statements. Further, there is no significant body of established practice on which to draw in forming judgments regarding the new system's implementation and application. There can be no assurance that our Company's adoption of Ind-AS will not adversely affect its reported results of operations or financial condition and any failure to successfully adopt Ind-AS could adversely affect our Company's business, results of operations and financial condition.

40. *Our registered office and certain of our branch offices are not owned by us.*

Our registered office is not owned by us. In addition, we do not own most of the offices from which our branches conduct our operations. All such non-owned properties are leased or licensed to us. If the owners of these properties do not renew the agreements under which we occupy the premises or only agree to renew such agreements on terms and conditions that are unacceptable to us, or if the owners of such premises withdraw their consent to our occupancy, our operations may suffer a disruption. We may be unable to locate suitable alternate facilities on favorable terms, or at all, and this may have a material adverse effect on our business, results of operations and financial condition.

41. *We have entered into a number of related party transactions and may continue to enter into related party transactions, which may involve conflicts of interest.*

We have entered into a number of related party transactions, within the meaning of AS-18. Such transactions may give rise to current or potential conflicts of interest with respect to dealings between us and such related parties. Additionally, there can be no assurance that any dispute that may arise between us and related parties will be resolved

in our favor. For details of the related party transactions, please refer to the chapter “*Financial Statements*” on page 121.

42. We may not be able to detect money-laundering and other illegal or improper activities fully or on a timely basis, which could expose us to additional liability and harm our business or reputation.

We are required to comply with applicable anti-money-laundering and anti-terrorism laws and other regulations in India. We, in the course of our operations, run the risk of failing to comply with the prescribed KYC procedures and the consequent risk of fraud and money laundering by dishonest customers despite putting in place systems and controls to prevent the occurrence of these risks as is customary in our jurisdiction. We in certain of our activities and in our pursuit of business, run the risk of inadvertently offering our financial products and services ignoring customer suitability and appropriateness despite having a Board-approved Know Your Customer and Anti-Money Laundering measures and associated processes in place. Such incidents may adversely affect our business and our reputation.

43. A substantial portion of our loans have a tenor exceeding one year, which may expose us to risks associated with economic cycles.

As of March 31, 2018, a substantial portion of our loans advanced to customers had tenors exceeding one year. The long tenor of these loans may expose us to risks arising out of economic cycles. In addition, some of these loans are project finance loans and there can be no assurance that these projects will perform as anticipated or that such projects will be able to generate sufficient cash flows to service commitments under the advances. We are also exposed to residential projects that are still under development and are open to risks arising out of delay in execution, such as delay in execution on time, delay in getting approvals from necessary authorities and breach of contractual obligations by counterparties, all of which may adversely impact our cash flows. There can also be no assurance that these projects, once completed, will perform as anticipated. Risks arising out of a recession in the economy, a delay in project implementation or commissioning could lead to a rise in delinquency rates and in turn, may materially and adversely affect our business, financial condition and results of operations.

44. We are exposed to fluctuations in foreign exchange rates.

We have external commercial borrowings in the form of foreign currencies. We undertake various foreign exchange transactions to hedge the various risks we are exposed to including but not limited to credit risk, market risk and exchange risk. Volatility in foreign exchange rates could adversely affect our future financial performance and the market price of the NCDs. Although we have adopted certain market risk management policies to mitigate such risks, there is no assurance that such measure will be fully effective in mitigating such risks.

External Risks

45. Any slowdown in economic growth in India may adversely affect our business, results of operations and financial condition.

Our financial performance and the quality and growth of our business depend significantly on the health of the overall Indian economy, the gross domestic product growth rate and the economic cycle in India. A substantial portion of our assets and employees are located in India, and we intend to continue to develop and expand our facilities in India.

Our performance and the growth of our business depends on the performance of the Indian economy and the economies of the regional markets we currently serve. These economies could be adversely affected by various factors, such as political and regulatory changes including adverse changes in liberalization policies, social disturbances, religious or communal tensions, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. Any slowdown in these economies could adversely affect the ability of our customers to afford our services, which in turn would adversely affect our business, results of operations and financial condition.

46. The Indian housing finance industry is competitive and increasing competition may result in declining margins if we are unable to compete effectively.

Historically, the housing finance industry in India was dominated by HFCs. We now face increasing competition from commercial banks. Interest rate deregulation and other liberalization measures affecting the housing finance industry, together with increased demand for home finance, have increased our exposure to competition. Our ability

to compete effectively with commercial banks and other HFCs will depend, to some extent, on our ability to raise low-cost funding in the future. If we are unable to compete effectively with other participants in the housing finance industry, our business, results of operations and financial condition may be adversely affected.

Furthermore, as a result of increased competition in the housing finance industry, home loans are becoming increasingly standardized and terms such as floating rate interest options, lower processing fees and monthly rest periods are becoming increasingly common in the housing finance industry in India. There can be no assurance that the Company will be able to react effectively to these or other market developments or compete effectively with new and existing players in the increasingly competitive housing finance industry. Increasing competition may have an adverse effect on our net interest margin and other income, and, if we are unable to compete successfully, our market share may decline as the origination of new loans declines.

47. The growth rate of India's housing finance industry may not be sustainable.

We expect the housing finance industry in India to continue to grow as a result of anticipated growth in India's economy, increases in household income, further social welfare reforms and demographic changes. However, it is not clear how certain trends and events, such as the pace of India's economic growth, the development of domestic capital markets and the ongoing reform will affect India's housing finance industry. In addition, there can be no assurance that the housing finance industry in India is free from systemic risks. Consequently, there can be no assurance that the growth and development of India's housing finance industry will be sustainable.

48. If inflation were to rise significantly in India, we might not be able to increase the prices of our products at a proportional rate in order to pass costs on to our customers and our profits might decline.

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. According to the Monthly Economic Report for February 2018 prepared by the Department of Economic Affairs, Ministry of Finance, GoI, the year-on-year inflation in terms of the CPI (NS-Combined) was 4.4 % for the month of February 2018 as compared to 3.7% in February 2017. The RBI's Monetary Policy Statement released in April 2018 stated that CPI inflation is expected to pick up from 4.4% in February 2018 to 5.1% in Q1 - Fiscal 2019 and then moderate to 4.7% in Q2 - Fiscal 2019 and 4.4% in Q3 and Q4 - Fiscal 2019. The main risks to the outlook are uncertainties such as crude and other commodity prices, increase in house rent allowance (including by state governments), proposed revision to the minimum selling price for Kharif crops and fiscal slippages at both central and state levels, according to the RBI.

In the event of increasing inflation in India, our costs, such as operating expenses, may increase, which could have an adverse effect on our business, results of operations and financial condition.

49. Our business and activities may be affected by the recent amendments to the Companies Act, 2013.

The Companies (Amendment) Act, 2017 (the "Amendment Act") (post approval of both houses of the Parliament of India) received the assent of the President of India on January 3, 2018. The provisions of the Amendment Act, which proposes to introduce significant changes to the Companies Act, 2013, shall come into force on such date as notified by the Central Government. While, certain provisions of the Amendment Act have been notified, the remaining provisions are yet to be notified and may be notified and brought into force by the Central Government in the future. The provisions of the Amendment Act may have an adverse impact on the business and activities of our Company. However, at this juncture it is unclear as to how the provisions of the Amendment Act would be implemented and hence, we cannot ascertain the impact the Amendment Act could have on our business and activities.

50. Our business and activities may be affected by the amendments to the competition law in India.

The Competition Act, 2002 was enacted for the purpose of preventing practices having an adverse effect on competition in India and has mandated the CCI to separate such practices. Under the Competition Act, any arrangement, understanding or action whether or not formal or informal which causes or is likely to cause an appreciable adverse effect on competition is void and attracts substantial penalties. Further, any agreement among competitors which directly or indirectly involves determination of purchase or sale prices, limits or controls production, or shares the market by way of geographical area or number of customers in the relevant market is presumed to have an appreciable adverse effect on competition in the relevant market in India and shall be void. The Competition Act also prohibits abuse of dominant position by any enterprise. If it is proved that the

contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be deemed guilty of the contravention and liable to be punished.

On March 4, 2011, the Government of India notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. The combination regulation provisions require that acquisition of shares, voting rights, assets or control or mergers or amalgamations which cross the prescribed asset and turnover based thresholds shall be mandatorily notified to and pre-approved by the CCI. In addition, on May 11, 2011, the CCI issued the final Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 which sets out the mechanism for implementation of the combination regulation provisions under the Competition Act. It is unclear as to how the Competition Act and the CCI will affect the business environment in India. The Company has in the past paid a penalty of ₹ 10 lakh to the CCI for a delay in the submission of a notice to the CCI with respect to the amalgamation of First Blue and DHFL Holdings Private Limited with our Company.

If we are adversely impacted, directly or indirectly, by any provision of the Competition Act, or its application or interpretation, generally or specifically in relation to any merger, amalgamation or acquisition proposed by us, or any enforcement proceedings initiated by the CCI, either on its own or pursuant to any complaint, for alleged violation of any provisions of the Competition Act, it may have a material adverse effect on our business, results of operations and financial condition.

51. Companies operating in India are subject to a variety of central and state government taxes and surcharges. Any increase in tax rates could adversely affect our business and results of operations.

Tax and other levies including Stamp duty imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, goods and service tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. The statutory corporate income tax in India, which includes a surcharge on the tax and an education cess on the tax and the surcharge, is currently 34.6%. The central or state government may in the future increase the corporate income tax it imposes. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could adversely affect our business and results of operations.

There can be no assurance that our Company will pay adequate stamp duty as levied in all states where our Company functions or pay any stamp duty altogether, which may result in additional duty being levied on our Company and our Company getting exposed to statutory liabilities, which may have an adverse impact on our financial position and our reputation.

52. We may have to comply with stricter regulations and guidelines issued by regulatory authorities in India, including the NHB.

We are regulated principally by and have reporting obligations to the NHB. We are also subject to the corporate, taxation and other laws in effect in India. The regulatory and legal framework governing us differs in certain material respects from that in effect in other countries and may continue to change as India's economy and commercial and financial markets evolve. In recent years, existing rules and regulations have been modified, new rules and regulations have been enacted and reforms have been implemented which are intended to provide tighter control and more transparency in India's housing finance sector.

53. Borrowing for the purchase or construction of property may not continue to offer borrowers the same fiscal benefits it currently offers, and the housing sector may not continue to be regarded as a priority sector by the GoI.

The rapid growth in the housing finance industry in India in the last decade is in part due to the introduction of fiscal benefits for homeowners. Since the early 1990s, interest and principal repayments on capital borrowed for the purchase or construction of housing have been tax deductible up to certain limits and tax rebates have been available for borrowers of such capital up to specified income levels. There can be no assurance that the GoI will continue to offer such tax benefits to borrowers at the current levels or at all. In addition, there can be no assurance that the GoI will not introduce tax efficient investment options which are more attractive to borrowers than property investment. The demand for housing and/or housing finance may

be reduced if any of these changes occur.

54. Civil unrest, acts of violence, including terrorism or war involving India and other countries, could materially and adversely affect the financial markets and our business.

Civil unrest, acts of violence, including terrorism or war, may negatively affect the Indian stock markets and also materially and adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, make travel and other services more difficult and ultimately materially and adversely affect our business. Although the governments of India and neighboring countries have recently been engaged in conciliatory efforts, any deterioration in relations between India and neighboring countries might result in investor concern about stability in the region, which could materially and adversely affect our business, results of operations and financial condition.

55. Financial difficulty and other problems in certain financial institutions in India could adversely affect our business, results of operations and financial condition.

As an HFC, we are exposed to the risks of the Indian financial system which may be affected by the financial difficulties faced by certain Indian financial institutions because the commercial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships. This risk, which is sometimes referred to as “systemic risk”, may adversely affect financial intermediaries, such as clearing agencies, banks, securities firms and exchanges with whom we interact on a daily basis. Any such difficulties or instability of the Indian financial system in general could create an adverse market perception about Indian financial institutions and banks and adversely affect our business, results of operations and financial condition. As the Indian financial system operates within an emerging market, it faces risks of a nature and extent not typically faced in more developed economies, including the risk of deposit runs notwithstanding the existence of a national deposit insurance scheme.

56. Any downgrading of India’s debt rating by an international rating agency could adversely affect our business, results of operations and financial condition.

In November 2017, Moody’s Investor Service upgraded the Indian Sovereign Rating from Baa3 (stable) to Baa2 (positive). The rating upgrade by Moody’s was the first in 14 years.

In 2017, Standard & Poor’s retained Indian’s sovereign rating with a stable outlook. While both Moody’s and Standard & Poor’s have taken a favourable view of the economic growth, Government reforms including fiscal consolidation, yet Standard & Poor’s has also highlighted that the ratings were constrained by fiscal deficit, high government debt and low wealth levels with GDP per capital estimated to be US\$ 2,000 in 2017.

Any adverse revisions to India’s credit ratings for domestic and international debt by international rating agencies may adversely affect our business, results of operations and financial condition.

57. Natural disasters and other disruptions could adversely affect the Indian economy and could adversely affect our business, results of operations and financial condition.

Our operations, including our branch network, may be damaged or disrupted as a result of natural disasters such as earthquakes, floods, heavy rainfall, epidemics, tsunamis and cyclones and other events such as protests, riots and labor unrest. Such events may lead to the disruption of information systems and telecommunication services for sustained periods. They also may make it difficult or impossible for employees to reach our business locations. Damage or destruction that interrupts our provision of services could adversely affect our reputation, our relationships with our customers, our senior management team’s ability to administer and supervise our business or it may cause us to incur substantial additional expenditure to repair or replace damaged equipment or rebuild parts of our branch network. Any of the above factors may adversely affect our business, results of operations and financial condition.

Risks pertaining to this Issue

58. If we do not generate adequate profits, we may not be able to maintain an adequate DRR for the NCDs issued pursuant to this Draft Shelf Prospectus, which may have a bearing on the timely redemption of the NCDs by our Company.

Regulation 16 of the SEBI Debt Regulations and Section 71 of the Companies Act 2013 states that any company that intends to issue debentures must create a Debenture Redemption Reserve out of the profits of the company available for payment of dividend until the redemption of the debentures. Further, the Companies (Share Capital and Debentures) Rules, 2014, as amended, states that the Company shall create Debenture Redemption Reserve and 'the adequacy' of DRR will be 25% of the value of the debentures outstanding as on the date, issued through public issue as per present SEBI Debt regulations. Accordingly, if we are unable to generate adequate profits, the DRR created by us may not be adequate to meet the 25% of the value of the debentures outstanding as on the date. Further, every company required to create Debenture Redemption Reserve shall on or before the 30th day of April in each year, invest or deposit, as the case may be, a sum which shall not be less than fifteen percent, of the amount of its debentures maturing during the year ending on the 31st day of March of the next year, in any one or more of the following methods, namely:(i) in deposits with any scheduled bank, free from any charge or lien;(ii) in unencumbered securities of the Central Government or of any State Government; (iii) in unencumbered securities mentioned in sub-clauses (a) to (d) and (ee) of Section 20 of the Indian Trusts Act, 1882; (iv) in unencumbered bonds issued by any other company which is notified under sub-clause (f) of Section 20 of the Indian Trusts Act, 1882; (v) the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year referred above provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below fifteen percent of the amount of the debentures maturing during the year ending on the 31st day of March of that year. If we do not generate adequate profits, we may not be able to maintain an adequate DRR for the NCDs issued pursuant to this Draft Shelf Prospectus, which may have a bearing on the timely redemption of the NCDs by our Company.

59. *Changes in interest rates may affect the price of our NCDs.*

All securities where a fixed rate of interest is offered, such as our NCDs, are subject to price risk issue. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities tend to fall and when interest rates drop, the prices tend to increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the price of our NCDs.

60. *You may not be able to recover, on a timely basis or at all, the full value of the outstanding amounts and/or the interest accrued thereon in connection with the NCDs.*

Our ability to pay interest accrued on the NCDs and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors inter-alia including our financial condition, profitability and the general economic conditions in India and in the global financial markets. We cannot assure you that we would be able to repay the principal amount outstanding from time to time on the NCDs and/or the interest accrued thereon in a timely manner or at all. Although our Company will create appropriate security in favour of the Debenture Trustee for the NCD holders on the assets adequate to ensure minimum 100.00% asset cover for the NCDs, which shall be free from any encumbrances, the realisable value of the assets charged as security, when liquidated, may be lower than the outstanding principal and/or interest accrued thereon in connection with the NCDs. A failure or delay to recover the expected value from a sale or disposition of the assets charged as security in connection with the NCDs could expose you to a potential loss.

61. *There is no assurance that the NCDs issued pursuant to this Issue will be listed on Stock Exchanges in a timely manner, or at all.*

In accordance with Indian law and practice, permissions for listing and trading of the NCDs issued pursuant to this Issue will not be granted until after the NCDs have been issued and Allotted. Approval for listing and trading will require all relevant documents to be submitted and carrying out of necessary procedures with the Stock Exchanges. There could be a failure or delay in listing the NCDs on the Stock Exchanges for reasons unforeseen. If permission to deal in and for an official quotation of the NCDs is not granted by the Stock Exchanges, our Company will forthwith repay, without interest, all monies received from the Applicants in accordance with prevailing law in this context, and pursuant to this Draft Shelf Prospectus.

There is no assurance that the NCDs issued pursuant to this Issue will be listed on Stock Exchanges in a timely manner, or at all.

62. *Our Company may raise further borrowings and charge its assets after receipt of necessary consents from*

its existing lenders.

Our Company may, subject to receipt of all necessary consents from its existing lenders and the Debenture Trustee to the Issue, raise further borrowings and charge its assets. Our Company is free to decide the nature of security that may be provided for future borrowings. In such a scenario, the NCD holders will rank pari passu with other charge holder and to that extent, may reduce the amounts recoverable by the NCD holders upon our Company's bankruptcy, winding-up or liquidation.

63. *Payments to be made on the NCDs will be subordinated to certain tax and other liabilities preferred by law. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts due on the NCDs.*

The NCDs will be subordinated to certain liabilities preferred by law such as the claims of the Government on account of taxes, and certain liabilities incurred in the ordinary course of our business. In particular, in the event of bankruptcy, liquidation or winding-up, our Company's assets will be available to pay obligations on the NCDs only after all of those liabilities that rank senior to these NCDs have been paid as per Section 327 of the Companies Act, 2013. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts due on the NCDs.

64. *You may be subject to taxes arising on the sale of the NCDs.*

Sales of NCDs by any holder may give rise to tax liability, as discussed in section titled '*Statement of Tax Benefits*' on page 47.

65. *There may be no active market for the non-convertible debentures on the WDM segment of the stock exchange. As a result, the liquidity and market prices of the non-convertible debentures may fail to develop and may accordingly be adversely affected.*

There can be no assurance that an active market for the NCDs will develop. If an active market for the NCDs fails to develop or be sustained, the liquidity and market prices of the NCDs may be adversely affected. The market price of the NCDs would depend on various factors inter alia including (i) the interest rate on similar securities available in the market and the general interest rate scenario in the country; (ii) the market for listed debt securities; (iii) general economic conditions; and (iv) our financial performance, growth prospects and results of operations. The aforementioned factors may adversely affect the liquidity and market price of the NCDs, which may trade at a discount to the price at which you purchase the NCDs and/or be relatively illiquid.

66. *The fund requirement and deployment mentioned in the Objects of the Issue have not been appraised by any bank or financial institution*

We intend to use the proceeds of the Issue, after meeting the expenditures of and related to the Issue, for the purpose of onward lending, financing, and for repayment of interest and principal of existing borrowings of the Company. For further details, see the section titled "*Objects of the Issue*". The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. The management will have significant flexibility in applying the proceeds received by us from the Issue. Further, as per the provisions of the Debt Regulations, we are not required to appoint a monitoring agency and therefore no monitoring agency has been appointed for the Issue.

67. *There may be a delay in making refund to Applicants.*

We cannot assure you that the monies refundable to you, on account of (i) withdrawal of your applications, (ii) our failure to receive minimum subscription in connection with the Base Issue, (ii) withdrawal of the Issue, or (iii) failure to obtain the final approval from the Stock Exchanges for listing of the NCDs, will be refunded to you in a timely manner. We however, shall refund such monies, with the interest due and payable thereon as prescribed under applicable statutory and/or regulatory provisions.

SECTION III-INTRODUCTION

GENERAL INFORMATION

Our Company was incorporated on April 11, 1984, as Dewan Housing Finance & Leasing Company Limited as a public limited company under the provisions of the Companies Act, 1956, as amended and was granted a certificate of incorporation by the RoC. The name was subsequently changed to “Dewan Housing Development Finance Limited” on September 26, 1984 and later to Dewan Housing Finance Corporation Limited on August 25, 1992.

Registered Office

Warden House, 2nd Floor
Sir P.M. Road, Fort
Mumbai – 400 001
Maharashtra, India.
Tel: +91 22 6106 6800
Fax: +91 22 2287 1985
Email: response@dhfl.com
Website: www.dhfl.com

Corporate Office

10th Floor, TCG Financial Centre
BKC Road, Bandra Kurla Complex
Bandra (East)
Mumbai – 400 098
Maharashtra, India.
Tel: +91 22 6600 6999
Fax: +91 22 6600 6998
Email: response@dhfl.com
Website: www.dhfl.com

Registration no.: 032639

Corporate Identification Number: L65910MH1984PLC032639.

We received a certificate of registration from the NHB to carry on the business of a housing finance institution in 1999 and subsequently renewed it in 2001. We are also licensed to act a Corporate Agent (Composite) by the IRDA.

Chief Financial Officer:

Mr. Santosh R Sharma
DHFL House, 3-7th Floor, 19 Sahar Road
Off Western Express Highway
Vile Parle (East)
Mumbai – 400 099
Maharashtra, India
Tel: +91 22 7158 3333
Fax: +91 22 7158 3344
Email: santosh.sharma@dhfl.com

Compliance Officer and Company Secretary

The details of the person appointed to act as Compliance Officer for the purposes of this Issue are set out below:

Ms. Niti Arya
Company Secretary & Compliance Officer
DHFL House, 19 Sahar Road



Off Western Express Highway
Vile Parle (East)
Mumbai – 400 099
Maharashtra, India.
Tel: +91 22 7158 3333
Fax: +91 22 7158 3344
Email: secretarial@dhfl.com

Investors may contact the Registrar to the Issue or the Compliance Officer in case of any pre-issue or post Issue related issues such as non-receipt of Allotment Advice, demat credit, refund orders, non-receipt of Debenture Certificates, transfers, or interest on application money etc.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, number of NCDs applied for, amount paid on application, Depository Participant and the collection centre of the Members of the Consortium where the Application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB, giving full details such as name, address of Applicant, Application Form number, number of NCDs applied for, amount blocked on Application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA Applicant.

All grievances arising out of Applications for the NCDs made through the Online Stock Exchanges Mechanism or through Trading Members may be addressed directly to the respective Stock Exchanges

Lead Managers

Edelweiss Financial Services Limited

Edelweiss House
Off CST Road, Kalina
Mumbai – 400 098
Maharashtra, India.
Tel: +91 22 4086 3535
Fax: +91 22 4086 3610
Email: dhfl.ncd@edelweissfin.com
Investor Grievance Email:
customerservice.mb@edelweissfin.com
Website: www.edelweissfin.com
Contact Person: Mr. Mandeep Singh/Mr. Lokesh Singhi
Compliance Officer: Mr. B. Renganathan
SEBI Regn. No.: INM0000010650

Axis Bank Limited

Axis House, 8th Floor
C-2 Wadia International Centre
P.B. Marg, Worli
Mumbai – 400 025
Maharashtra, India
Tel: +91 22 2425 3803
Fax: +91 22 2425 3800
E-mail: dhfljune2018@axisbank.com
Investor Grievance e-mail:
sharad.sawant@axisbank.com
Website: www.axisbank.com
Contact Person: Mr Vikas Shinde
Compliance officer: Mr Sharad Sawant
SEBI Regn. No.: INM000006104

ICICI Bank Limited

ICICI Bank Towers
Bandra Kurla Complex, Bandra East

A. K. Capital Services Limited

30-39, Free Press House, 3rd Floor, Free Press
Journal Marg, 215, Nariman Point
Mumbai – 400 021
Maharashtra, India.
Tel: +91 22 6754 6500
Fax: +91 22 6610 0594
E-mail: dhflncd2018@akgroup.co.in
Investor Grievance e-mail:
investor.grievance@akgroup.co.in
Website: www.akgroup.co.in
Contact Person: Mr. Malay Shah / Mr. Krish
Sanghvi

Compliance officer: Mr. Tejas Davda

SEBI Regn. No.: INM000010411

Green Bridge Capital Advisory Private Limited

519-520, The Summit Business Bay, Behind
Gurunanak Petrol Pump, Andheri Kurla Road
Andheri (East), Mumbai – 400 093
Maharashtra, India

Tel: +91 22 4928 9600

Fax: +91 22 4928 9650

E-mail: prashant.chaturvedi@greenbridge.in

Investor Grievance e-mail:

investor.complaints@greenbridge.in

Website: NA

Contact Person: Prashant Chaturvedi

Compliance officer: Chirag Chaturvedi

SEBI Regn. No.: INM000012430

CIN: U74999MH2015PTC269866

ICICI Securities Limited

ICICI Centre, H.T. Parekh Marg
Churchgate

Mumbai – 400 051
Maharashtra, India
Tel: +91 22 4008 6757
Fax: +91 22 2653 1089
E-mail: rohan.pillai@icicibank.com
Investor Grievance e-mail:
merchantbanking@icicibank.com
Website: www.icicibank.com
Contact Person: Mr. Ritesh Tatiya/ Mr. Sanket Jain/ Mr.
Rohan Pillai
Compliance officer: Ms. Shanthi Venkatesan
SEBI Regn. No: INM000010759

IndusInd Bank Limited

11th Floor, Tower 1, One Indiabulls Centre
841, Senapati Bapat Marg, Elphinstone Road
Mumbai – 400 013
Maharashtra, India
Tel: +91 22 7143 2208
Fax: +91 22 7143 2270
E-mail: joshi.rahul@indusind.com
Investor Grievance e-mail:
investmentbanking@indusind.com
Website: www.indusind.com
Contact Person: Mr Rahul Joshi
Compliance officer: Mr Rahul Joshi
SEBI Regn. No: INM000005031

SBI Capital Markets Limited

202, Maker Tower 'E', Cuffe Parade
Mumbai – 400 005
Maharashtra, India
Tel: +91 22 2217 8300
Fax: +91 22 2218 8332
E-mail: dhflncd2018@sbicaps.com
Investor Grievance e-mail:
investor.relations@sbicaps.com
Website: www.sbicaps.com
Contact Person: Mr. Sanjay Sethia
Compliance officer: Mr. Bhaskar Chakraborty
SEBI Regn. No: INM000003531

YES Securities (India) Limited

IFC, Tower 1 & 2, Unit no. 602 A
6th Floor, Senapati Bapat Marg
Elphinstone Road
Mumbai – 400 013
Maharashtra, India
Tel: +91 22 7100 9829
Fax: +91 22 2421 4508
E-mail: dhflncd2018@yesscuritiesltd.in
Investor Grievance e-mail: igc@yesscuritiesltd.in
Website: www.yesinvest.in
Contact Person: Mr Mukesh Garg
Compliance Officer: Dr. Dhanraj Uchil
SEBI Regn. No: MB/INM000012227

Consortium Members

As specified in relevant Tranche Prospectus.

Mumbai- 400 020,
Maharashtra, India
Tel: +91 22 2288 2460
Fax: +91 22 2282 6580
Email: dhfl.ncd@icicisecurities.com
Investor Grievance E-mail:
customercare@icicisecurities.com
Website: www.icicisecurities.com
Contact Person: Mr. Arjun A Mehrotra
Compliance officer: Mr. Ripujit Chaudhuri
SEBI Regn.: INM000011179

IIFL Holdings Limited

10th Floor, IIFL Centre, Kamala City
Senapati Bapat Marg, Lower Parel (West)
Mumbai – 400 013
Maharashtra, India
Tel: +91 22 4646 4600
Fax: +91 22 2493 1073
E-mail: dhfl.ncd@iiflcap.com
Investor Grievance e-mail: ig.ib@iiflcap.com
Website: www.iiflcap.com
Contact Person: Mr. Sachin Kapoor/ Mr. Rajshekhar
Swamy
Compliance officer: Mr. Sourav Roy
SEBI Regn. No: INM000010940

Trust Investment Advisors Private Limited

109/110, Balarama, Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051
Maharashtra, India
Tel: +91 22 4084 5000
Fax: +91 22 4084 5007
Email: mbd.trust@trustgroup.in
Investor Grievance Email:
customercare@trustgroup.in
Website: www.trustgroup.in
Contact Person: Ms. Hani Jalan
Compliance Officer: Mr. Ankur Jain
SEBI Regn. No: INM000011120



Debenture Trustee

Catalyst Trusteeship Limited*

'GDA House', Plot No. 85
Bhusary Colony (Right)
Kothrud, Pune – 411 038
Maharashtra, India
Tel: +91 20 2528 0081
Fax: +91 20 2528 0275
Email: dt@ctltrustee.com
Website: www.catalysttrustee.com
Contact Person: Ms. Shamala Nalawade
Investor Grievance e-mail: grievance@ctltrustee.com
SEBI Regn. Number: IND0000000034
**Formerly GDA Trusteeship Limited.*

Bankers to the Company

YES Bank Limited

IFC, Tower 2, 8th Floor
S.B Marg, Elphinstone (w)
Mumbai 400015
Maharashtra, India
Tel: +91 22 3347 7251
Fax: +91 22 2421 4504
E-mail: dlbtiservices@yesbank.in
Website: www.yesbank.in
Contact Person: Mr Shankar Vichare

Standard Chartered Bank

Crescenzo, 5F, Behind MCA Club,
Bandra Kurla Complex, Bandra (East)
Mumbai 400051
Maharashtra, India
Tel: +91 22 4265 8211
Fax: +91 22 2675 9099
E-mail: praveen.agarwal@sc.com
Website: www.sc.com
Contact Person: Mr Praveen Agarwal

Kotak Mahindra Bank Limited

27BKC, G Block, Bandra Kurla Complex,
Bandra (East)
Mumbai 400051
Maharashtra, India
Tel: +91 22 6166 0363
Fax: +91 22 6713 2416
E-mail: vikash.chandak@kotak.com
Website: www.kotak.com
Contact Person: Mr Vikash Chandak

Federal Bank Limited

2nd Floor, C Wing, Laxmi Towers
Bandra Kurla Complex, Bandra (East)
Mumbai 400051
Maharashtra, India
Tel: +91 22 6174 8613
Fax: NA
E-mail: shilpi.jain@federalbank.co.in
Website: www.federalbank.co.in
Contact Person: Ms Shilpi Jain

Registrar

Karvy Computershare Private Limited

Karvy Selenium Tower B
Plot 31-32, Financial District
Nanakramguda, Gachibowli
Hyderabad – 500 032
Telangana, India
Tel: +91 40 6716 2222
Fax: +91 40 2300 1153
Email: einward.ris@karvy.com
Investor Grievance Email: dhflncd.ipo@karvy.com
Website: www.karisma.karvy.com
Contact Person: Mr. M Muralikrishna
Compliance Officer : Mr. Rakesh Santhalia
SEBI Regn. Number: INR000000221
CIN: U72400TG2003PTC041636

Statutory Auditor

Chaturvedi and Shah*Chartered Accountants*

714 - 715, Tulsiani Chambers

212, Nariman Point

Mumbai – 400 021

Maharashtra, India.

Tel.: +91 22 4009 0583**Fax.:** +91 22 4009 0666**Email:** cas@cas.ind.in**Firm registration number:** 101720W**Contact Person:** Mr. Amit Chaturvedi**Date of appointment as Statutory Auditors:** July 20, 2016**Credit Rating Agencies****CARE Ratings Limited**4th Floor, Godrej Coliseum,

Somaiya Hospital Road

Off Eastern Express Highway

Sion East, Mumbai – 400 022

Maharashtra, India.

Tel: +91 22 6754 3456**Fax:** +91 22 6754 3457/67**Email:** mitul.budhbhatti@careratings.com**Website:** www.careratings.com**Contact Person:** Mr. Mitul Budhbhatti**SEBI Regn. No.:** IN/CRA/004/1999**Brickwork Ratings India Private Limited**

C-502, Business Square

151 Andheri Kurla Road

Chakala, Andheri East

Mumbai- 400 093

Maharashtra, India.

Tel: +91 22 6745 6632**Fax:** +91 22 2838 9144**Email:** kn.suvarna@brickworkratings.com**Website:** www.brickworkratings.com**Contact Person:** Mr. K.N. Suvarna**SEBI Regn. No.:** IN/CRA/005/2008**Legal Advisor to the Issue****Khaitan & Co**

One Indiabulls Centre

13th Floor, Tower 1

841 Senapati Bapat Marg

Mumbai- 400 013

Maharashtra, India.

Tel: +91 22 6636 5000**Fax:** +91 22 6636 5050**Bankers to the Issue/ Refund Banks**

As specified in relevant Tranche Prospectus.

Self Certified Syndicate Banks

The banks which are registered with SEBI under Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account, a list of which is available on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> or at such other website as may be prescribed by SEBI from time to time.

Syndicate SCSB Branches

In relation to ASBA Applications submitted to the Members of the Syndicates or the Trading Members of the Stock Exchanges only in the Specified Cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat), the list of branches of the SCSBs at the Specified Cities named by the respective SCSBs to receive deposits of ASBA Applications from such Members of the Syndicate or the Trading Members of the Stock Exchanges is provided on

<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> or at such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting ASBA Applications from Members of the Syndicate or the Trading Members of the Stock Exchanges only in the Specified Cities, see the above-mentioned web-link.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447”.

Underwriting

This Issue has not been underwritten.

Minimum Subscription

In terms of the SEBI Debt Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue. If our Company does not receive the minimum subscription of 75 % of the Base Issue, within the prescribed timelines under Companies Act and any rules thereto, the entire subscription amount shall be refunded to the Applicants within 12 days from the date of closure of the Issue. In the event, there is a delay, by our Company in making the aforesaid refund within the prescribed time limit, our Company will pay interest at the rate of 15% per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard including its circular (bearing CIR/IMD/DF-1/20/2012) dated July 27, 2012.

Credit Rating and Rationale

The NCDs proposed to be issued under this Issue have been rated ‘CARE AAA; Stable (Triple A; Outlook: Stable)’ for an amount of ₹ 15,00,000 lakh, by CARE Ratings Limited (“**CARE**”) vide their letter dated April 27, 2018 and ‘BWR AAA (Pronounced as BWR Triple A), Outlook: Stable’ (for an amount of ₹ 15,00,000 lakh, by Brickwork Ratings India Private Limited (“**Brickwork**”) vide their letter dated April 27, 2018. The rating of CARE AAA; Stable by CARE and BWR AAA, Outlook: Stable’ by Brickwork indicate that instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry the lowest credit risk. This rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. This rating is subject to revision or withdrawal at any time by the assigning rating agencies and should be evaluated independently of any other ratings.

For the rationale for these ratings, see Annexure A and B to this Draft Shelf Prospectus.

Utilisation of Issue proceeds

For details on utilization of Issue proceeds please refer to the chapter titled “*Objects of the Issue*” on page 45.

Issue Programme

| ISSUE PROGRAMME* | |
|------------------|---|
| ISSUE OPENS ON | As specified in the relevant Tranche Prospectus |

ISSUE PROGRAMME***ISSUE CLOSES ON**

As specified in the relevant Tranche Prospectus

Applications Forms for the Issue will be accepted only between 10 a.m. and 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange, during the Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday), (i) by the Consortium, sub-brokers or the Trading Members of the Stock Exchange, as the case maybe, at the centres mentioned in Application Form through the non-ASBA mode or, (ii) in case of ASBA Applications, (a) directly by the Designated Branches of the SCSBs or (b) by the centres of the Consortium, sub-brokers or the Trading Members of the Stock Exchange, as the case maybe, only at the selected cities. On the Issue Closing Date Application Forms will be accepted only between 10 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. or such extended time as may be permitted by the Stock Exchange.

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 p.m. (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Application Forms will only be accepted on Working Days during the Issue Period. Neither our Company, nor the Lead Managers or Trading Members of the Stock Exchanges are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that, within each category of investors, the Basis of Allotment under the Issue will be on a date priority basis except on the day of oversubscription, if any, where the Allotment will be proportionate.

The Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. during the period indicated above, except that the Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company (“Board**”) or the NCD Public Issue Committee. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a daily national newspaper with wide circulation on or before such earlier or initial date of Issue closure. On the Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchanges.*

CAPITAL STRUCTURE

Details of Share Capital and Securities Premium account

The following table lays down details of our authorised, issued, subscribed and paid up share capital and securities premium account as of the date of this Draft Shelf Prospectus:

(in ₹)

| | Aggregate value |
|--|----------------------|
| Authorised share capital | |
| 57,80,00,000 equity shares of face value ₹ 10 each | 578,00,00,000 |
| 25,00,00,000 Redeemable non-convertible preference shares of face value ₹ 1,000 each | 250,00,00,000 |
| Total Authorised Share Capital | 828,00,00,000 |
| Issued, subscribed and paid up Equity Share capital | |
| 31,36,58,847 Equity Shares of face value ₹ 10 each | 313,65,88,470 |
| Paid up equity share capital after the Issue | |
| 31,36,58,847 Equity Shares of face value ₹ 10 each | 313,65,88,470 |
| Securities premium account | |
| Existing Securities Premium Account | 21,04,81,00,000 |

1. Details of change in Authorized share capital of our company as on the date of this Draft Shelf Prospectus for last five years:

| Date of AGM/ EGM | Alteration |
|---|---|
| Scheme of Amalgamation (Effective date January 1, 2013) | In terms of the Scheme of Amalgamation (“ the Scheme ”) sanctioned by the Hon’ble High Courts of Bombay and Delhi, the Authorised Capital of First Blue Home Finance Limited and DHFL Holdings Private Limited, the Transferor Companies stood combined with that of our Company. Consequently, the Authorised Capital of our Company was increased from ₹ 250,00,00,000 divided into 17,50,00,000 Equity Shares of ₹ 10 each and 7,50,00,000 Preference Shares of ₹ 10 each to 8,28,00,00,000 divided into 74,80,00,000 Equity Shares of ₹ 10 each, 7,50,00,000 Preference Shares of ₹ 10 each and 5,00,000 Preference Shares of ₹ 100 each |
| Postal Ballot notice dated January 16, 2017 | Pursuant to the approval of the Members of the Company through postal ballot on February 20, 2017, the Authorised Share Capital of our Company was re-classified from 74,80,00,000 Equity Shares of ₹ 10 each, 7,50,00,000 Preference Shares of ₹ 10 each and 5,00,000 Preference Shares of ₹ 100 each to 57,80,00,000 Equity Shares of ₹ 10 each, and 25,00,000 Non-Convertible Redeemable Cumulative Preference Shares of ₹ 1,000 each |

2. Equity Share capital of our Company

The Equity Share capital history of our Company for the last five years up to the quarter ended March 31, 2018 are as mentioned below:

| Date of allotment | No. of Equity Shares | Face value (₹) | Issue price (₹) | Nature of allotment | Cumulative No. of Equity Shares | Cumulative Equity Share capital (₹) |
|-------------------|----------------------|----------------|-----------------|---------------------|---------------------------------|-------------------------------------|
| June 17, 2013 | 76,066 | 10.0 | 53.7 | Cash ¹ | 12,82,94,775 | 1,28,29,47,750.0 |
| June 17, 2013 | 31,492 | 10.0 | 141.0 | Cash ³ | 12,83,26,267 | 1,28,32,62,670.0 |
| February 05, 2014 | 5,392 | 10.0 | 53.7 | Cash ¹ | 12,83,31,659 | 1,28,33,16,590.0 |
| February 05, 2014 | 88,581 | 10.0 | 141.0 | Cash ³ | 12,84,20,240 | 1,28,42,02,400.0 |
| May 12, 2014 | 24,324 | 10.0 | 53.7 | Cash ¹ | 12,84,44,564 | 1,28,44,45,640.0 |
| May 12, 2014 | 49,442 | 10.0 | 141.0 | Cash ³ | 1284,94,006 | 1,28,49,40,060.0 |
| May 28, 2014 | 1,12,674 | 10.0 | 141.0 | Cash ³ | 12,86,06,680 | 1,28,60,66,800.0 |
| August 14, 2014 | 12,518 | 10.0 | 53.7 | Cash ¹ | 12,86,19,198 | 1,28,61,91,980.0 |
| August 14, 2014 | 31,396 | 10.0 | 141.0 | Cash ³ | 12,86,50,594 | 1,28,65,05,940.0 |
| February 02, 2015 | 12,770 | 10.0 | 53.7 | Cash ¹ | 12,86,63,364 | 1,28,66,33,640.0 |
| February 02, 2015 | 82,276 | 10.0 | 141.0 | Cash ³ | 12,87,45,640 | 1,28,74,56,400.0 |
| March 04, 2015 | 1,69,31,102 | 10.0 | 478.2 | Cash ² | 14,56,76,742 | 1,45,67,67,420.0 |

| Date of allotment | No. of Equity Shares | Face value (₹) | Issue price (₹) | Nature of allotment | Cumulative No. of Equity Shares | Cumulative Equity Share capital (₹) |
|--------------------|----------------------|----------------|-----------------|---------------------|---------------------------------|-------------------------------------|
| April 20, 2015 | 1,18,110 | 10.0 | 141.0 | Cash ³ | 14,57,94,852 | 1,45,79,48,520.0 |
| August 20, 2015 | 61,678 | 10.0 | 141.0 | Cash ³ | 14,58,56,530 | 1,45,85,65,300.0 |
| September 15, 2015 | 14,58,56,530 | 10.0 | 10.0 | Bonus Issue | 29,17,13,060 | 2,91,71,30,600.0 |
| October 23, 2015 | 54,000 | 10.0 | 70.5 | Cash ⁴ | 29,17,67,060 | 2,91,76,70,600.0 |
| January 12, 2016 | 12,880 | 10.0 | 70.5 | Cash ⁴ | 29,17,79,940 | 2,91,77,99,400.0 |
| February 19, 2016 | 18,048 | 10.0 | 26.8 | Cash ¹ | 29,17,97,988 | 2,91,79,79,880.0 |
| September 30, 2016 | 2,12,30,070 | 10.0 | 235.5 | Cash ⁵ | 31,30,28,058 | 313,02,80,580 |
| November 4, 2016 | 97,686 | 10.0 | 10.0 | Cash ⁶ | 31,31,25,744 | 313,12,57,440 |
| February 22, 2017 | 12,665 | 10.0 | 10.0 | Cash ⁶ | 31,31,38,409 | 313,13,84,090 |
| March 30, 2017 | 13,796 | 10.0 | 10.0 | Cash ⁶ | 31,31,52,205 | 313,15,22,050 |
| May 12, 2017 | 2,00,000 | 10.0 | 70.5 | Cash ⁴ | 31,33,52,205 | 313,35,22,050 |
| June 8, 2017 | 1,98,432 | 10.0 | 10.0 | Cash ⁶ | 31,35,50,637 | 313,55,06,370 |
| October 24, 2017 | 55,715 | 10.0 | 10.0 | Cash ⁶ | 31,36,06,352 | 31,36,06,3520 |
| December 22, 2017 | 52,495 | 10.0 | 10.0 | Cash ⁷ | 31,36,58,847 | 31,36,58,8470 |

¹ Equity Shares allotted pursuant to ESOS 2008.

² Equity Shares allotted pursuant to the Qualified Institutional Placement in Fiscal 2015

³ Equity Shares allotted pursuant to ESOS 2009 Plan II.

⁴ Equity Shares allotted pursuant to ESOS 2009 Plan III

⁵ Equity Shares issued pursuant to conversion of 2,12,30,070 Warrants to WGCL

⁶ Equity Shares allotted pursuant to DHFL ESAR 2015-Grant I

⁷ Equity Shares allotted pursuant to DHFL ESAR 2015 – Grant II

3. Details of Promoter's shareholding in our Company as on March 31, 2018

| Names of Directors | Number of Equity Shares held |
|--------------------|------------------------------|
| Kapil Wadhawan | 18,00,000 |
| Dheeraj Wadhawan | 18,00,000 |

4. Shareholding of Directors in our Company as on March 31, 2018

For details of Shareholding of our Directors in our Company (including options), please refer to “Our Management - Shareholding of Directors” on page 112.

5. Shareholding of Directors in our Subsidiaries, Associates and Joint Ventures as on March 31, 2018

| Sr. No. | Name of Director | Name of Subsidiary/ Associates/Joint Venture | No. of Equity Shares | % |
|---------|------------------|---|----------------------|------------|
| 1. | Kapil Wadhawan | DHFL Advisory & Investments Private Limited | 10* | Negligible |
| | | DHFL Pramerica Life Insurance Company Limited | 2** | Negligible |
| | | DHFL Ventures Trustee Company Private Limited | 9,000 | 18.0 |
| | | Avanse Financial Services Limited | 22,736 | Negligible |
| 2. | Dheeraj Wadhawan | Aadhar Housing Finance Limited | 1,34,017 | 0.5 |
| | | DHFL Advisory & Investments Private Limited | 1** | Negligible |
| | | DHFL Ventures Trustee Company Private Limited | 1,500 | 3.0 |
| | | Avanse Financial Services Limited | 22,736 | Negligible |
| | | Aadhar Housing Finance Limited | 1,34,017 | 0.5 |
| | | DHFL Pramerica Life Insurance Company Limited | 1** | Negligible |

*as nominee of Dewan Housing Finance Corporation Limited

** as nominee of DHFL Investments Limited

6. Shareholding pattern of our Company

The following is the shareholding pattern of our Company, as of quarter ended March 31, 2018:

| Sr. No. | Category of shareholder | Number of shareholders | No. of fully paid up equity shares held | No. of Partly paid-up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) | Number of Voting Rights held in each class of securities | | | No. of Shares Underlying Outstanding convertible securities (including Warrants) | Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) | Number of Locked in shares* | | Number of Shares pledged or otherwise encumbered | | Number of equity shares held in dematerialised form | |
|---------|-------------------------------|------------------------|---|--|--|------------------------|---|--|---------------|-------------------------|--|--|-----------------------------|---------------------------------|--|---------------------------------|---|------------------|
| | | | | | | | | No of Voting Rights | | Total as a % of (A+B+C) | | | No. (a) | As a % of total Shares held (b) | No. (a) | As a % of total Shares held (b) | | |
| | | | | | | | | Class e.g.: x | Class e.g.: y | | | | | | | | | Total |
| (I) | (II) | (III) | (IV) | (V) | (VI) | (VII) = (IV)+(V)+(VI) | (VIII)As a % of (A+B+C2) | (IX) | | | (X) | (XI)= (VII)+(X) As a % of (A+B+C2) | (XII) | | (XIII) | | (XIV) | |
| (A) | Promoter & Promoter Group | 4 | 123049714 | 0 | 0 | 123049714 | 39.23 | 123049714 | 0 | 123049714 | 39.23 | 0 | 39.23 | 21230070 | 17.25 | 0 | 0.0000 | 123049714 |
| (B) | Public | 148066 | 190609133 | 0 | 0 | 190609133 | 60.77 | 190609133 | 0 | 190609133 | 60.77 | 0 | 60.77 | 0 | 0.00 | NA | NA | 189548999 |
| (C) | Non-Promoter - Non-Public | | | | | | | | | | | | | | | | | |
| (C1) | Shares Underlying DRs | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | NA | NA | 0 |
| (C2) | Shares Held by Employee Trust | 0 | 0 | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | NA | NA | 0 |
| | Total | 148070 | 313658847 | 0 | 0 | 313658847 | 100.00 | 313658847 | 0 | 313658847 | 100.00 | 0 | 100.00 | 21230070 | 6.77 | 0 | 0.00 | 312598713 |

* issued pursuant to conversion of warrants and locked in for a period upto November 2, 2019.

7. **Top 10 Equity Shareholders of our Company as on March 31, 2018**

| Sr. No. | Shareholder's name | Equity Shares | Percentage (%) |
|---------|---|---------------------|----------------|
| 1. | Wadhawan Global Capital Limited | 1,170,49,714 | 37.32 |
| 2. | Hemisphere Infrastructure India Private Limited | 107,17,778 | 3.42 |
| 3. | Galaxy Infraprojects and Developers Private Limited | 104,35,404 | 3.33 |
| 4. | Silicon First Realtors Private Limited | 100,95,562 | 3.22 |
| 5. | Jhunjhunwala Rakesh Radheshyam | 10000,000 | 3.19 |
| 6. | Life Insurance Corporation of India | 61,78,626 | 1.97 |
| 7. | Vanguard Emerging Markets Stock Index Fund, A Series of Vanguard International Equity Index Funds | 34,27,288 | 1.09 |
| 8. | Lazard Emerging Markets Small Cap Equity Trust | 30,21,367 | 0.96 |
| 9. | Copthall Mauritius Investment Limited | 26,43,195 | 0.84 |
| 10. | Vanguard Total International Stock Index Fund | 24,92,983 | 0.79 |
| | Total | 17,60,61,917 | 56.13 |

8. **Top 10 debenture holders (secured and unsecured) of our Company**

For details of top 10 debenture holders our Company please refer to the chapter “**Financial Indebtedness**” on page 383.

9. **Long term debt to equity ratio.**

| Particulars | (₹ in lakh) | |
|--|--|--------------------------|
| | Prior to the Issue (as of March 31, 2018) | Post-Issue ^{1*} |
| Debt | | |
| Short term debt ² | 8,91,584 | 8,91,584 |
| Long term debt ³ | 83,79,961 | 98,79,961 |
| Total debt | 92,71,545 | 10,771,545 |
| Shareholders' fund | | |
| Share capital | 31,366 | 31,366 |
| Reserves and surplus excluding revaluation reserve | 8,48,198 | 8,48,198 |
| Total shareholders' funds | 879,564 | 879,564 |
| Long term debt/ equity (In times)⁵ | 9.19 | 10.90 |
| Total debt/ equity (In times)⁴ | 10.21 | 11.91 |

¹. Assuming the Issue is fully subscribed.

². Short term debt = Short term borrowings + Unclaimed Matured Deposits and Interest Accrued thereon.

³. Long term debt = Long term borrowings + Current Maturities of Long term borrowings.

⁴. Total Debt-Equity = Total debt outstanding at the end of the year – total cash and bank balance network

⁵. Long term Debt-Equity = Total long term debt outstanding at the end of the year – total cash and bank balance Network

* To be updated in the Shelf Prospectus\ Figures are rounded off to nearest ₹ in lakh.

10. **Statement of the aggregate number of securities of our Company and its Subsidiaries purchased or sold by our Promoters, our Directors and/or their relatives within six months immediately preceding the date of filing this Draft Shelf Prospectus:**

Except as provided below, none of the Directors of our Company, our Promoters including their relatives as defined under Section 2(77) of the Companies Act, 2013 have undertaken purchase and/or sale of the Equity Shares of our Company and our Subsidiary during the preceding 6 (six) months from the date of filing of this Draft Shelf Prospectus.

- Ms. Vijaya Sampath, Independent Director, purchased 1,000 Equity Shares of the Company on February 23, 2018

11. None of the Equity Shares are pledged or otherwise encumbered by our Promoters.

12. **Details of any acquisition or amalgamation in the last one year:**

There are no acquisition or amalgamation undertaken by our Company in the last one year.

13. Our Company has not undergone any reorganisation or reconstruction in the last one year prior to filing of this Draft Shelf Prospectus.
14. For details of the outstanding borrowing of our Company, please see the chapter titled “*Financial Indebtedness*” on page 340.
15. **Employee Stock Option/Employee Stock Appreciation Right:**

Employee Stock Option Scheme 2008 (ESOS-2008) was implemented by our Company in Fiscal 2008-09 and 1,422,590 options were granted to the employees as approved by the remuneration and compensation committee of directors of the Company at ₹ 53.65 per share as approved in the EGM dated March 31, 2009. Consequent to the Bonus Issue, the exercise price has been revised to ₹26.83 per share.

Our Company further implemented the Employee Stock Option Scheme 2009 (ESOS-2009) in Fiscal 2010 and 12,34,670 options were approved to be granted under ‘ESOS-2009, Plan III’ in Fiscal 2011 by the remuneration and compensation committee of directors of the Company at ₹ 141 per Equity Share, the price approved in the remuneration and compensation committee meeting held on November 25, 2009. Consequent to the Bonus Issue, the exercise price has been revised to ₹ 70.50 per Equity Share.

The Shareholders of the Company, *vide* special resolution dated February 23, 2015, approved the Dewan Housing Finance Corporation Limited Employee Stock Appreciation Rights Plan 2015 (“**DHFL ESAR Plan 2015**”) and grant of Employee Stock Appreciation Rights (“**ESAR**”) in accordance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, exercisable into not more than 51,46,023 fully paid up Equity Shares in aggregate. Consequent to the Bonus shares issued by the Company to its shareholders in the ratio 1:1 during the Fiscal 2016, the total number of ESARs also increased in the same ratio to 1,02,92,046 Equity Shares and the grant price for Grant I under the DHFL ESAR Plan 2015 was revised to ₹ 190 per Equity Share. The shareholders of the Company *vide* special resolution passed by means of Postal Ballot on March 3, 2018 approved an amendment to the DHFL ESAR Plan 2015 which entitled us to allot 2,67,82,046 Equity Shares in aggregate (taken together with the equity shares already allotted to the eligible employees by the Company upon exercise of ESARs granted to them from time to time under DHFL ESAR Plan 2015).

16. As on March 31, 2018, the total number of options that have been granted but not vested and vested but not exercised areas follows.

| Plan | Options/ SARs Granted* | Bonus Effect/ Reissued | Option exercised | Options Lapsed | Option exercisable |
|----------------------------|------------------------|------------------------|------------------|----------------|--------------------|
| ESOS 2008* | 14,22,590 | 54,408 | 11,39,744 | 2,52,466 | 30,380 |
| ESOS 2009 Plan II* | 12,75,000 | 80,254 | 11,47,953 | 1,27,047 | 0 |
| ESOS 2009 Plan III* | 12,34,670 | 2,54,000 | 3,72,110 | 8,62,560 | 0 |
| DHFL ESAR 2015 – Grant I* | 15,50,100 | 29,10,400 | 7,86,720 | 9,25,680 | 11,98,000 |
| DHFL ESAR 2015 – Grant II | 20,81,545 | 0 | 85,194 | 5,18,916 | 14,77,435 |
| DHFL ESAR 2015 – Grant III | 32,47,100 | 0 | 0 | 3,98,500 | 28,48,600 |
| DHFL ESAR 2015 – Grant IV | 5,50,000 | 0 | 0 | 0 | 5,50,000 |
| DHFL ESAR 2015 – Grant V | 1,50,800 | 0 | 0 | 0 | 1,50,800 |
| DHFL ESAR 2015 – Grant VI | 71,900 | 0 | 0 | 0 | 71,900 |
| DHFL ESAR 2015 – Grant VII | 1,17,35,600 | 0 | 0 | 0 | 1,17,35,600 |

*The total number of ESAR granted was increased in the ratio of 1:1 subsequent to the Bonus Issue.

OBJECTS OF THE ISSUE

Our Company proposes to utilise the funds which are being raised through the Issue, after deducting the Issue related expenses to the extent payable by our Company (“*Net Proceeds*”), towards funding the following objects (collectively, referred to herein as the “*Objects*”):

1. For the purpose of onward lending, financing, and for repayment/ prepayment of interest and principal of existing borrowings of the Company; and
2. General corporate purposes.

The Main Objects clause of the Memorandum of Association of our Company permits our Company to undertake the activities for which the funds are being raised through the present Issue and also the activities which our Company has been carrying on till date.

The details of the Proceeds of the Issue are set forth in the following table:

| Sr. No. | Description | Amount |
|---------|-----------------------------|------------------------------------|
| 1. | Gross Proceeds of the Issue | As per relevant Tranche Prospectus |
| 2. | Issue Related Expenses | As per relevant Tranche Prospectus |
| 3. | Net Proceeds | As per relevant Tranche Prospectus |

(₹ in lakh)

Requirement of funds and Utilisation of Net Proceeds

The following table details the objects of the Issue and the amount proposed to be financed from the Net Proceeds:

| Sr. No. | Objects of the Fresh Issue | Percentage of amount proposed to be financed from Net Proceeds |
|--------------|--|--|
| 1. | For the purpose of onward lending, financing, and for repayment/ prepayment of interest and principal of existing borrowings of the Company [#] | At least 75% |
| 2. | General Corporate Purposes* | Maximum of up to 25% |
| Total | | 100% |

[#] Our Company shall not utilise the proceeds of the Issue towards payment of prepayment penalty, if any

*The Net Proceeds will be first utilized towards the Objects mentioned above. The balance is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the amount raised in the Issue, in compliance with the SEBI Debt Regulations.

Funding plan

NA

Summary of the project appraisal report

NA

Schedule of implementation of the project

NA

Interim Use of Proceeds

Our Board of Directors, in accordance with the policies formulated by it from time to time, will have flexibility in deploying the proceeds received from the Issue. Pending utilization of the proceeds out of the Issue for the purposes described above, our Company intends to temporarily invest funds in high quality interest bearing liquid instruments including money market mutual funds, deposits with banks or temporarily deploy the funds in investment grade interest bearing securities as may be approved by the Board. Such investment would be in accordance with the investment policies approved by the Board or any committee thereof from time to time.

Monitoring of Utilization of Funds

There is no requirement for appointment of a monitoring agency in terms of the SEBI Debt Regulations. The Board shall monitor the utilization of the proceeds of the Issue. For the relevant Financial Years commencing from Financial Year 2018-19, our Company will disclose in our financial statements, the utilization of the net proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue. Our Company shall utilize the proceeds of the Issue only upon the execution of the documents for creation of security and receipt of final listing and trading approval from the Stock Exchanges.

Other Confirmation

In accordance with the SEBI Debt Regulations, our Company will not utilize the proceeds of the Issue for providing loans to or for acquisitions of shares of any person or entity who is a part of the same group as our Company or who is under the same management of our Company and our Subsidiaries.

No part of the proceeds from this Issue will be paid by us as consideration to our Promoters, our Directors, Key Managerial Personnel, or companies promoted by our Promoters.

The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any immovable property. The Issue proceeds shall not be used for buying, trading or otherwise dealing in equity shares of any other listed company.

Our Company confirms that it will not use the proceeds of the Issue for the purchase of any business or in the purchase of any interest in any business whereby our Company shall become entitled to the capital or profit or losses or both in such business exceeding 50% thereof, directly or indirectly in the acquisition of any immovable property or acquisition of securities of any other body corporate.

Variation in terms of contract or objects

The Company shall not, in terms of Section 27 of the Companies Act, 2013, at any time, vary the terms of the objects for which this Draft Shelf Prospectus is issued, except as may be prescribed under the applicable laws and under Section 27 of the Companies Act, 2013.

STATEMENT OF TAX BENEFITS

To,

Dewan Housing Finance Corporation Limited

DHFL House, 19 Sahar Road
Off Western Express Highway
Vile Parle (East)
Mumbai – 400 099
Maharashtra, India

(the “Company”)

and

Edelweiss Financial Services Limited

Edelweiss House,
Off C.S.T. Road,
Kalina, Mumbai – 400 098,
Maharashtra, India

(Edelweiss Financial Services Limited together with all other managers appointed by the Company shall be referred to as the "Lead Managers" or "LMs")

Dear Sirs,

Sub: Proposed public issue of Secured Redeemable Non-convertible debentures (“NCDs”) with a shelf limit of up to Rs 15,000 crore (“Issue”) by Dewan Housing Finance Corporation Limited (“Company”)

1. We have performed the procedures agreed with you, *vide* the engagement letter dated April 24, 2018, and enumerated in paragraph 2 below with respect to the possible tax benefits available to the Debenture Holder(s), under the Income Tax Act, 1961, as amended (the “IT Act”), presently in force in India, in the enclosed Annexure I. Our engagement was performed in accordance with the Standard on Related Services (SRS) 4400, “Engagements to Perform Agreed-upon Procedures regarding Financial Information”, issued by the Institute of Chartered Accountants of India.
2. We have performed the following procedures:
 - (i) Read the statement of tax benefits as given in Annexure I, and
 - (ii) Evaluated with reference to the provisions of the IT Act to confirm that statements made are correct in all material respect.
3. Because the above procedures do not constitute either an audit or a review made in accordance with the Standard on Related Services (SRS) 4400, “Engagements to Perform Agreed-upon Procedures regarding Financial Information”, issued by the Institute of Chartered Accountants of India, we do not express any assurance on the Statement of Tax Benefits, as set out in Annexure I.
4. Had we performed additional procedures, or had we performed an audit or review of the financial information in accordance with the generally accepted auditing standards of India, other matters might have come to our attention that would have been reported to you.
5. We confirm that the Statement of Tax Benefits as set out in Annexure I materially covers all the provisions of the IT Act as amended with respect to Debenture Holder(s).
6. Several of these benefits are dependent on the Debenture Holder(s) fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Debenture Holder(s) to derive the tax benefits is dependent upon fulfilling such conditions, which are based on business imperatives the Debenture Holder(s) would face in the future. The Debenture Holder(s) may or may not choose to fulfill such conditions.

7. The benefits discussed in the enclosed annexure are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue.
8. The contents of the enclosed annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.
9. No assurance is given that the revenue authorities/ Courts will concur with the views expressed herein. Our views are based on existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume any responsibility to update the views consequent to such changes.

We hereby consent to inclusion of the extracts of this certificate in the Draft Shelf Prospectus, Shelf Prospectus, relevant Tranche Prospectus or any other document in relation to the Issue.

This certificate has been issued at the request of the Company for use in connection with the Proposed Public Issue of secured, redeemable NCDs and may accordingly be furnished as required to the National Stock Exchange of India Limited and the BSE Limited or any other regulatory authorities, as required, and shared with and relied on as necessary by the Company's advisors and intermediaries duly appointed in this regard.

For **Chaturvedi & Shah**
Chartered Accountants
Firm Registration No. 101720W

Jignesh Mehta
Partner
Mem. No. 102749
Mumbai ,

Date: May 3, 2018

ANNEXURE: STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDER(S)

Under the existing provisions of law, the following tax benefits, inter-alia, will be available to the Debenture Holder(s). The tax benefits are given as per the prevailing tax laws and may vary from time to time in accordance with amendments to the law or enactments thereto. The information given below lists out the possible benefits available to the Debenture Holder(s) of an Indian company in which public are substantially interested¹, in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the subscription, ownership and disposal of the debenture.

The Debenture Holder is advised to consider in its own case, the tax implications in respect of subscription to the Debentures after consulting his tax advisor as alternate views are possible. We are not liable to the Debenture Holder in any manner for placing reliance upon the contents of this statement of tax benefits.

A. IMPLICATIONS UNDER THE INCOME-TAX ACT, 1961 ('I.T. ACT')

I. To the Resident Debenture Holder

1. Interest on NCD received by Debenture Holder(s) would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act and such tax would need to be withheld at the rate of 10% at the time of credit/payment as per the provisions of Section 193 of the I.T. Act. However, no income tax is deductible at source in respect of the following:
 - a) On any security issued by a company in a dematerialized form and is listed on recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 and the rules made there under.
 - b) In case the payment of interest on debentures to a resident individual or a Hindu Undivided Family ('HUF'), Debenture Holder does not or is not likely to exceed ₹ 5,000 in the aggregate during the Financial Year and the interest is paid by an account payee cheque.
 - c) When the Assessing Officer issues a certificate on an application by a Debenture Holder on satisfaction that the total income of the Debenture Holder justifies no/lower deduction of tax at source as per the provisions of Section 197(1) of the I.T. Act; and that certificate is filed with the Company before the prescribed date of closure of books for payment of debenture interest.
 - d) (i) When the resident Debenture Holder with Permanent Account Number ('PAN') (not being a company or a firm) submits a declaration as per the provisions of section 197A(1A) of the I.T. Act in the prescribed Form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the financial year in which such income is to be included in computing his total income will be NIL. However under section 197A(1B) of the I.T. Act, "Form 15G cannot be submitted nor considered for exemption from tax deduction at source if the dividend income referred to in section 194, interest on securities, interest, withdrawal from NSS and income from units of mutual fund or of Unit Trust of India as the case may be or the aggregate of the amounts of such incomes credited or paid or likely to be credited or paid during the previous year in which such income is to be included exceeds the maximum amount which is not chargeable to income tax".

To illustrate, as on 01.04.2018 -

- the maximum amount of income not chargeable to tax in case of individuals (other than senior citizens and super senior citizens) and HUFs is Rs. 2,50,000;
- in the case of every individual being a resident in India, who is of the age of 60 years or more but less than 80 years at any time during the Financial year (Senior Citizen) is Rs. 3,00,000; and
- in the case of every individual being a resident in India, who is of the age of 80 years or more at any time during the Financial year (Super Senior Citizen) is Rs. 5,00,000 for Financial Year 2018-19.

¹ 3Refer Section 2(18)(b)(B) of the I.T. Act.

Further, section 87A provides a rebate of 100 percent of income-tax or an amount of Rs. 2,500 whichever is less to a resident individual whose total income does not exceed Rs. 3,50,000.

- (ii) Senior citizens, who are 60 or more years of age at any time during the financial year, enjoy the special privilege to submit a self-declaration in the prescribed Form 15H for non deduction of tax at source in accordance with the provisions of section 197A(1C) of the I.T. Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax, provided that the tax due on total income of the person is NIL.
 - (iii) In all other situations, tax would be deducted at source as per prevailing provisions of the I.T. Act. Form No.15G with PAN / Form No.15H with PAN / Certificate issued u/s 197(1) has to be filed with the Company before the prescribed date of closure of books for payment of debenture interest without any tax withholding.
2. In case where tax has to be deducted at source while paying debenture interest, the Company is not required to deduct surcharge, education cess and secondary and higher education cess.
 3. As per the provisions of section 2(29A) of the IT Act, read with section 2(42A) of the I.T. Act, a listed debenture is treated as a long term capital asset if the same is held for more than 12 months immediately preceding the date of its transfer. In all other cases, it is 36 months immediately preceding the date of its transfer.

As per section 112 of the I.T. Act, capital gains arising on the transfer of long term capital assets being listed securities are subject to tax at the rate of 20% of capital gains calculated after reducing indexed cost of acquisition or 10% of capital gains without indexation of the cost of acquisition. The capital gains will be computed by deducting expenditure incurred in connection with such transfer and cost of acquisition/indexed cost of acquisition of the debentures from the sale consideration.

However as per the third proviso to section 48 of I.T. Act, benefit of indexation of cost of acquisition under second proviso of section 48 of I.T. Act, is not available in case of bonds and debenture, except capital indexed bonds. Accordingly, long term capital gains arising to the Debenture Holder(s), would be subject to tax at the rate of 10%, computed without indexation, as the benefit of indexation of cost of acquisition is not available in case of debentures.

In case of an individual or HUF, being a resident, where the total income as reduced by such long-term capital gains is below the maximum amount which is not chargeable to income-tax, then, such long-term capital gains shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax and the tax on the balance of such long-term capital gains shall be computed at the rate mentioned above.

4. Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months would be taxed at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act. The provisions relating to maximum amount not chargeable to tax described at para 3 above would also apply to such short term capital gains.
5. In case the debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act. Further, where the debentures are sold by the Debenture Holder(s) before maturity, the gains arising therefrom are generally treated as capital gains or business income as the case may be depending whether the same is held as Stock in trade or investment. However, there is an exposure that the Indian Revenue Authorities (especially at lower level) may seek to challenge the said characterisation (especially considering the provisions explained in Para V below) and hold the such gains/income as interest income in the hands of such Debenture Holder(s). Further, cumulative or regular returns on debentures held till maturity would generally be taxable as interest income taxable under the head Income from other sources where debentures are held as investments or business income where debentures are held as trading asset / stock in trade.
6. As per Section 74 of the I.T. Act, short-term capital loss on debentures suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any could be carried forward for eight years for claiming set-off against subsequent years' short-term as well as long-

term capital gains. Long-term capital loss on debentures suffered during the year is allowed to be set-off only against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent year's long-term capital gains.

II. To the Non Resident Debenture Holder

A non-resident Indian has an option to be governed by Chapter XII-A of the I.T. Act, subject to the provisions contained therein which are given in brief as under:

- a) Under section 115E of the I.T. Act, interest income from debentures acquired or purchased with or subscribed to in convertible foreign exchange will be taxable at 20%, whereas, long term capital gains on transfer of such Debentures will be taxable at 10% of such capital gains without indexation of cost of acquisition. Short-term capital gains will be taxable at the normal rates of tax in accordance with and subject to the provisions contained therein.
 - b) Under section 115F of the I.T. Act, long term capital gains arising to a non-resident Indian from transfer of debentures acquired or purchased with or subscribed to in convertible foreign exchange will be exempt from capital gain tax if the net consideration is invested within six months after the date of transfer of the debentures in any specified asset or in any saving certificates referred to in section 10(4B) of the I.T. Act in accordance with and subject to the provisions contained therein.
 - c) Under section 115G of the I.T. Act, it shall not be necessary for a non-resident Indian to file a return of income under section 139(1) of the I.T. Act, if his total income consists only of investment income as defined under section 115C and/or long term capital gains earned on transfer of such investment acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of Chapter XVII-B of the I.T. Act in accordance with and subject to the provisions contained therein.
 - d) Under section 115H of the I.T. Act, where a non-resident Indian becomes a resident in India in any subsequent year, he may furnish to the Assessing Officer a declaration in writing along with return of income under section 139 for the assessment year for which he is assessable as a resident, to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to the investment income (other than on shares in an Indian Company) derived from any foreign exchange assets in accordance with and subject to the provisions contained therein. On doing so, the provisions of Chapter XII-A shall continue to apply to him in relation to such income for that assessment year and for every subsequent assessment year until the transfer or conversion (otherwise than by transfer) into money of such assets.
7. In accordance with and subject to the provisions of section 115I of the I.T. Act, a Non-Resident Indian may opt not to be governed by the provisions of Chapter XII-A of the I.T. Act. In that case,
- a) Long term capital gains on transfer of listed debentures would be subject to tax at the rate of 10% computed without indexation.
 - b) Investment income and Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months preceding the date of transfer, would be taxed at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act
8. Under Section 195 of the I.T. Act, the applicable rate of tax deduction at source is 20% on investment income and 10% on any long-term capital gains as per section 115E, and 30% for Short Term Capital Gains if the payee Debenture Holder is a Non Resident Indian.
9. As per Section 74 of the I.T. Act, short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any could be carried forward for eight years for claiming set-off against subsequent years' short-term as well as long-term capital gains. Long-term capital loss suffered (other than the long-term capital assets whose gains are exempt under Section 10(38) of the I.T. Act) during the year is allowed to be set-off only against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent year's long-term capital gains.
10. The income tax deducted shall be increased by a surcharge as under:

- a) In the case of non-resident Indian surcharge at the rate of 10% of such tax where the income or the aggregate of such income paid or likely to be paid and subject to the deduction exceeds Rs. 50,00,000 and 15 % of such tax where the income or the aggregate of such income paid or likely to be paid and subject to the deduction exceeds Rs. 1,00,00,000.
- b) In case of foreign companies, where the income paid or likely to be paid exceeds Rs. 1,00,00,000 but does not exceed Rs. 10,00,00,000 a surcharge of 2% of such tax liability is payable and when such income paid or likely to be paid exceeds Rs. 10,00,00,000, surcharge at 5% of such tax is payable.
- c) In case of domestic companies, where the income paid or likely to be paid exceeds Rs. 1,00,00,000 but does not exceed Rs. 10,00,00,000 a surcharge of 7% of such tax liability is payable and when such income paid or likely to be paid exceeds Rs. 10,00,00,000, surcharge at 12% of such tax is payable.

Further, 4% health and education cess on the total income tax (including surcharge) is also deductible.

11. As per section 90(2) of the I.T. Act read with the Circular no. 728 dated October 30, 1995 issued by the Central Board of Direct Taxes ('CBDT'), in the case of a remittance to a country with which a Double Taxation Avoidance Agreement ('DTAA') is in force, the tax should be deducted at the rate provided in the I.T. Act or at the rate provided in the DTAA, whichever is more beneficial to the assessee. However, submission of Tax Residency Certificate ('TRC') is a mandatory condition for availing benefits under any DTAA. Further, such non-resident investor would also be required to furnish Form 10F alongwith TRC, if such TRC does not contain information prescribed by the CBDT vide its Notification No. 57/2013 dated 1 August 2013.
12. Alternatively, to ensure non deduction or lower deduction of tax at source, as the case may be, the Debenture Holder should furnish a certificate under section 195(2) & 195(3) of the I.T. Act, from the Assessing Officer before the prescribed date of closure of books for payment of debenture interest. However, an application for the issuance of such certificate would not be entertained in the absence of PAN as per the provisions of section 206AA.
13. Where, debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the I.T. Act. Further, where the debentures are sold by the Debenture Holder(s) before maturity, the gains arising therefrom are generally treated as capital gains or business income as the case may be. However, there is an exposure that the Indian Revenue Authorities (especially at lower level) may seek to challenge the said characterisation (especially considering the provisions explained in Para V below) and hold the such gains/income as interest income in the hands of such Debenture Holder(s). Further, cumulative or regular returns on debentures held till maturity would generally be taxable as interest income taxable under the head Income from other sources where debentures are held as investments or business income where debentures are held as trading asset / stock in trade.

III. To the Foreign Institutional Investors (FIIs/FPIs)

14. As per Section 2(14) of the I.T. Act, any securities held by FIIs/FPIs which has invested in such securities in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992, shall be treated as capital assets. Accordingly, any gains arising from transfer of such securities shall be chargeable to tax in the hands of FIIs as capital gains.
15. In accordance with and subject to the provisions of section 115AD of the I.T. Act, long term capital gains on transfer of debentures by FIIs/FPIs are taxable at 10% (plus applicable surcharge and cess) and short-term capital gains are taxable at 30% (plus applicable surcharge and cess). The benefit of cost indexation will not be available. Further, benefit of provisions of the first proviso of section 48 of the I.T. Act will not apply.
16. Short Term capital gains arising out of debentures is taxable at 20% in accordance with and subject to the provisions of Section 115AD.
17. The Finance Act, 2013 (by way of insertion of a new section 194LD in the I.T. Act) provides for lower rate of withholding tax at the rate of 5% on payment by way of interest paid by an Indian company to FIIs/FPIs and Qualified Foreign Investor in respect of rupee denominated bond of an Indian company between June

1, 2013 and July 1, 2020 provided such rate does not exceed the rate as may be notified² by the Government.

18. In accordance with and subject to the provisions of section 196D(2) of the I.T. Act, no deduction of tax at source is applicable in respect of capital gains arising on the transfer of debentures by FIIs/FPIs.
19. The CBDT has issued a Notification No. 9 dated 22 January 2014 which provides that Foreign Portfolio Investors (FPI) registered under SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be treated as FII for the purpose of Section 115AD of the I.T. Act.

IV. To the Other Eligible Institutions

All mutual funds registered under Securities and Exchange Board of India or set up by public sector banks or public financial institutions or authorised by the Reserve Bank of India are exempt from tax on all their income, including income from investment in Debentures under the provisions of Section 10(23D) of the I.T. Act subject to and in accordance with the provisions contained therein. Further, as per the provisions of section 196 of the I.T. Act, no deduction of tax shall be made by any person from any sums payable to mutual funds specified under Section 10(23D) of the I.T. Act, where such sum is payable to it by way of interest or dividend in respect of any securities or shares owned by it or in which it has full beneficial interest, or any other income accruing or arising to it.

V. General Anti-Avoidance Rule ('GAAR')

In terms of Chapter XA of the I.T. Act, General Anti-Avoidance Rule may be invoked notwithstanding anything contained in the I.T. Act. By this Rule, any arrangement entered into by an assessee may be declared to be impermissible avoidance arrangement as defined in that Chapter and the consequence would be inter alia denial of tax benefit, applicable w.e.f 1-04-2017. The GAAR provisions can be said to be not applicable in certain circumstances viz. the main purpose of arrangement is not to obtain a tax benefit etc. including circumstances enumerated in CBDT Notification No. 75/2013 dated 23 September 2013.

VI. Exemption under Sections 54EC and 54F of the I.T. Act

20. Under section 54EC of the I.T. Act, long term capital gains arising to the Debenture Holder(s) on transfer of their debentures in the company shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months after the date of transfer. If only part of the capital gain is so invested, the exemption shall be proportionately reduced. However, if the said notified bonds are transferred or converted into money within a period of three years from their date of acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the bonds are transferred or converted into money. However, the amount of exemption with respect to the investment made in the aforesaid notified bonds during the financial year in which the debentures are transferred and the subsequent financial year, should not exceed Rs. 50 lacs. Where the benefit of section 54EC of the I.T. Act has been availed of on investments in the notified bonds, a deduction from the income with reference to such cost shall not be allowed under section 80C of the I.T. Act. However, Union Budget 2018 has discontinued for the above benefit on all asset except Land and Building.
21. As per the provisions of section 54F of the I.T. Act, any long-term capital gains on transfer of a long term capital asset (not being residential house) arising to a Debenture Holder who is an individual or Hindu Undivided Family, is exempt from tax if the entire net sales consideration is utilized, within a period of one year before, or two years after the date of transfer, in purchase of a new residential house, or for construction of a residential house within three years from the date of transfer. If part of such net sales consideration is invested within the prescribed period in a residential house, then such gains would be chargeable to tax on a proportionate basis.

VII. Requirement to furnish PAN under the I.T. Act

1. Sec.139A(5A)

² Refer Notification No. 56/2013 [F.No.149/81/2013-TPL]/SO 2311(E), dated 29-7-2013. As per the said Notification, in case of bonds issued on or after the 1st day of July 2010, the rate of interest shall not exceed 500 basis points (bps) over the Base Rate of State Bank of India applicable on the date of issue of the said bonds.

Section 139A(5A) requires every person from whose income tax has been deducted at source under chapter XVII-B of the I.T. Act to furnish his PAN to the person responsible for deduction of tax at source.

2. *Sec.206AA*

- (a) Section 206AA of the I.T. Act requires every person entitled to receive any sum, on which tax is deductible under Chapter XVIIIB ('deductee') to furnish his PAN to the deductor, failing which tax shall be deducted at the highest of the following rates:
- (i) at the rate specified in the relevant provision of the I.T. Act; or
 - (ii) at the rate or rates in force; or
 - (iii) at the rate of twenty per cent.

However, new rule 37BC of the Income Tax Rules provides that the provisions of section 206AA of the Act shall not apply on payments made to non-resident deductee who do not have PAN in India. The non-resident deductee in this regard, shall be required to furnish few prescribed details inter alia TRC and Tax Identification Number (TIN).

- (b) A declaration under Section 197A(1) or 197A(1A) or 197A(1C) shall not be valid unless the person furnishes his PAN in such declaration and the deductor is required to deduct tax as per Para (a) above in such a case.
- (c) Where a wrong PAN is provided, it will be regarded as non furnishing of PAN and Para (a) above will apply apart from penal consequences.

VIII. Taxability of Gifts received for nil or inadequate consideration

As per section 56(2)(x) of the I.T. Act, where an Individual or Hindu Undivided Family receives debentures from any person on or after 1st April 2017:

- (i) without any consideration, aggregate fair market value of which exceeds fifty thousand rupees, then the whole of the aggregate fair market value of such debentures or;
- (ii) for a consideration which is less than the aggregate fair market value of the debenture by an amount exceeding fifty thousand rupees, then the aggregate fair market value of such debentures as exceeds such consideration;

shall be taxable as the income of the recipient at the normal rates of tax. The above is subject to few exceptions as stated on section 56(2)(x) of the Act.

IX. Where the Debenture Holder is a person located in a Notified Jurisdictional Area ('NJA') under section 94A of the I.T. Act

Where the Debenture Holder is a person located in a NJA, as per the provisions of section 94A of the I.T. Act

- All parties to such transactions shall be treated as associated enterprises under section 92A of the I.T. Act and the transaction shall be treated as an international transaction resulting in application of transfer pricing regulations including maintenance of documentations, benchmarking, etc.
- No deduction in respect of any payment made to any financial institution in a NJA shall be allowed under the I.T. Act unless the assessee furnishes an authorisation in the prescribed form authorizing the CBDT or any other income-tax authority acting on its behalf to seek relevant information from the said financial institution [Section 94A(3)(a) read with Rule 21AC and Form 10FC].
- No deduction in respect of any expenditure or allowance (including depreciation) arising from the transaction with a person located in a NJA shall be allowed under the I. T. Act unless the assessee maintains such documents and furnishes such information as may be prescribed [Section 94A(3)(b) read with Rule 21AC].
- If any assessee receives any sum from any person located in a NJA, then the onus is on the assessee to

satisfactorily explain the source of such money in the hands of such person or in the hands of the beneficial owner, and in case of his failure to do so, the amount shall be deemed to be the income of the assessee [Section 94A(4)].

- Any sum payable to a person located in a NJA shall be liable for withholding tax at the highest of the following rates:
 - (i) at the rate or rates in force;
 - (ii) at the rate specified in the relevant provision of the I.T. Act; or
 - (iii) at the rate of thirty per cent.

B. IMPLICATIONS UNDER THE WEALTH TAX ACT, 1957

The Finance Act, 2015 has abolished Wealth Tax Act, 1957 with effect from 1 April 2016 which shall then apply in relation to FY 2015-16 and subsequent years.

Notes

1. The above statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of debentures/bonds.
2. The above statement covers only certain relevant benefits under the Income-tax Act, 1961 and does not cover benefits under any other law.
3. The above statement of possible tax benefits is as per the current direct tax laws relevant for the Assessment Year 2019-20 (considering the amendments made by Finance Act, 2018).
4. Further, several of these benefits are dependent on the Debenture Holder fulfilling the conditions prescribed under the relevant provisions.
5. This statement is intended only to provide general information to the Debenture Holder(s) and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each Debenture Holder is advised to consult his/her/its own tax advisor with respect to specific tax consequences of his/her/its holding in the debentures of the Company.
6. The stated benefits will be available only to the sole/ first named holder in case the debenture is held by joint holders.
7. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant tax treaty, if any, between India and the country in which the non-resident has fiscal domicile.
8. In respect of non-residents, taxes paid in India could be claimed as a credit in accordance with the provisions of the relevant tax treaty.
9. Interest on application money would be subject to tax at the normal rates of tax in accordance with and subject to the provisions of the I.T. Act and such tax would need to be withheld at the time of credit/payment as per the provisions of Section 194A of the I.T. Act.
10. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

SECTION IV - ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The information in this section has been extracted from publicly available documents, including CRISIL Research – NBFC Report, November 2017 (“**Report**”) and its various ministries, trade, industry or general publications and other third-party sources as cited in this section. Industry websites and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy and completeness are not guaranteed, and their reliability cannot be assured. While we have exercised reasonable care in compiling and reproducing such official, industry, market and other data in this document, it has not been independently verified by us or any of our advisors, or any of the Lead Managers or any of their advisors and should not be relied on as if it had been so verified.

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Overview of the Indian Economy

GDP and Disposable Income

The Indian economy is one of the largest economies in the world, with a GDP at current price of an estimated ₹ 167.2 trillion for the fiscal year 2016-2017 (Source: *The International Monetary Fund’s World Economic Outlook as of October 2017*). Growth in India was revised down to 6.7 percent in 2017, given the lingering disruptions from demonetisation i.e. currency exchange initiative introduced in November 2016, as well as transition costs related to national Goods and Services Tax (GST).

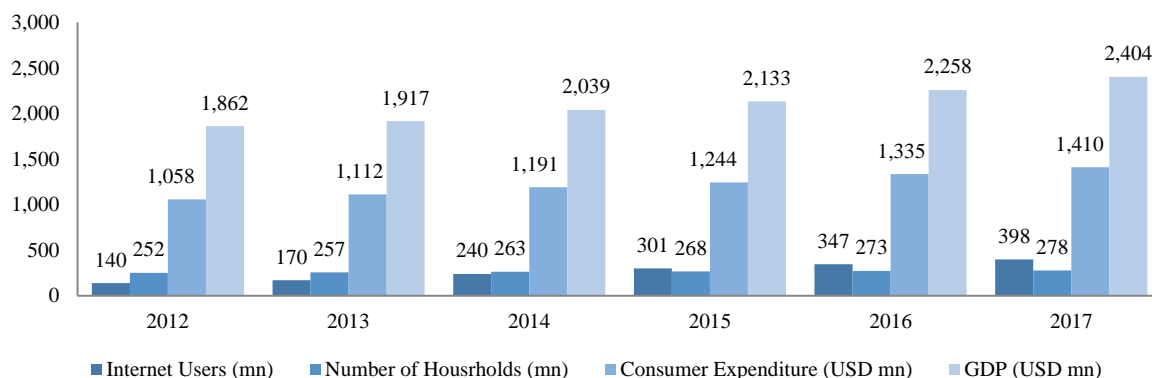
The introduction of GST, which promises the unification of India’s vast domestic market, is among several key structural reforms under implementation by the Government that are expected to help push growth above 8 percent in the medium term. (Source: *The International Monetary Fund’s World Economic Outlook as of October 2015*). The following table represents a comparison by calendar year of real GDP growth rates of certain countries:

| Country | 2013 | 2014 | 2015 | 2016 | 2017P | 2018P | 2022P |
|----------------|------|------|-------|-------|-------|-------|-------|
| Australia | 2.1 | 2.8 | 2.4 | 2.5 | 2.2 | 2.9 | 2.7 |
| Brazil | 3.0 | 0.5 | (3.8) | (3.6) | 0.7 | 1.5 | 2.0 |
| China | 7.8 | 7.3 | 6.9 | 6.7 | 6.8 | 6.5 | 5.8 |
| India | 6.4 | 7.5 | 8.0 | 7.1 | 6.7 | 7.4 | 8.2 |
| Japan | 2.0 | 0.3 | 1.1 | 1.0 | 1.5 | 0.7 | 0.6 |
| Russian Fed | 1.8 | 0.7 | (2.8) | (0.2) | 1.8 | 1.6 | 1.5 |
| United Kingdom | 1.9 | 3.1 | 2.2 | 1.8 | 1.7 | 1.5 | 1.7 |
| United States | 1.7 | 2.6 | 2.9 | 1.5 | 2.2 | 2.3 | 1.7 |

Note: Years refer to calendar years; data for 2017, 2018 and 2022 are projections
(Source: *The International Monetary Fund’s World Economic Outlook as of October 2017*)

Despite an overall slowdown in India’s rate of GDP growth since 2011, per capita GDP at constant prices in India nevertheless grew from an estimated US\$ 5,190 in 2013 to an estimated US\$6,538 for the year of 2017 (Source: *IMF World Economic Outlook Database Oct 2017*).

The following graph illustrates the size of India India’s GDP amongst other macro parameters to drive the growth going forward:



(Source: Euromonitor International India Country Factfile (www.euromonitor.com/india/country-factfile))

Investors’ perceptions of India improved in early 2014, due to a reduction of the current account deficit and expectations of post-election economic reform, resulting in a surge of inbound capital flows and stabilization of the rupee (Source: CIA Factbook).

GDP growth slowed down in the year 2016-2017, rising 7.1% as compared to a growth of 8.0% in the year 2015-2016. The growth moderated due to slowdown in gross capital formation as waning business confidence and flagging entrepreneurial energies took their toll on the appetite for new investment, even as government and private consumption accelerated and held up aggregate demand (Source: RBI’s Annual Report 2016-2017).

Population

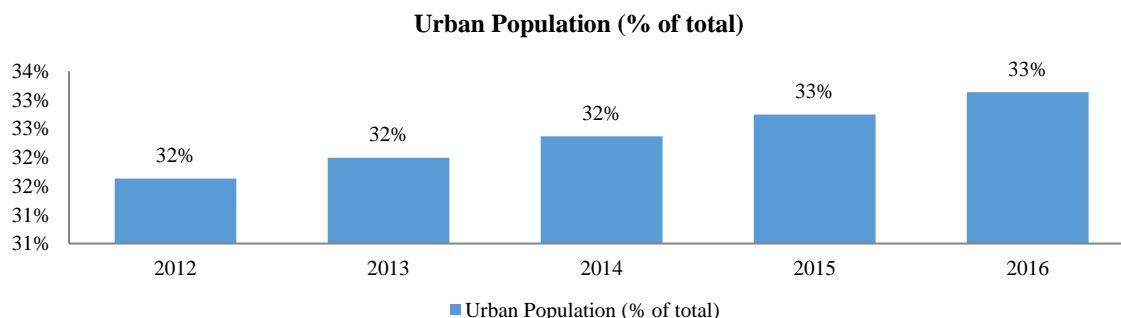
India had an estimated population of 1.281 billion as of July 2017. Approximately 66.5% of the entire population in India in 2015 lived in rural and remaining 33.5% lived in urban areas, respectively. The estimated rate of urbanization in India is 2.28% between 2015 and 2020 (Source: CIA Factbook).

The outlook for India’s long-term growth is moderately positive due to a young population and corresponding low dependency ratio, healthy savings and investment rates, and increasing integration into the global economy. The median age of its population is only 27.9 years as of 2017 (Source: CIA Factbook)

In the current decade, India’s population is expected to grow at 1.1%. Any increase in population directly impacts the demand for housing units. The number of householders is likely to increase as well with the change in age mix, growing number of nuclear families, increasing urbanisation and penetration of financing.

CRISIL expect urbanisation to accelerate, translating into a CAGR of 2.8-3.0% in urban population between 2016-17 and 2020-21, compared with the overall population growth of 1.1% during the same period. Urbanisation has a twin impact on housing demand. On the one hand, it reduces the area per household, and on the other, there is a rise in the number of nuclear families, leading to the formation of more households. (Source: CRISIL Research, Housing Finance: Industry Information Report, November 2017)

The following graph sets out the share of the urban population as percentage of the total population for the years 2012 to 2016:



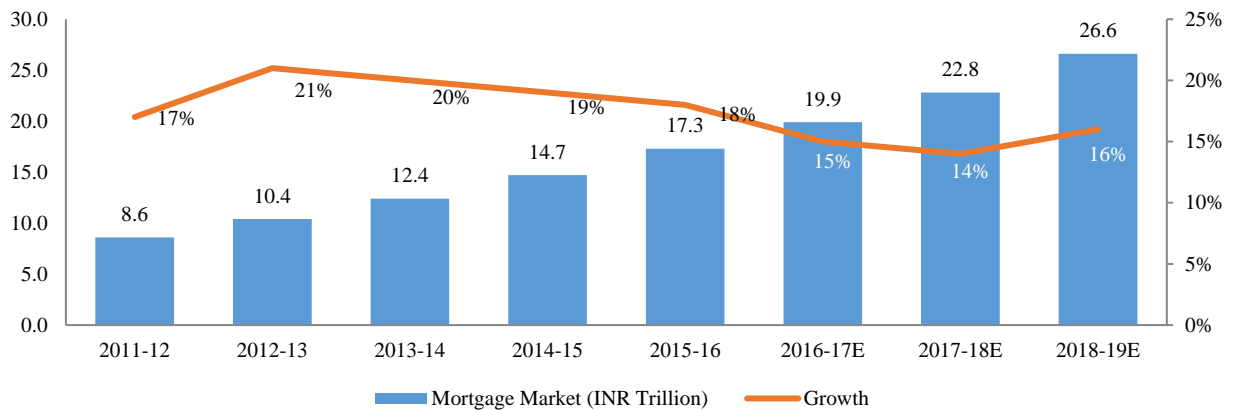
(Source: World Bank data files; <https://data.worldbank.org/indicator/SP.URB.TOTL.IN.ZS>)

Indian Housing Finance Industry

Overview

The Indian housing finance market has grown rapidly, with mortgage lending significantly contributing to growth in construction and demand for housing. Housing finance companies (HFCs) have been at the forefront, clocking CAGR of approximately 22% in loan outstanding between 2011-12 and 2016-17 vis-a-vis the industry's (banks + HFCs) 18-19%. This is due to higher growth in non-metro cities supported by government's support, rising finance penetration, lower interest rates, easing inflation, increasing demand from Tier-II cities as well as improved transparency and higher focus by HFCs.

The following graph illustrates the growth of India's mortgage book along with the growth during the period 2011-19:



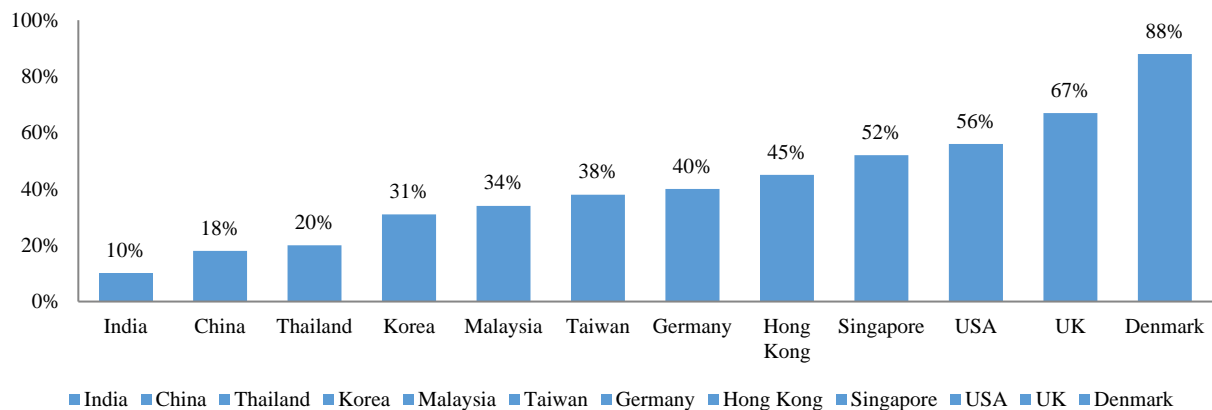
Note: Includes the overall portfolio of HFC and only housing loans and developer loans of banks
(Source: CRISIL Research – NBFC Report, November, 2017)

Long Term housing finance growth on a strong footing

India's mortgage-to-GDP ratio has seen strong growth since 2010 having improved from 7.4% in March, 2010 to 10% as of March 2016.

Despite the strong growth in outstanding housing loans in India in recent years, India's housing finance sector remains underpenetrated in comparison to other advanced economies, as evidenced by its low mortgage-to-GDP ratio. India's mortgage-to-GDP ratio stood at 10% in the year 2015-2016, which is significantly lower than the levels achieved in most of the advanced economies. Some developed economies (for example, Denmark) have mortgage markets that are close to 88% of GDP, while others (such as the United States and the United Kingdom) average around 56% and 67% respectively. (Source: CRISIL Research – NBFC Report, November 2017)

The following graph shows the mortgage-to-GDP ratio for certain countries:



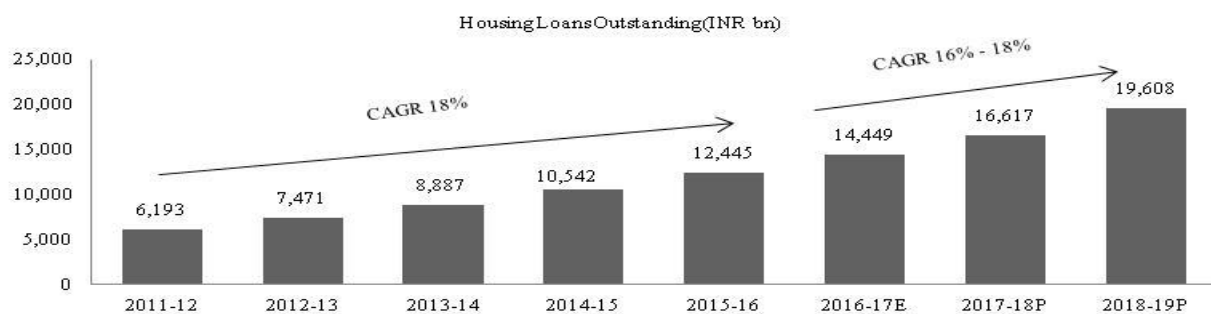
Note: India data for FY16, Other countries data for CY15
(Source: CRISIL Research – NBFC Report, November, 2017)

The mortgage penetration in India is estimated to be 9-11 years behind the regional emerging markets e.g. China, Thailand etc. (Source: CRISIL Research – NBFC Report, November 2017)

Housing Finance Companies

Given the strong growth in outstanding housing loans by non-banking financial companies (“NBFCs”), NBFCs over the years have played a vital role in the Indian economy. They have been at the forefront of catering to the financial needs of the un-bankable masses in the rural and semi-urban areas through their strong linkage to these segments.

Driven by the increased government support, lower interest rates and easing inflation, the Housing Finance sector have grown by a CAGR of 18% during the period FY11-FY17. The rising urbanisation, increased nuclearisation of families and increase in affordable housing is driving the growth in the Housing Loan sector.



(Source: CRISIL Research – NBFC Report, November, 2017)

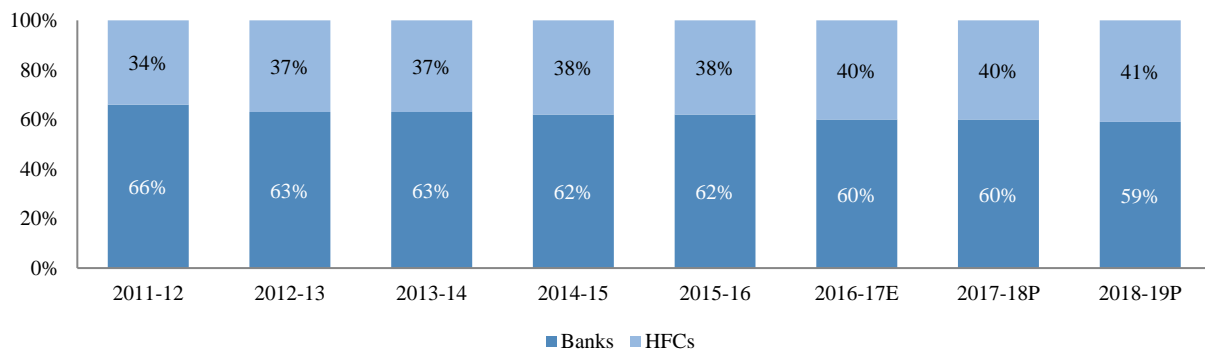
With respect to the housing finance market in India, the scheduled commercial banks hold ~ 60% of the share in this market for the year 2016-2017E. The market share of banks can be attributed to extensive networks, broad customer bases and access to stable low-cost funds.

Over the years, however, HFCs, as a category of NBFCs, have gained market share at the expense of banks and are one of the major players in the mortgage market in India. HFCs are specialized lending institutions for housing registered with the National Housing Bank (“NHB”).

Despite banks showing healthy growth in their lending portfolios, HFCs are able to gain market share due to their strong origination skills, focused approach, niche marketing, customer service orientation and diverse channels of sourcing business. Some HFCs have built strong brands over the years.

The recent growth in HFCs market share has been mainly supported by the sharper focus on loan against property (LAP) and developer loan segment. Going forward, as HFCs are likely to get more aggressive, their share is likely to expand in long term.

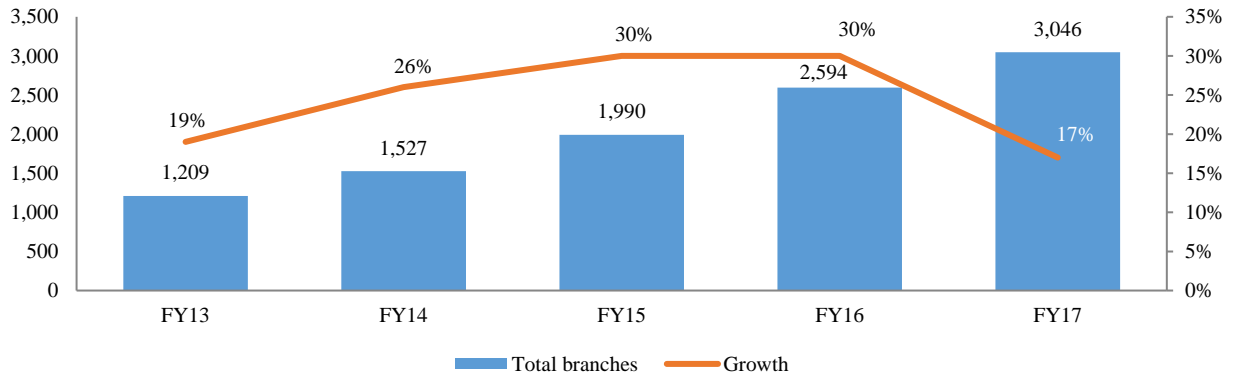
The following graph illustrates the growth of India’s HFCs in the housing finance industry from the year 2010-11 to the year 2018-2019E:



Note: Includes the overall port folio of HFC and only housing loans and developer loans of banks.

(Source: CRISIL Research, NBFC Report, November 2017)

The branch network of HFCs has grown at a CAGR of 26% over the last 4 years. CRISIL expects this growth to continue over the next two years as new players enter the market, and existing ones expand their geographical presence across the country while increasing the focus on digital channels as well.



Note: Branch expansion data includes data for 11 housing finance companies for all years (DHFL, HDFC Ltd, Indiabulls, GICHF, Canfin Homes, Aptus Value, Gruh Finance, HDBFS, Aadhar Housing, Aspire and Magma Housing)
(Source: NHB, RBI, CRISIL Research)

Key Growth Drivers for Housing Finance Industry

Affordability, Housing Unit Shortfalls and Tax Benefits

Affordability

Housing demand is positively correlated with increases in household income. During the past years, there has been an increasing movement of households into higher income categories.

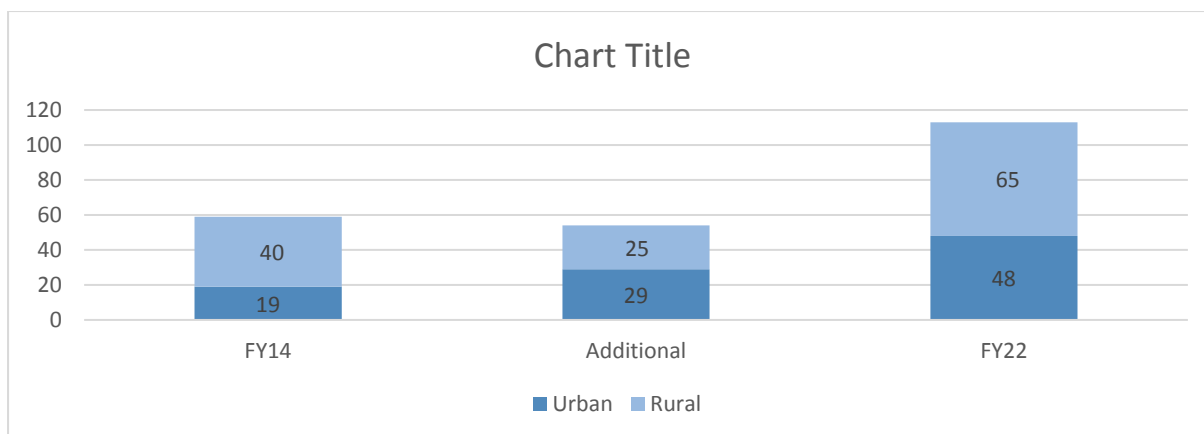
The income levels of the households in India have been increasing steadily over the years. The 'less than Rs 0.2 million' household income category represented an estimated 78% of the total population in 2015-16, compared with to 86% in 2009-10.

The share of the '₹ 0.2-0.5 million' income bracket, which constituted 18% of total households in 2015-16, is increasing at a faster pace. More households are estimated to have entered the '₹ 0.2-0.5 million' and 'greater than ₹ 0.5 million' income brackets. (Source: CRISIL Research, Housing Finance: Industry Information Report, November 2017)

Housing Unit Shortfall

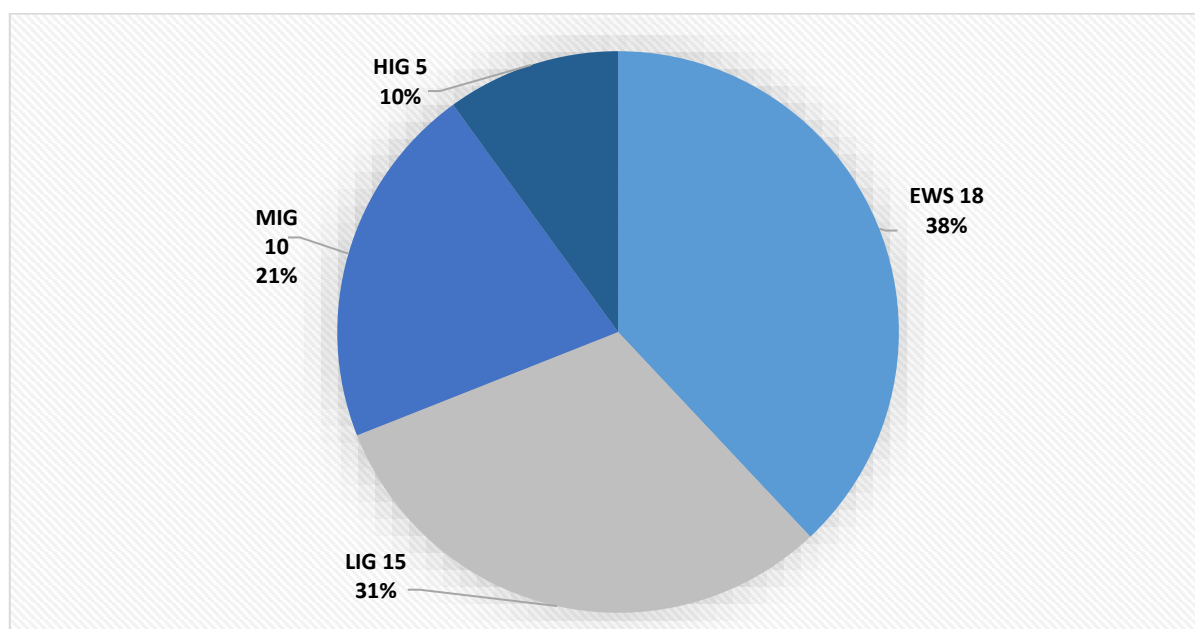
Despite a flourishing housing finance industry, India still faces a huge shortage of houses, especially in the urban areas. Consequently, India continues to face a huge shortage of houses especially in urban areas which will continue to drive the huge boost for housing finance industry.

In FY14, the housing shortage was estimated to be 59 million units and is projected to be ~113 million units in 2022. The Government aims to provide Housing for All by 2022 which entails development of ~113 million housing units including the existing shortage. The total investment required to meet the housing unit shortfall will be over US\$ 2tn.



(Source: KPMG, Decoding Housing for all-2022)

According to KPMG estimates, there would be a total requirement of ~48 million units of urban housing to fulfil urban housing requirements by 2022.



(Source: KPMG, Decoding Housing for all-2022)

Tax Incentives

The Tax incentives have traditionally being a key instrument used by the Government to promote the growth in housing sector. The Tax incentives have also been instrumental in driving the housing demand in India with few of the tax benefit being as follows:

- For individual borrowers, tax deductions are available for home loan interest payments and home loan principal payments. In respect of interest payments, annual interest payments on housing loans of up to ₹ 0.2 million can be claimed as a deduction from taxable income under Section 24(B) of the Income Tax Act, 1961.
- In addition, under Section 80C (read with Section 80 CCE) of the Income Tax Act, 1961, principal payments of up to ₹ 0.15 mn on home loans are allowed as a deduction from gross total income. As per Section 80 EE, an additional deduction in respect of interest of ₹ 50,000 p.a has been provided exclusively for first-time home buyers, provided the following: (1) Property value is up to ₹ 5 million; (2) Loan is up to ₹ 3.5 million; and (3) Loan has been sanctioned between April 1, 2016, and March 31, 2017.
- Under the Government mission “Housing for All by 2020”, the Cabinet Committee on Economic Affairs has approved to increase the interest subsidy to 6.5% for loans of up to ₹ 0.6 mn for the economically weaker section (EWS) and lower income group (LIG) beneficiaries under affordable housing through Credit-Linked Subsidy

Scheme (CLSS). In February 2017, benefits of the CLSS were extended to include middle-income group households as well.

- The Government also provides exemption from capital gains from the transfer of residential property, if invested in acquiring a residential building.

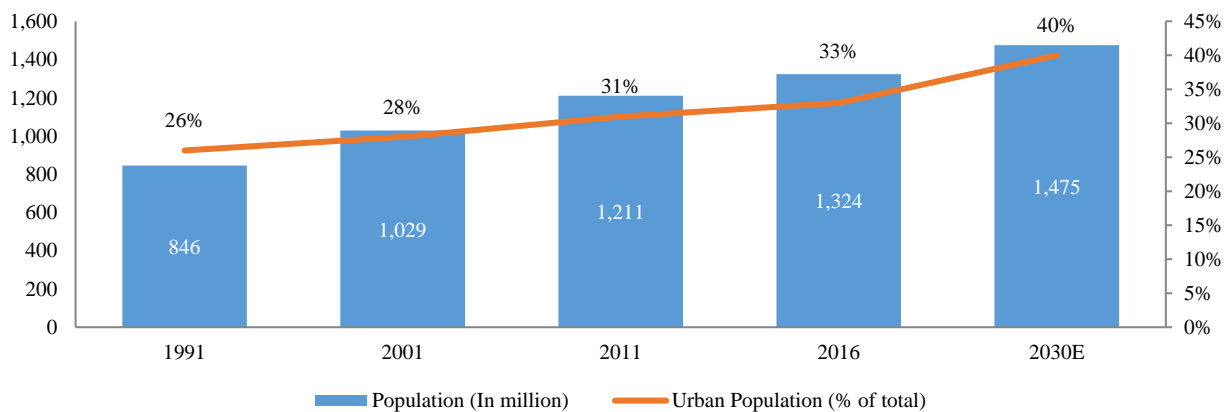
(Source: CRISIL Research, *Housing Finance: Industry Information Report, November 2017*)

Population Growth, Increasing Urbanisation and Favourable Demographics

In the current decade, India’s population is expected to grow at 1.1%. Any increase in population directly impacts the demand for housing units. The number of householders is likely to increase as well with the change in age mix, growing number of nuclear families, increasing urbanisation and penetration of financing.

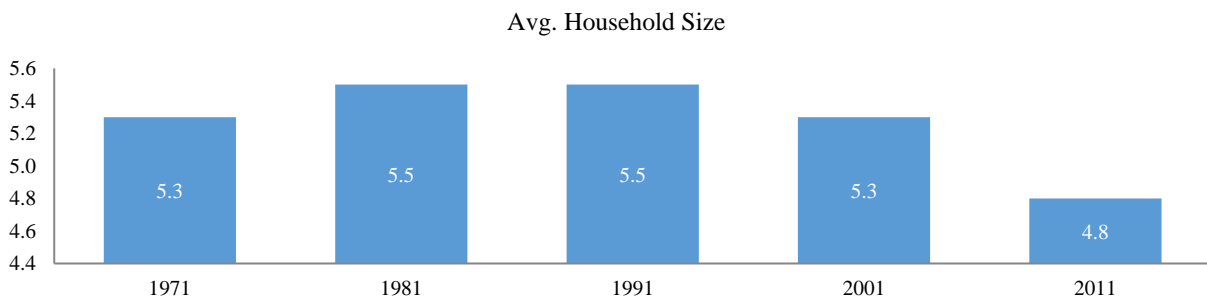
CRISIL expect urbanisation to accelerate, translating into a CAGR of 2.8-3.0% in urban population between 2016-17 and 2020-21, compared with the overall population growth of 1.1% during the same period.

CRISIL expects urbanisation to accelerate, driven the factors such as the large number of employment opportunities created by IT/ITeS companies in urban areas, which has led to the migration of the younger workforce. The proportion of urban population to reach ~40% in CY2030. Urbanisation has a twin impact on housing demand. On the one hand, it reduces the area per household, and on the other, there is a rise in the number of nuclear families, leading to the formation of more households.

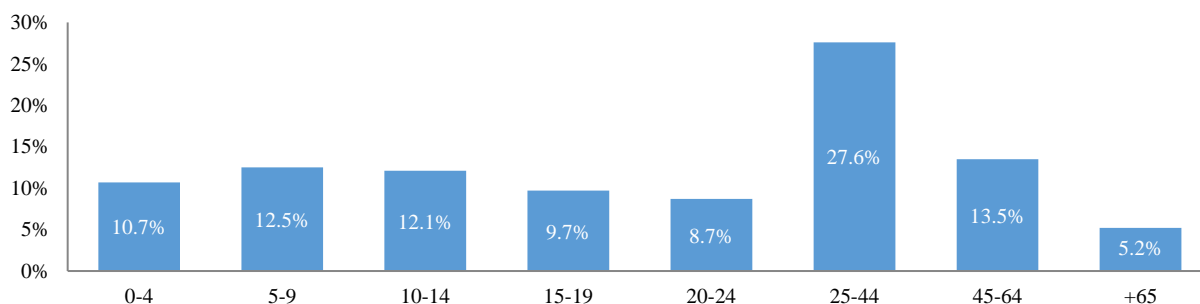


(Source: CRISIL Research, *Housing Finance: Industry Information Report, November 2017*; NHB, *Report on Trend and Progress of Housing in India, 2014*)

In addition, the trend of the reduction in household size and the corresponding increase in nuclear families is driving the demand for housing units as well as detailed in the figure below.



According to the Census data 2011, ~43% of the population is in the age group of 5yrs – 24yrs which will drive the increase in workforce and the rise in demand for housing units in future.

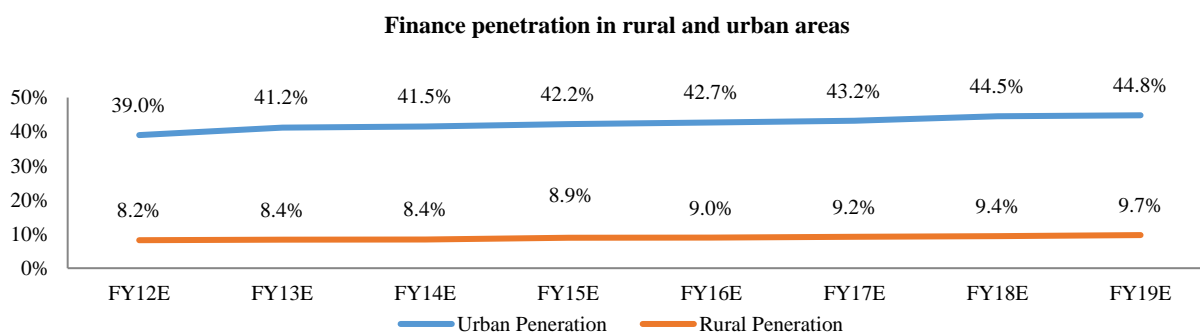


(Source: Census Data, 2011)

Increasing Finance Penetration

An increase in the finance penetration is expected to support the industry's growth. The increasing demand for housing units from tier-II and tier-III cities, and a subsequent surge in the construction activity, has increased the focus of financiers on these geographies. Consequently, finance penetration in urban areas is estimated to have increased to ~43% in fiscal 2017, from ~39% in fiscal 2012, while penetration in rural areas is estimated to have risen only slightly.

However, even in urban areas, the self-employed population is not catered to by several HFCs. The finance penetration is expected to increase gradually from these levels, driven by the thrust on affordable housing improved data availability, and rising competition. Moreover, rural areas are expected to witness considerable improvement in finance penetration, led by the government's efforts to provide housing for all.



(Source: CRISIL NBFC Report, November 2017 & CRISIL HFC Report, November 2017)

Government and Regulatory Initiatives for Affordable Housing

Pradhan Mantri Awas Yojana (PMAY): Housing for all by 2022

The push by the Government of India to provide 'Housing for All' by 2022 will boost sales of affordable, low-cost housing units and consequently, their financing. Under PMAY, the government plans to target construction of 20 million houses across India by 2022. The implementation of PMAY is expected to boost sales of affordable, low-cost housing units and their financing.

The key features of PMAY as divided into four components as detailed below:

| Slum Redevelopment | Affordable Housing in Partnership |
|---|---|
| <ul style="list-style-type: none"> - Land as a resource with private participation - GOI grant of ₹ 1 lakh per house - Developers to benefit from free sale component - Extra floor space index (FSI)/floor area ratio and transfer of development rights | <ul style="list-style-type: none"> - With private sector or public-sector agencies - Central assistance of ₹ 1.5 lakh per economically weaker section (EWS) houses in projects where the project has at least 250 houses and 35% of houses eligible for EWS category Affordable |
| Affordable housing through credit linked subsidy | Subsidy for beneficiary – led housing |
| <ul style="list-style-type: none"> - The government has implemented the credit-linked subsidy scheme (CLSS) under 'Housing for All' | <ul style="list-style-type: none"> - For individuals of EWS category for own house construction or enhancement |

mission as a demand-side intervention to expand institutional credit flow to meet housing requirements of people residing in urban regions. - Credit assistance of ₹ 1.5 lakh per beneficiary

Under the mission, affordable housing through Credit-Linked Subsidy Scheme (CLSS) will be implemented through banks or financial institutions.

The subsidy will be provided on home loans availed of by eligible urban population for acquisition and construction of houses with Housing and Urban Development Corporation (HUDCO) and National Housing Bank (NHB) being the central nodal agencies to direct this subsidy to the lending institutions and monitor the progress of this component.

The details of the CLSS are below:

| Category | Annual Household Income (₹) | Loan Amount (₹) | Interest Subsidy | Size of the Proposed House (sq.m – carpet area) |
|----------|--------------------------------|--------------------|------------------|--|
| EWS | Up to 300,000 | 600,000 | 6.50% | 30 |
| LIG | 300,000 – 600,000 | 600,000 | 6.50% | 60 |
| MIG 1 | 600,000 – 1,200,000 | 900,000 | 4.00% | 120 |
| MIG 2 | 1,200,000 – 1,800,000 | 1,200,000 | 3.00% | 150 |

(Source: CRISIL NBFC Report, November 2017 & CRISIL HFC Report, November 2017)

Infrastructure status to affordable-housing companies

The Government granted infrastructure status to affordable-housing sector, which implies lower financing costs for the same while enabling a new funding source for HFCs in form of External Commercial Borrowings as well as institutional credit which will reduce the cost of borrowing.

Atal Mission for Rejuvenation and Urban Transformation (AMRUT)

The purpose of AMRUT is to provide basic services i.e. water supply, sewerage, urban transport etc. to households and build amenities in cities and to improve quality of life for all, especially the poor and the disadvantaged.

Limit raised for Priority sector lending credit and affordable housing

To promote the affordable housing segment, the Reserve Bank of India (RBI) has revised the risk weightage criteria for lenders and reduced it to even below 50% for low ticket housing loans. This will help in the conservation of capital and increase lending to the smaller-ticket home loan segment.

Real Estate (Regulatory & Development) Act, 2016 (RERA)

The Government has implemented the Real Estate (Regulatory & Development) Act, 2016 to protect the interests of home buyers while boosting the investments in real estate sector. While RERA will have a short term negative impact on the sector given it will drive developers to complete existing projects, it will streamline the structure, improve discipline and transparency in the real estate sector in the long term.

SEBI Prudential limits in sector exposure for Housing Finance Companies (HFCs)

SEBI has allowed Debt Mutual Funds to invest in AA and above rated HFCs up to 40% exposure limit against 25% for other sectors.

(Source: CRISIL NBFC Report, November 2017 & CRISIL HFC Report, November 2017)

100% Tax benefit on profit to affordable housing project Builder / Developers and Service Tax Exemption

With a view to incentivise affordable housing sector as a part of larger objective of 'Housing for All', the Government has provided a 100% deduction of the profits of an Company developing and building affordable housing projects. In addition, it has also provided a service tax exemption on the construction of affordable housing.

Housing Finance Companies – Characteristics

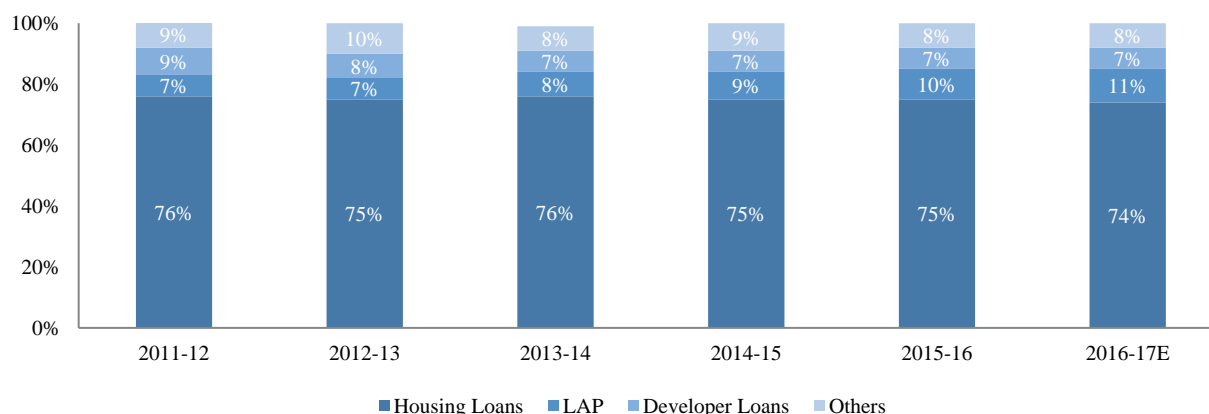
By Product Segments

Generally, HFCs' housing loans can be categorized into two segments: housing loans and non- housing loans.

Housing loans represent housing loans to individuals, which is the focus of HFCs whereas Non- housing loans include construction finance, corporate loans, loan against movable property (LAP) and lease rental discounting.

Over the last 2-3 years, HFCs focus has moved to higher yield segments i.e. Non-Housing loans. It is expected that the HFCs will continue to focus on high yielding assets as competition is increasing in housing finance both within sectors and from the banks.

The following graph shows the composition of housing and non-housing loans of HFCs from the year 2011-2012 to the year 2016-2017E:



(Source: CRISIL Research, NBFC HFC Report, November 2017)

By Purpose

Among the housing loans portfolio in the year 2013-2014, approximately 74% of the loans were for constructing or buying new houses, 2% were for upgrades and repairs of existing houses, and the remaining 24% were for acquisition of old or existing houses (resale transactions).

The data demonstrates that new assets creation was the main activity financed by housing loans disbursed by HFCs.

The following table sets out the disbursements of housing loans by HFCs, by purposes of the housing loans, for the year 2012-2013 and the year 2013-2014:

| Purposes | 2013 (in bn) | % to Total | 2014 (in bn) | % to Total |
|----------------------|--------------|---------------|----------------|---------------|
| New houses | 670.7 | 72.4% | 767.0 | 73.7% |
| Upgrades and repairs | 21.8 | 2.4% | 24.0 | 2.3% |
| Old/existing houses | 233.3 | 25.2% | 249.5 | 24.0% |
| Total | 925.8 | 100.0% | 1,040.6 | 100.0% |

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

By Ticket Size and Income of Borrowers

The Indian Housing Finance market can be split into 3 categories on the basis of the ticket size as described below:

| > INR 2.5 million | INR 1.0-2.5 million | < INR 1.0 million |
|---|---|--|
| a. Generally, metro/urban markets b. Dominated by large banks and HFCs | a. Semi-urban and satellite towns around large cities b. Large and Mid size HFCs dominate this segment | a. Least serviced segment with low income housing b. Rural and Semi urban towns c. Customers with cash income d. Niche HFCs and NBFCs |

| > INR 2.5 million | INR 1.0-2.5 million | < INR 1.0 million |
|--|--|--|
| c. Most competitive segment with bulk of the lending to salaried individuals d. Standard and easy underwriting process e. Mortgage yield difference to bank MCLR is almost “nil” | c. Salaried or self-employed customers d. Pricing competition limited to upper end of the segment e. Lower competition with yields ~50bps higher than >INR 2.5 million segment | e. Needs specific underwriting skills for the segment f. Lending Rates are 150-350bps higher than >INR 2.5million |

(Source: CRISIL Research, NBFC Report, November 2017)

Out of total housing loan disbursements of ₹ 1,040,570 million to individuals in 2013-14, ₹ 28,170 million was disbursed towards housing loan up to ₹ 500,000, which contributed to 2.71% of the total. Among these small ticket size loans, approximately 92% were disbursed to borrowers having income per month of more than ₹ 10,000 per month.

The following table sets out the breakdown of small ticket size loans by size of loans and by monthly income of borrowers in the year 2013-2014:

| Size of Loan | Income < ₹ 5,000 per month | | Income ₹ 5,000 to 10,000 per month | | Income > ₹ 10,000 per month | | Total | |
|---------------|----------------------------|------------|------------------------------------|------------|-----------------------------|------------|---------------|------------|
| | Amount (₹ mn) | % to Total | Amount (₹ mn) | % to Total | Amount (₹ mn) | % to Total | Amount (₹ mn) | % to Total |
| Up to ₹ 3mn | 80 | 80% | 1,790 | 86.5% | 9,040 | 34.8% | 10,920 | 38.8% |
| ₹ 3mn – ₹ 5mn | 20 | 20% | 280 | 13.5% | 16,960 | 65.2% | 17,250 | 61.2% |
| Total | 100 | 100.0% | 2,070 | 100.0% | 26,000 | 100.0% | 28,170 | 100.0% |

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

Housing Finance Companies – Operating Metrics

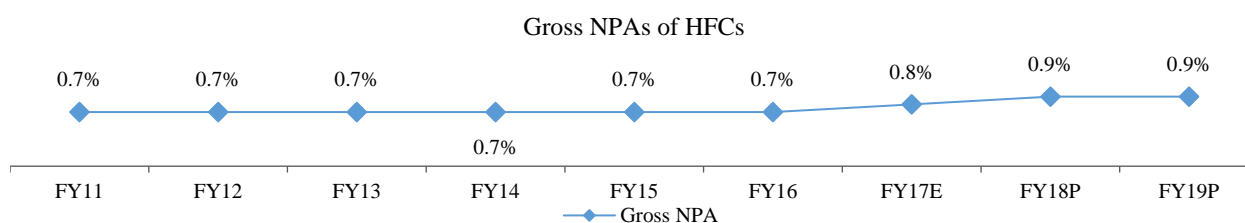
Asset quality of housing loan portfolios performed better than any other retail asset class

Given that the demand for home loans largely comes from first-time buyers, the asset quality in this segment has remained strong historically. The NPAs of financiers have improved in past two years driven by the adequate appraisal systems and effective recovery mechanisms as well as better availability of information (CIBIL data).

However, for many of the growing HFCs, given the focus on self-employed customers and due to the seasoning of portfolios, there is a potential risk of a rise in delinquency.

NPAs are likely to show a marginal uptick in fiscal 2018 but expected to remain stable in long term, led by an economic recovery, lower interest rates, better control, system checks, follow-ups and an expected improvement in job security.

The following graph illustrates the trend of gross NPA of HFCs from the year 2010-2011 to the year 2018-2019:



Note: GNPA is calculated based on weighted average of 15 HFCs accounting for more than 95% of market share. P: Projected.

(Source: CRISIL Research, NBFC Report, November 2017)

Well-diversified, stable resource base for HFCs with growing reliance on capital markets

HFCs have a well-diversified and stable resource base with a mix of fixed deposits, bank borrowings, debentures, bonds and foreign currency borrowings which helps HFCs to optimise costs

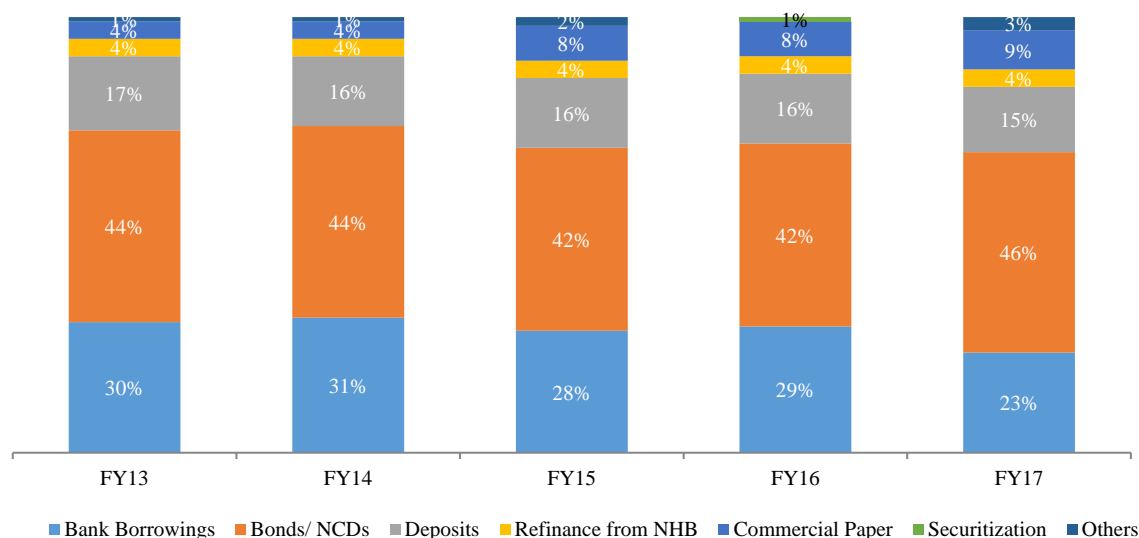
The share of borrowings from debt funds has increased in fiscal 2017, driven by a ~80 bps reduction in government security yield (difference between average yield during the year) in March 2017 compared with the previous year, which has reduced the borrowings costs for higher-rated HFCs.

The HFCs are increasingly raising funds through non-bank routes, particularly bonds/non-convertible debentures to help them maintain their spreads.

CRISIL believes that HFCS access to funds will improve, as the government and the Reserve Bank of India (RBI) have announced several measures to ensure adequate funding.

The new MCLR scheme has reduced borrowing costs wherein we have observed bank lending for housing loans reduce by 100-120 bps since banks switched to MCLR from the previous base-rate system.

Over the past few years, HFCs have adjusted their funding mix in a proportion to optimise costs as illustrated below:



Note: borrowings include financials of; Aadhar Housing Finance Limited, Aptus Value Housing Finance India Limited, Aspire Home Finance Corporation Limited, Can Fin Homes Ltd, Capital First Home Finance Private Limited, Dewan Housing Finance Corporation Ltd, DHFL Vysya Housing Finance Limited, Edelweiss Housing Finance Limited, GIC Housing Finance Ltd, Gruh Finance Ltd, Housing Development Finance Corporation Limited (HDFC), India Infoline Housing Finance Limited, Indiabulls Housing Finance Limited, L&T Housing Finance Ltd, LIC Housing Finance Ltd, Magma Housing Finance, Mahindra Rural Housing Finance Limited, Manappuram Home Finance Private Limited, Manipal Housing Finance Syndicate Limited, Micro Housing Finance Corporation Limited, PNB Housing Finance Limited, REPCO Home Finance Ltd., Sahara Housing Finance Corporation Limited, Shriram Housing Finance Ltd, Sundaram BNP Paribas Home Finance Limited, and Tata Capital Housing Finance Limited

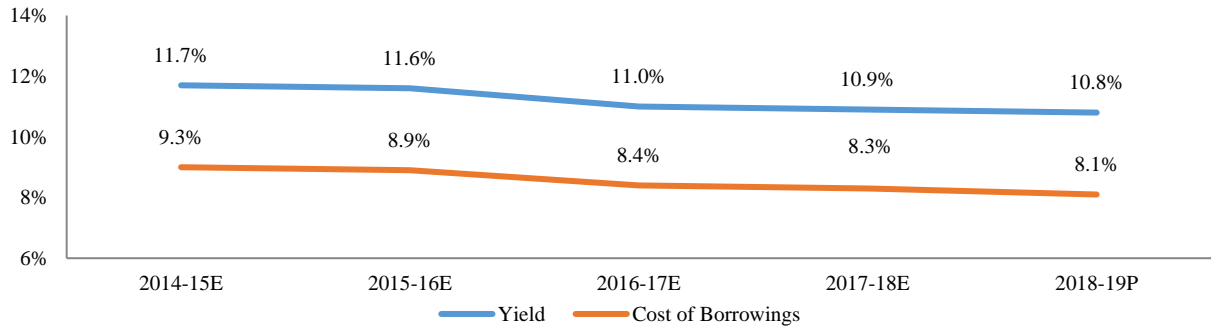
(Source: CRISIL Research, NBFC Report, November 2017)

RoAs to stay stable as lower cost of funds offsets yields

The NIMs for HFCs are expected to remain stable as the overall cost of borrowings for HFCs decline faster than the reduction in yield due to the higher borrowing share of capital markets.

HFCs are increasingly raising funds through non-bank routes, particularly bonds and non-convertible debentures, which will help HFCs maintain their spreads as cost of debenture is less than the bank borrowings.

The following table sets forth the profitability of HFCs:



(Source: CRISIL Research, NBFC HFC Report, November 2017)

OUR BUSINESS

In this chapter only, any reference to “we”, “us”, “our” or “our Company” refers to DHFL. Unless stated otherwise, the financial data in this chapter is as per our Reformatted Financial Statements and Audited Financial Results prepared in accordance with Indian GAAP set forth elsewhere in this Draft Shelf Prospectus.

The following information should be read together with the more detailed financial and other information included in this Draft Shelf Prospectus, including the information contained in the chapter “*Risk Factors*” beginning on page 11.

Overview

We are a deposit-taking housing finance company registered with the NHB and focused on providing financing products for the LMI segment in India primarily in Tier II and Tier III cities and towns. We have been active in the housing finance sector in India since 1984. We provide secured finance primarily to individuals, partnership firms and companies for the purchase, self-construction, improvement and extension of homes, new and resalable flats, commercial properties and land. We also provide certain categories of non-housing loans, asset management services, mutual fund products and insurance products.

We have a robust marketing and distribution network, with a presence across 347 locations including 187 branches, 135 micro branches, 20 zonal/ regional / CPU offices, two disbursement hubs, one collection center, one Corporate office and One National office, as at March 31, 2018. In addition to our network within India, we have international representative offices located in London and Dubai. To broaden our customer base and to penetrate further geographically, we have entered into tie-up with a public sector bank.

We have received a number of awards and recognitions in the past, including, amongst others “Most Trusted Housing Finance Brand” in the National Awards for Best Housing Finance Companies organised by CMO Asia and the World Federation of Marketing (Fiscal 2018), “The Best Performing Primary Lending Institution under CLSS for MIG” by My Liveable City and knowledge partner National Housing Bank (Fiscal 2018) and “One of India's Dream Companies to Work in the Housing Finance Sector by the World HRD Congress” (Fiscal 2018). For further details regarding awards and recognitions in the past, please refer to the chapter “*History and Other Corporate Matters*” on page 90.

Our direct wholly owned subsidiaries, DHFL Advisory and Investments Private Limited, DHFL Investments Limited and DHFL Changing Lives Foundation were incorporated on February 12, 2016, February 13, 2017 and December 1, 2017, respectively.

Further, we also offer life insurance products through DHFL Pramerica Life Insurance Company Limited. We currently own 50.0% shareholding in DHFL Pramerica through our wholly owned subsidiary, DHFL Investments Limited, with Pramerica and our promoter group entities holding the remainder 49.0% and 1.0% shareholding of DHFL Pramerica, respectively.

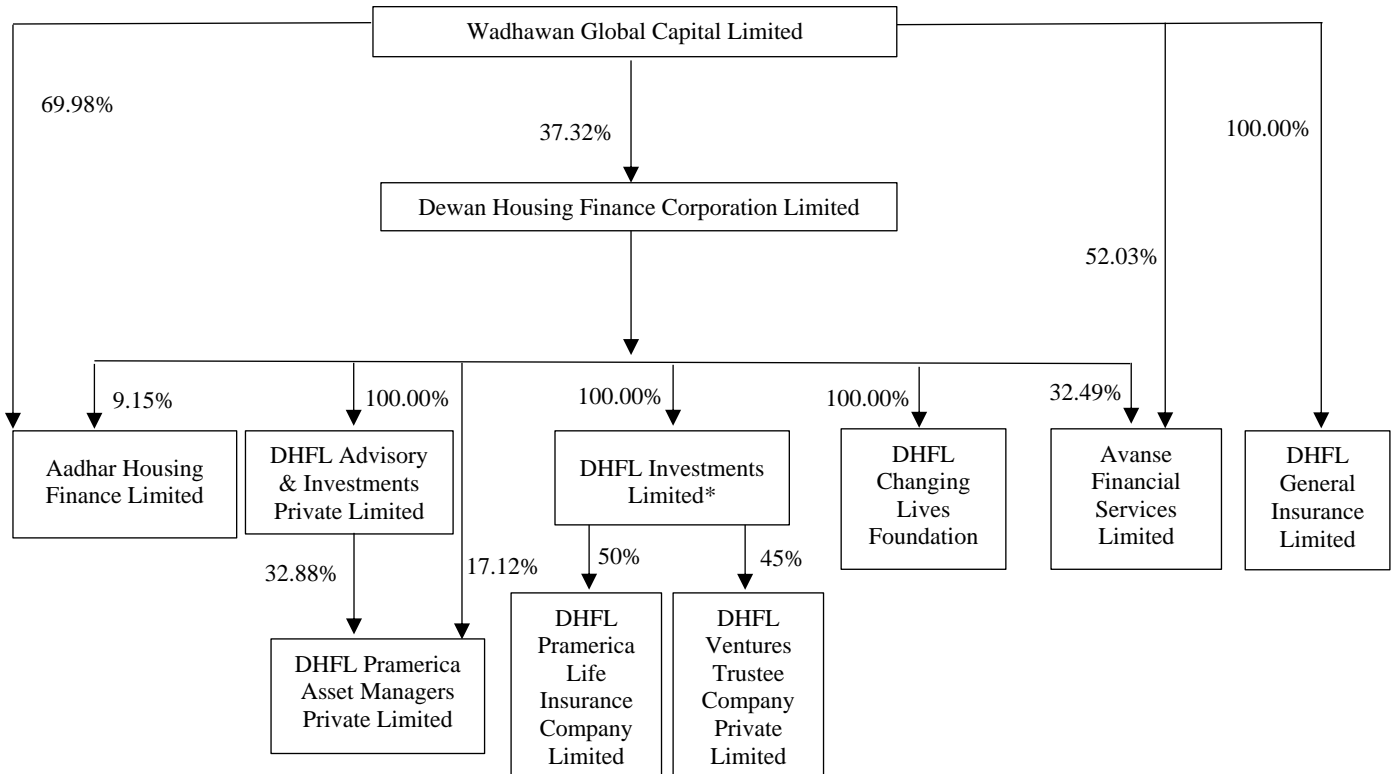
We provide asset management services to customers in the LMI segment through our joint venture entities DPAMPL and DPTPL, the asset management company and trustee company of DHFL Pramerica Mutual Fund (formerly Pramerica Mutual Fund). DPAMPL develops, manages, markets and operates an asset management business headquartered in Mumbai with a presence in 23 cities in India as on March 31, 2018 and also leverages on our pan-India distribution network, including our branches, staff and sales force, for the marketing, distribution and sale of mutual funds products. In addition, the acquisition of Deutsche Bank's asset management business in India allows us to expand our distribution platform and product portfolios significantly in India.

As at March 31, 2016, March 31, 2017 and March 31, 2018, our loan book stood at ₹ 61,77,502 lakh, ₹ 72,09,618 lakh and ₹ 91,93,232 lakh, respectively and our assets under management were ₹ 69,52,388 lakh, ₹ 83,55,992 lakh and ₹ 1,11,08,583 lakh, respectively. As at March 31, 2016, March 31, 2017 and March 31, 2018 our gross NPAs as a percentage of our loan book was 0.93%, 0.94% and 0.96%, respectively and our net NPAs as a percentage of our loan book was 0.58%, 0.58% and 0.56%, respectively.

For the Fiscals 2016, 2017 and 2018, our total revenue from operations was ₹ 7,29,510 lakh, ₹ 8,85,176 lakh and ₹ 10,45,016 lakh, respectively on a standalone basis and ₹ 7,83,487 lakh, ₹ 9,60,990 lakh and ₹ 10,51,474 lakh, respectively on a consolidated basis. Our profit after tax for the Fiscals 2016, 2017 and 2018 was ₹ 74,930 lakh, ₹ 2,80,630 lakh and ₹ 1,16,565 lakh, respectively on a consolidated basis and ₹ 72,920 lakh, ₹ 2,89,645 lakh and

₹ 1,17,213 lakh, respectively on a standalone basis. Our standalone revenue from operations and profit after tax grew at a CAGR of 19.7% and 26.8%, respectively and our consolidated revenue from operations and profit after tax grew at a CAGR of 15.8% and 24.7%, respectively, over the last three Fiscals.

Set out below is the structure chart of our Group as at March 31, 2018.



* Wadhawan Global Capital Limited holds 190,10,00,000 CCDs of ₹10 each convertible into equal number of equity shares of DIL of ₹10 each

Our shares have been listed on BSE and NSE since 1985 and 2002, respectively.

Key Strengths

We believe that the following key credit strengths will enable us to maintain a conservative risk profile while taking advantage of what we believe to be significant opportunities for growth.

Long track record of leadership in the LMI segment

The Company was established in 1984 with the main objective to provide loans to satisfy the housing needs of the LMI segment. As at March 31, 2016, March 31, 2017 and March 31, 2018, housing loans made up 79.51% 78.61% and 72.8%, respectively, of our total outstanding assets. Through our focus on the LMI segment, we have evolved our loan sourcing expertise over a period of more than 30 years to better identify the needs of customers in the LMI segment and estimate their income and repayment capabilities. Our business strategies have been aligned to serve these segments effectively. We have developed a suite of products that caters to all segments with a focus on the LMI segment in various geographical territories of India. Moreover, we have recently created separate business verticals for housing loans and non-housing loans in order to allow each vertical to focus on its core business and use its expertise in underwriting loans.

We believe that our experience shows our ability to identify opportunities of housing finance demand, particularly in the LMI segment, and to meet such demand with flexible products to suit our customers' needs. In addition, we believe that our years of experience have also established strong customer awareness of and loyalty to our brand and contributed to new and repeat business via word-of-mouth marketing. We believe that we have effectively established a uniform brand identity across a broad spectrum of consumer touch points, from corporate stationary to outdoor advertising. During Fiscals 2016, 2017 and 2018, we disbursed loans in the

amount of ₹ 24,20,222 lakh, ₹ 28,58,190 lakh and ₹ 44,80,031 lakh, respectively.

We believe that our focus on, and experience working with, the LMI segment provide us with a significant competitive advantage in an area of the market that we expect to continue to grow and aligns us with the expected general economic and population growth trends and the GoI's focus on improving the economic situation of this segment of the population.

We have also established two Central Processing Units (CPUs) at Mumbai and Hyderabad on or around March 2017 and September 2017, respectively, for our home loan underwriting business which aims to deliver superior customer experience to our home mortgage customers. These CPUs will serve all the zones across India.

Strong growth opportunity supported by Government critical policy agenda

The housing finance industry in India is growing rapidly and is served by multiple institutions that cater to people in diverse geographies and across income spreads. An increase in finance penetration is expected to support the industry's growth. Rising demand for housing from tier II and tier III cities, and a subsequent surge in construction activity, have contributed to an increase in finance penetration in urban areas from an estimated 41.2% in 2012-13 to 43.2% in 2016-17. In addition, the average size of loans disbursed by housing finance companies increased in line with the rapid rise in urban property prices, fuelling growth in the sector. While average ticket size of loans grew 7-8% to ₹ 22.4 lakh in 2014-16, it declined marginally in 2016-17. Finally, the push by the government to provide 'Housing for All' by 2022 via the 'Pradhan Mantri Awas Yojana' scheme and its implementation may boost sales of affordable, low cost housing units and, consequently, their financing. (Source: CRISIL Housing finance: Industry Information report November 2017.)

We target the LMI segment of the Indian population. We believe that these segments present significant potential as the GoI has turned its focus towards inclusive growth to extend the benefits of economic prosperity to the broader population, as evidenced by the abovementioned 'Housing for All' policy. We have developed credit appraisal mechanisms targeting the LMI segment of customers in Tier II and Tier III cities and towns, including private salaried persons, public servants, entrepreneurs, traders and other professionals. We believe that our credit appraisal mechanisms provide us with a significant competitive advantage in the LMI segment in which the credit quality of potential customers is difficult to assess.

The four components of the 'Pradhan Mantri Awas Yojana' scheme involves slum redevelopment, affordable housing in partnership with private sectors or public-sector agencies, affordable housing through credit linked subsidies and subsidies for beneficiary-led housing. Affordable housing through credit linked subsidies will be implemented through banks and financial institutions. The scheme is intended to reduce equated money installments on homeowners by providing interest subsidies ranging between 3.0% to 6.5%, depending on the recipient's annual household income; under the scheme, there is no maximum loan limit, the maximum eligible housing loan amount for interest subsidy is ₹ 12.0 lakh, the maximum annual household income to benefit from the scheme is ₹ 18.0 lakh, and the repayment tenor is 20 years.

In addition, the GoI has introduced other regulatory incentives including viability gap funding, increased limit for priority sector lending, grant of licenses under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 to housing finance corporations to help minimize losses and encouraging lending to borrowers in small towns and the revision of interest-spread caps for the Rural Housing Fund and implementation of the Atal Mission for Rejuvenation and Urban Transformation.

Diversified funding mix with focused ALM

We use a variety of funding sources to optimize funding costs, protect interest margins and maintain a diverse funding portfolio that will enable us to further achieve funding stability and liquidity. Our weighted average borrowing cost as at March 31, 2017 and March 31, 2018 was 8.83% and 8.44%, respectively. As at March 31, 2018, our sources of funding were primarily from banks and financial institutions (42.28%), non-convertible debentures (31.08%), public (fixed) deposits (11.15%), refinancing from the NHB (3.07%), commercial papers (6.53%), subordinated debt (1.44%), External Commercial Borrowings ("ECB") (3.20%) and perpetual debt (1.25%). We diversify our resources profile by accessing funds from multilateral agencies. We aim to continue to gradually reduce our reliance on the borrowings from banks and financial institution and focus on capital market instruments with lower funding costs subject to compliance with conditions prescribed by the NHB from time to time.

Because of the composition of our credit portfolio, which qualifies for priority sector lending, we are one of the preferred sources in the securitization market. We securitize a pool of certain housing and non-housing loans and manage servicing of such loan accounts under the securitization agreements with investors. As at March 31, 2017 and March 31, 2018, the balance outstanding against the pool aggregated to ₹ 11,46,374 lakh and ₹ 19,15,351 lakh, respectively.

We have received the following credit ratings for domestic fund raising:

| Nature of borrowing | Rating / Outlook | | | |
|---|-----------------------|----------------------------|--------------|----------------|
| | CARE | Brickwork | ICRA | CRISIL |
| Short-term debt / Commercial Paper | CARE A1+ | - | ICRA A1+ | CRISIL A1+ |
| Public (fixed) Deposits / Short Term Deposits | CARE AAA (FD); Stable | BWR FAAA (Outlook: Stable) | - | CRISIL A1+ |
| Subordinated debt | CARE AA+; Stable | BWR AAA (Outlook: Stable) | - | - |
| NCDs | CARE AAA; Stable | BWR AAA (Outlook: Stable) | - | - |
| IPDIs | CARE AA; Stable | BWR AA+ (Outlook: Stable) | - | - |
| Long-term bank loans | CARE AAA; Stable | - | - | - |
| Structured obligations | CARE AAA(SO) | - | ICRA AAA(SO) | CRISIL AAA(SO) |

These ratings indicate the highest or a very strong degree of safety regarding timely servicing of financial obligations and allow us to access debt financing at competitive rates of interest. Based on our ratings, we expect to source funding at competitive rates from the capital markets and reduce our proportion of bank financing to bring down our overall funding costs.

Healthy asset quality reinforced by strong risk management framework

We maintain quality loan portfolios through careful targeting of customers, a comprehensive risk assessment process and diligent risk remediation procedures. We place emphasis on risk management measures to ensure an appropriate balance between risk and return and have taken steps to implement robust and comprehensive policies and procedures to identify, measure, monitor and manage risk. Our risk management procedure in the loan approval process begins with our sales team where we conduct initial interviews. Our credit team assesses key documents and we also conduct mandatory KYC on the customer. Our legal or empanelled legal team prepares relevant loan documentation and conducts due diligence on the property while our technical or empanelled technical operations team will conduct site visits to examine the structure of property and prepare valuations. If all necessary criteria are met, the loan will be approved for disbursement or otherwise the proposal will be sent to the head office for further evaluation. Our gross NPAs as a percentage of outstanding loans were 0.93%, 0.94% and 0.96% as at March 31, 2016, 2017 and 2018, respectively. Our net NPAs as a percentage of outstanding loans were 0.58%, 0.58% and 0.56% as at March 31, 2016 2017 and 2018, respectively.

Being a housing finance company, the operations of our Company are regulated by the NHB. Our Company is presently required by the NHB under the NHB Regulations to maintain a minimum capital adequacy ratio consisting of Tier-I and Tier-II capital which shall not be less than 12% of its aggregate risk weighted assets and of risk adjusted value of off-balance sheet items. In addition, under Section 29C of the NHB Act, our Company is required to create a reserve fund and transfer to such fund an amount of not less than 20% of its net profits every year as disclosed in the profit and loss account and before any dividend is declared. The NHB also requires us to make provisions in respect of NPAs. As a prudent practice, we make additional provisioning for NPAs at a higher rate than that prescribed by the NHB. Our capital adequacy ratio as at March 31, 2016, 2017 and 2018 was 16.74%, 19.12% and 15.29%, respectively.

We have implemented the provisions of the SARFAESI Act to our advantage for recovery of NPAs. We also engage outsourced collection agencies in a few markets. Our branch managers and staff interact closely with customers at the time of loan disbursal. Their involvement extends to the collection process, thus ensuring higher collection efficiency and stronger relationships. Our stringent recovery procedures help us ensure good collections and low NPAs. As at March 31, 2018, the NPA amount stood at ₹ 88,094 lakh. We have adopted a three-pronged approach that includes: (i) effective monitoring of all standard accounts to capture early alert signals and recover overdue installments; (ii) persuasion with all NPA borrowers through personal contacts for

recovery of the overdue amount, to upgrade the account to standard category; and (iii) within one to two months of the account turning NPA, initiation of the process under the SARFAESI Act to recover the outstanding amounts.

Strong financial profile

We have shown consistent, stable financial growth. As at March 31, 2016, 2017 and 2018 our loan book stood at ₹ 61,77,502 lakh, ₹ 72,09,618 lakh and ₹91,93,232 lakh, respectively. As at March 31, 2016, 2017 and 2018, our assets under management were ₹69,52,388 lakh, ₹83,55,992 lakh and ₹ 1,11,08,583 lakh, respectively, representing a CAGR of 26.4%. As at March 31, 2016, 2017 and 2018, our gross NPAs as a percentage of outstanding loans were 0.93%, 0.94% and 0.96%, respectively, and our net NPAs as a percentage of outstanding loans were 0.58%, 0.58% and 0.56%, respectively. For the years ended March 31, 2016, 2017 and 2018, our total revenue from operations was ₹ 7,29,510 lakh, ₹ 8,85,176 lakh and ₹ 10,45,015 lakh, respectively, and our PAT was ₹ 72,920 lakh, ₹ 2,89,645 lakh and ₹ 1,17,213 lakh, respectively. Our revenue from operations and PAT grew at a CAGR of 19.7% and 26.8%, respectively, over the three Fiscals ended March 31, 2018.

The following table summarizes certain key financial data and ratios as at and for the Fiscals 2016, 2017 and 2018.

| Operational & Financial Parameters | As at and for the Fiscal ended March 31 | | |
|------------------------------------|---|-----------|-----------|
| | 2016 | 2017 | 2018 |
| Capital Adequacy Ratio (%) | 16.74] | 19.12 | 15.29 |
| Tier 1 Capital Adequacy Ratio (%) | 12.97 | 14.75 | 11.52 |
| Debt to Equity Ratio | 11.12 | 7.72 | 8.78 |
| Net Interest Margin (%) | 2.96 | 2.99 | 3.04 |
| Loan Book (₹ lakh) | 61,77,502 | 72,09,618 | 91,93,232 |
| Return on Average Assets (%)** | 1.52 | 1.56 | 1.72 |
| Return on Average Equity (%)*** | 17.78 | 16.10 | 16.83 |
| Net NPA (%) | 0.58 | 0.58 | 0.56 |
| Borrowings (₹ lakh) | 61,10,367 | 81,34,125 | 92,71,545 |
| Loan to Value Ratio (%) | 56.13 | 60.20 | 58.90 |
| Cost to Income Ratio (%) | 26.13 | 23.63 | 23.06 |
| Average ticket size (₹'000) | 1,240 | 1,399 | 15,20 |

** Return on Average Assets is calculated as – Net Profit before provisions/average total assets

*** Return on Average Equity is calculated as – Net profit before provisions/average total shareholders' funds

Our strong financial profile has allowed us to successfully raise equity capital from international institutional investors since 2009. We have raised qualified institutional placements in 2009, 2010, 2012 and 2015.

Strong Management Team and Corporate Governance

The Company has an experienced Board that oversees and guides our strategy and operations. Our Board has constituted several Board committees including the Risk Management Committee, the Finance Committee, the the Review Committee, for taking decisions with respect to wilful defaulters, the Audit Committee, the Stakeholders' Relationship Committee, the Corporate Social Responsibility Committee, the Nomination and Remuneration Committee and NCD Public Issue Committee for timely decision-making and to ensure effective governance. Our directors include individuals experienced in a wide range of subjects relevant to our business including banking, finance, corporate law, insurance law and real estate. In addition, our promoter Directors, Mr. Kapil Wadhawan and Mr. Dheeraj Wadhawan, have over 22 and 11 years of experience, respectively, in the housing finance and the development and construction industries. Similarly, the members of our experienced management team and our employees share our common vision of excellence in execution and exhibit a diverse set of backgrounds with substantial experience including credit evaluation, technical evaluation, risk management, treasury, technology and marketing. We are supported by members of Group Management Team, including Mr. G. Ravishankar, Mr. Srinath Sridharan, and Mr. Suresh Mahalingam, who are advisers that provide strategic direction and enhance cohesion across groups in the Company. The diversity of experience helps us adapt a creative and cross-functional approach. For further details on our Board, see the chapter "**Management**" on page 106.

Our Company believes that good corporate governance is an important constituent in enhancing stakeholder value. The corporate governance framework is based on an effective independent Board, separation of the

supervisory role of the Board from the executive management team and constitution of the committees of the Board, as required under applicable law. For details regarding our corporate policies, as approved by the board of directors of our Company please refer to <https://www.dhfl.com/investors>.

Our Business Strategy

Our objective is to continue to service the needs of the LMI segment while growing profitability and increasing shareholder value by pursuing and executing the following business strategies:

Maintain strong asset quality and earnings growth

We seek to maintain high quality loan portfolios through continued targeting of our customer base, comprehensive risk assessment processes, diligent risk monitoring and remediation procedures and the services of our employees, DSAs and online sourcing platform providers for loan origination. Our in-house credit team conducts a credit check and verification procedure on each customer, ensuring consistent quality standards in an effort to minimize future losses. Our centralized processing system, through which credit appraisals and monitoring functions are conducted from centralized locations, ensures greater standardization and consistency in underwriting quality. Our net NPAs as a percentage of our loan book were 0.58%, 0.58% and 0.56% as at March 31, 2016, 2017 and 2018, respectively. Our revenue from operations has grown at a CAGR of 19.7% from Fiscal 2016 to 2018 and our net profit (excluding exceptional income) grew at a CAGR of 26.8% during the same period. We believe we can continue to maintain strong asset quality appropriate to the loan portfolio composition, while achieving steady earnings growth, through our disciplined risk management strategies and because of our controlled cost of funding.

Leverage on existing network with selective expansion

We expect that we will be able to explore latent opportunities in the LMI segment to our advantage. We operate primarily in the LMI segment and we target private/Government salaried persons, public servants, entrepreneurs, traders and other professionals, which are underserved by conventional financial institutions and where we expect significant opportunities for growth. We work on evolving techniques to improve credit assessment for this segment, as well as run a pilot funding program to evaluate behavioural trends and credit performance in such segments, in order to discover latent opportunities within our target segment. Further, considering our widespread geographical reach, we plan to dig deeper into the target customer base of our geographies and increase our market share in each of these locations. As and when we believe that sufficient potential exists in a particular location we plan to selectively add new locations to our distribution network of 347 locations across India as at March 31, 2018. We plan to continue to expand our pan-India presence by setting up new offices across regions with the focus on the LMI segment and through tie-ups with public and private sector banks which can provide us with the necessary infrastructure and a readily available client portfolio. We also plan to continue to widen our distribution network through addition of the DSAs and online sourcing platform providers. For a discussion of certain risks relating to our expansion strategy, please see the chapter “*Risk Factor – We may experience difficulties in expanding our business into new regions and markets*” on page 14. We will also utilize emerging syntec tools and data analytics for increased operational efficiency and risk management.

Continue to engage in competitive loan pricing and customize and cross-sell products and services to attract more customers

We seek to participate actively in the market through competitive offering both from the products and pricing perspective. Even though the LMI segment will continue to be our primary target markets, we seek to achieve higher growth and a diversified portfolio by providing access to our services to the broader population. This will also help us to optimally utilize our wide distribution network that encompasses the largest metro cities to Tier II and Tier III cities and towns.

We seek to continue to introduce, customize and cross-sell new and existing products and services. We specially design our products and services to suit the needs of varied customer segments. We have developed a wide range of housing-related loans designed to cater to a variety of customers depending on demand and needs. In addition, in order to cater to a larger potential customer base, we offer other property (non-housing) loans and secured and unsecured SME loan products. We intend to continue to expand the marketing of our other property (non-housing) loans as well as secured and unsecured SME loan products as we believe that there is significant demand in our target customer segments for such products.

We will also continue to cross-sell products and services in order to increase our fee-based income. For instance, we offer, at the discretion of the customer, the life insurance products of DHFL Pramerica and general insurance products of DHFL General Insurance. In addition, we also propose to offer the asset management services of DPAMPL and DPTPL. Generating additional fee-based income will help increase profitability and provide additional opportunities for customer interaction.

Strengthen the IT platform and optimize cost of operations

We have an integrated LMS, which has been developed in-house. We have outsourced our data centre operations to one of the leading IT companies. Our in-house system has been customized to meet the requirements for lending to the LMI segment and captures the legacy expertise that we have created over 33 years. This has helped us particularly in launching new products. We have initiated a technology transformation program in association with a leading IT company to support our growth, improve operational efficiency and optimize costs through the use of technology. This program is expected to establish a scalable and flexible technology landscape, improve customer centricity, enable faster decision-making through automation of certain processes and analytics and bring our technology platform to a new level. We aim to align our technology landscape to evolving business needs, which would support us in our growth targets. Under this project we plan to replace our legacy systems and business application platforms with proven commercial off-the-shelf product solutions, which provide best fit solutions to the objectives mentioned above. We will continue to assess our technology and update it according to business needs on an on-going basis. See “– **Information Technology.**” on page 88.

We seek to reduce our operating costs as a percentage of top-line revenue through the efficient implementation and utilization of our technical resources and infrastructure. We aim to reduce our operating costs by leveraging on our existing fixed costs while simultaneously increasing our business and manpower productivity. We seek to staff the organization with individuals capable of driving this growth by enabling them with greater delegation of authority and de-centralizing our decision-making processes. In addition, we aim to continue to manage our NPA levels to reduce losses and recovery costs.

We have an integrated branch network, which we believe contributes to the optimization of our operational costs and improves our delivery mechanism. We have linked all branch offices to a central database that helps in periodic assessments of our portfolio and provides specific advantages in terms of efficiency and cost savings. The Company, as a deposit-taking housing finance company, accepts deposits from retail and corporate investors. We centralized the processes related to the end-to-end management of fixed deposits including those related to acceptance of fixed deposits, issuance of deposit receipts and interest warrants, and repayment and renewal of the matured deposits in a compliant manner. The centralization of the above processes has helped the Company to reduce transactional costs and achieve higher productivity.

Conservative Financial Policies

We maintain conservative financial policies reflecting management’s strong commitment to maintaining strong credit profile. These policies include:

Budgeting Policy. For our budgeting and financial planning each year, our MIS and control department will work with each business unit to devise a budget based on the strategic directions and performance target of the Company as a whole. The budget is required to be sent to management, the Audit Committee and the Board of Directors for review.

Hedging Policy. We have company-wide hedging risk guidelines implemented to control our foreign exchange and interest rate mismatch risks.

Credit Policy. We have risk guidelines across the organization with risk limits implemented to control our overall credit risk, such as counterparty risk limits, single industry concentration limits and credit quality minimum requirements.

Financial Leverage. Our Board of Directors currently targets a conservative financial leverage, subject to the relevant financial covenants requirements set by our creditors.

Liquidity Policy. We strive to maintain liquidity to the extent of meeting all of our financial commitments and liabilities, including disbursements and operating expenses, for the period between 3 months to 6 months,

depending on the nature of such commitment and liabilities. As a policy, we do not intend to maintain any unfunded liability for each subsequent three-month period.

Investment Policy. We have an investment policy intended to effectively utilise our liquidity. Our investment policy is framed and implemented based on liquidity, credit risk and duration risk.

Key Operational and Financial Parameters on standalone basis are:

(₹ in lakh)

| Parameters | Fiscal 2018* | Fiscal 2017* | Fiscal 2016* |
|---|--------------|--------------|--------------|
| Net worth | 8,79,564 | 7,99,580 | 5,01,700 |
| Total Debt | 92,71,545 | 81,34,124 | 61,10,366 |
| of which | | | |
| - Non-Current Maturities of Long Term Borrowing | 70,21,431 | 66,75,391 | 45,11,947 |
| - Short Term Borrowing | 8,81,243 | 4,26,866 | 6,43,660 |
| - Current Maturities of Long Term Borrowing | 13,58,530 | 10,24,193 | 9,49,349 |
| - Unclaimed Matured Deposits and Interest Accrued thereon | 10,341 | 7,674 | 5,410 |
| Net Fixed Assets | 97,884 | 84,267 | 78,052 |
| Non-Current Assets (Excluding Fixed Assets & Other Non-current assets) | 88,01,390 | 69,58,538 | 59,42,411 |
| Cash and Bank Balances (Including Non-current portion) | 2,95,582 | 3,62,041 | 362,211 |
| Current Investments | 6,00,165 | 12,58,733 | 17,346 |
| Current Assets (Excluding Cash and Bank Balances current portion & Current Investments) | 9,62,226 | 5,66,219 | 3,86,449 |
| Current Liabilities (Excluding Short term borrowing , Current Maturities of Long Term Borrowing & Matured Deposits and Interest thereon) | 4,83,275 | 2,01,405 | 111,206 |
| Assets Under Management (i.e. Housing and Property Loans ,including Securitised and Syndicated Portion) | 1,11,08,583 | 83,55,991 | 69,52,388 |
| Off Balance Sheet Assets | - | - | - |
| Interest Income (Including Treasury Income) | 10,00,565 | 8,63,112 | 7,13,947 |
| Interest Expense | 7,56,492 | 6,65,361 | 5,49,003 |
| Provisioning & Write-offs | 41,980 | 21,800 | 17,500 |
| PAT | 1,17,213 | 2,89,645 | 72,920 |
| Gross NPA (%) ** | 0.96 | 0.94 | 0.93 |
| Net NPA (%) *** | 0.56 | 0.58 | 0.58 |
| Tier I Capital Adequacy Ratio (%) | 11.52 | 14.75 | 12.97 |
| Tier II Capital Adequacy Ratio (%) | 3.77 | 4.37 | 3.77 |

* Figures are rounded off to nearest Rs. In lakh

** Gross NPA % = Gross NPA / (Assets Under Management – Off Balance Sheet Assets)

*** Net NPA % = (Gross NPA – NPA Provision) / (Assets Under Management – Off Balance Sheet Assets)

Gross Debt Equity Ratio of the Company:

| Parameters | |
|---|-------|
| Before Issue of the Debt Securities (In Times) | 10.21 |
| After Issue of the Debt Securities (In Times) * | 11.91 |

*The debt-equity ratio post the Issue is indicative on account of the assumed inflow of ₹15,000 crore from the proposed Issue in the secured debt category as on March 31, 2018 only. The actual debt-equity ratio post the Issue would depend on the actual position of debt and equity on the Deemed Date of Allotment.

Debt/Equity Ratio = (Total Debt outstanding at the end of year – Total Cash & Bank Balances)/Networth

Our Associates, Joint Ventures and Subsidiaries

As at March 31, 2018, we had shareholdings in three subsidiaries and three associate companies. Details of our subsidiaries and associate companies are set forth in the table below.

| Subsidiaries, Joint Ventures and Associate company | Fiscal Year of acquisition of shareholding by our Company | Company's shareholding as at March 31, 2018 |
|--|---|---|
| DHFL Advisory and Investments Private Limited (DAIPL) [#] | 2016 | 100.0% |
| DHFL Investments Limited (DIL) ^{##} | 2017 | 100.0% |
| DHFL Changing Lives Foundation | 2018 | Section 8 Company promoted by DHFL |
| Aadhar Housing Finance Limited (AHFL) \$ | 2004 | 9.2% |
| Avanse Financial Services Limited (AFSL) | 2013 | 32.5% |
| DHFL Ventures Trustee Company Private Limited* | 2006 | 45.0% |

[#] In Fiscal 2016 DAIPL acquired 32.88% stake in DPAMPL for a consideration of ₹ 30,000 lakh. DAIPL issued optionally convertible debentures (“OCDs”) to our promoter group entity, WGCL, raised ₹22,500 lakh to fund the above acquisition. If WGCL exercises the right of conversion under OCDs, DAIPL will become a subsidiary of WGCL.

^{##} DHFL Investments Limited have issued ₹ 190,100 lakh of compulsorily convertible debentures (“CCDs”) convertible into equivalent number of shares in DHFL Investments Limited to WGCL, a promoter group entity to fund acquisition of DHFL Pramerica Life Insurance Company Limited from our Company. These CCDs are convertible into equivalent number of shares of DIL after the expiry of 100 months from the date on which the CCDs were issued and are mandatorily convertible upon the expiry of 110 months from such issue date. DHFL Investments Limited will thus become a subsidiary of WGCL after such CCDs are converted into the shares of DHFL Investments Limited.

\$ In Fiscal 2018 Aadhar Housing Finance Limited got merged with DHFL Vysya Housing Finance Limited pursuant to the scheme of amalgamation duly approved by National Company Law Tribunal (“NCLT”). Subsequently the name of the amalgamated Company was changed to Aadhar Housing Finance Limited.

* through our wholly owned subsidiary DHFL Investments Limited

As at March 31, 2018, we have three Joint Venture companies. Details of our Joint Venture companies are set forth in the table below.

| Joint Venture company | Fiscal Year of acquisition of shareholding by our Company | Company's shareholding as at March 31, 2018 |
|---|---|---|
| DHFL Pramerica Life Insurance Company Limited | 2015* | 50.0% [#] |
| DHFL Pramerica Asset Managers Private Limited | 2016 | DHFL 17.12% & DAIPL - 32.88% |
| DHFL Pramerica Trustees Private Limited | 2016 | 50.0% |

* through our wholly owned subsidiary DHFL Investments Limited

[#] During Fiscal 2017, we sold our entire shareholding in DHFL Pramerica at ₹2,00,050 lakh to our wholly owned subsidiary, DHFL Investments Limited. DHFL Investments Limited have in turn issued 190,10,00,000 compulsorily convertible debentures of face value of ₹ 10 each (“CCDs”) for ₹ 1,90,100, lakh to WGCL, a promoter group entity, to fund acquisition of DHFL Pramerica Life Insurance Company Limited from our Company. These CCDs are convertible into equivalent number of shares of DIL after the expiry of 100 months from the date on which the CCDs were issued and are mandatorily convertible upon the expiry of 110 months from such issue date. DHFL Investments Limited will thus become a subsidiary of WGCL after such CCDs are converted into the shares of DHFL Investments Limited.

Our Products and Services

We are a housing finance company with a focus on providing housing finance and related products for the underserved majority, primarily through home loans provided to the LMI segment in India. We provide secured finance primarily to individuals, partnership firms and companies for the purchase, self-construction, improvement and extension of homes, new and resalable flats, commercial properties and plots. We also provide certain categories of non-housing loans.

Credit Appraisal and Approval

We follow a centralised Housing Loan Credit Policy (last updated on September 1, 2016) to assess home loan applications on the basis of uniform parameters. With standardized credit norms, we are able to apply uniform rules to applicants with similar credit characteristics from any part of the country. We also have a separate policy for project finance i.e. “DHFL Project Loan Policy” (last updated on July 20, 2017).

Loan Products

We offer a range of home-related loans which we offer to a variety of customers depending on demand and needs.

Generally, we determine the actual loan amount for each loan by taking into account various factors including the property value, repayment capacity, age, educational qualifications, stability and continuity of income, number of dependents, co-applicant's income, assets, liabilities and historical savings habits. Loans are generally repaid in EMI. The size of the EMI depends on the quantum of loan, interest rate and tenure of loan.

We also offer a payment scheme for home loan seekers who are due for retirement within the term of the loan and have applied jointly with an eligible younger co-applicant. Prepayment of the loan, ahead of the contracted schedule in part or full, is permitted. Our loans vary in tenure, though most loans are generally not extended beyond the borrower's retirement age or 60 years (70 years for self-employed individuals), whichever is earlier. Our retail prime lending rate as at March 31, 2018 was 18.2%.

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

We offer the following housing loan products:

| Loan Product | Purpose |
|---|--|
| Housing Loans | Purchase of a built-up or under construction home |
| Home improvement loans | Home renovation and repainting |
| Home construction loans | Self-construction of a home on a land plot owned by a customer |
| Home extension loans | Extension of the existing accommodations |
| Home loans for self-employed customers | Satisfaction of housing needs of self-employed professionals and non-professionals such as retailers, small scale business men, doctors, architects, chartered accountants, etc. |
| Plot/land loans and plot and construction loans | Purchase of non-agricultural plot land situated within municipal/local development authority limits and, in case of plot and construction loans, construction of a home |
| NRI Home Loans | Purchase, construction, improvement, plot purchase, composite loan and extension of residential properties in India NRIs |
| Home loan balance transfer | Transfer of customers' existing home loans obtained from other providers to the Company |

Other Loan Products (non-housing)

We also offer other loan products including the following:

| Loan Products | Purpose |
|---------------------------------|---|
| Loans against property | Loans against mortgage of customers' residential or commercial property availed for working capital and other business needs and construction of residential projects |
| Purchase of Commercial Property | For the purchase of ready or under construction Commercial property by Self Employed Professionals /Self Employed Non-Professionals |
| Lease Rental Discounting | For setting up arrangements on the discounting of cash flow/lease rentals from the lessee to be received by a renowned corporate (lessor) from leasing of commercial or residential properties held by it |
| SME Loans | |
| Business Loans | Unsecured loans to SMEs to finance business needs |
| Property term loans | Loans to SMEs to finance working capital and business expansion requirements |
| Plant and Machinery | Loans to SMEs to finance purchase of new / used industrial machinery; |
| Medical Equipment Loans | Loans to SMEs (doctors / hospitals / clinics / nursing homes) to finance purchase of new / used medical equipment |
| Project Loans | Loans to companies, partnership firms etc. to finance construction of residential and commercial complexes. Such loan is disbursed in instalments benchmarked against a schedule of construction progress. The primary security is a registered or equitable mortgage on the project land or construction thereon and hypothecation of receivables from the project. Other security includes personal guarantees from the promoters, partners or directors of the borrower and a mortgage of other land or buildings or a pledge of shares in a developer |

Other Products and Services

We also operate in fee-based verticals that complement our core business. By cross-selling various products, including insurance, to our customers, we retain our present customer base and generate additional fee-based income resulting in higher returns.

Insurance services

We have entered into a joint venture, DHFL Pramerica, with Pramerica and Yardstick Developers Private Limited, a Promoter Group company to provide life insurance services. We currently hold 50% shareholding in DHFL Pramerica through our wholly owned subsidiary, DIL. DHFL Pramerica is a registered life insurance company in India regulated by the IRDA.

Our Company is registered with the IRDA as a “Corporate Agent – Composite” until March 31, 2019. With such registration, we are authorized to solicit customers and serve the businesses of both life and general insurance companies. In this regard, we have entered into corporate agency agreements with DHFL Pramerica, Chola MS and DHFL General Insurance Limited. Pursuant to these agreements, we act as DHFL Pramerica’s corporate agents for distribution of DHFL Pramerica’s life insurance products in addition to Chola MS’ and DHFL General Insurance Limited’s general insurance products. As such, we provide insurance services leveraging on the Company’s pan-India distribution network. We have entered into a trademark licensing agreement with DHFL Pramerica with respect to the use of our name by the joint venture, as part of our co-branding.

Prior to our participation in DHFL Pramerica, we served as the master policy holder of MRTAs of a few leading life insurers. These MRTA insurance products are single premium and are designed to cover the life-risk of the borrowers (i.e., our housing loan customers), who may opt for MRTA products to the extent of the loan availed. In the case of the death of the borrower who has purchased an MRTA product, the insurer would pay an amount equivalent to the outstanding loan balance as on the date of the death of the borrower to the Company and the balance, if any, to the nominee/legal heir. Any outstanding loan amount over and above the claim settlement is required to be paid by the borrower’s nominee/legal heir to us. This is expected to help reduce the likelihood of loans going bad (and, therefore, increase NPAs).

As per the arrangement with DHFL Pramerica, we became a master policy holder for DHFL Pramerica’s MRTA products effective January 2014. We will continue to service our customers who opted for other MRTA products with our pre-existing insurance associates until such time as they repay their loans with us. However, effective January 2014, we have primarily focused on distribution of insurance products of DHFL Pramerica. New customers will have the option to purchase MRTA products from other insurers while availing a loan with us, provided that the premiums for such policies will need to be paid up-front by the customer to the relevant insurer.

Asset Management Services

In Fiscal 2015, we entered into a joint venture with PGLH of Delaware, Inc. pursuant to which we acquired a 50% stake in each of DPAMPL and DPTPL, the asset management company and trustee company of DHFL Pramerica Mutual Fund (formerly Pramerica Mutual Fund). DPAMPL develops, manages, markets and operates an asset management business headquartered in Mumbai with a presence in 23 cities in India as of March 31, 2018. We believe that DPAMPL and DPTPL will help us to extend our philosophy of financial inclusion by increasing product offerings to the LMI segment that we have profitably served over the years.

In August 2015, DPAMPL and DPTPL, along with others, entered into definitive agreements with DBAMC, Deutsche Trustee Services (India) Private Limited, the asset management company and trustee company of DBMF and Deutsche India Holdings Private Limited, sponsor of DBMF, to acquire (i) the rights to manage the schemes of DBMF, and (ii) the portfolio management accounts of DBAMC. On March 4, 2016, the said acquisition was completed. Through these joint ventures and acquisitions, we aim to provide asset management services to customers in the LMI segment by leveraging on our pan-India distribution network, including our branches, staff and sales force, for the marketing, distribution and sale of mutual funds products. In addition, the acquisition of Deutsche Bank’s asset management business in India allows us to expand our distribution platform and product portfolios significantly in India. DAIPL invested ₹ 30,000 lakh and acquired 32.88% equity stake in DPAMPL in Fiscal 2016. DAIPL issued optionally convertible debentures (“OCDs”) to our promoter group entity, WGCL raised ₹ 22,500 lakh to fund the above acquisition. If the OCDs are converted, then DAIPL will become a subsidiary of WGCL. In Fiscal 2017 pursuant to approval from the Honorable High Court of Bombay, the Joint

Venture entity DHFL Pramerica Asset Managers Private Limited reduced and consolidated its issued and paid up equity share capital. Consequent to which the number of equity shares held by the Company stood reduced and consolidated to 1,85,68,825 equity shares of ₹ 10 each from 15,61,36,360 equity shares of ₹ 10 each.

Loan Operations

Loan sanctions during the fiscal year ended March 31, 2018 were ₹ 65,93,578 lakh as against ₹ 39,84,628 lakh in the previous fiscal year, representing a growth of 66%.

Loan disbursements during the fiscal year ended March 31, 2018 were ₹ 44,80,031 lakh as against ₹ 28,58,190 lakh in the previous fiscal year, representing a growth of 57%.

The table below sets out our loan sanctions and disbursements for the past three fiscal years.

(in ₹ lakh)

| Particulars | For the Fiscal | | |
|---------------|----------------|-----------|-----------|
| | 2016 | 2017 | 2018 |
| Sanctions | 37,60,813 | 39,84,628 | 65,93,578 |
| Disbursements | 24,20,222 | 28,58,190 | 44,80,031 |

In value terms, our loan sanctions have grown at a CAGR of 32.4% and disbursements have witnessed a CAGR of 36.1% over the last three fiscal years ended March 31, 2018. The average size of loans by the Company has increased from ₹ 12.4 lakh in Fiscal 2016 to ₹ 15.2 lakh in Fiscal 2018. In Fiscal 2018, housing loans made up 72.8% of our loan book.

The following table sets out our total loans by principal categories and principal categories as a percentage of total loans as at March 31, 2016, 2017 and 2018.

(in ₹ lakh, except percentages)

| Description | As at March 31 | | | | | |
|------------------------------------|----------------|------------------|---------------|------------------|-------------|------------------|
| | 2016 | | 2017 | | 2018 | |
| | % | Amount | % | Amount | % | Amount |
| Housing loans | 79.5% | 49,11,851 | 78.6% | 56,66,951 | 72.8% | 66,94,308 |
| Other property (non-housing) loans | 20.5% | 12,65,651 | 21.4% | 15,42,667 | 27.2% | 24,98,924 |
| Total | 100.0% | 61,77,502 | 100.0% | 72,09,618 | 100% | 91,93,232 |

Funding Sources

We strive to maintain diverse sources of funds in order to reduce our funding costs maintain adequate interest margins and achieve liquidity goals. The following table sets out our sources of funding and their respective percentages of our total funding as at March 31, 2016, 2017 and 2018:

| Source of funding | As at March 31, | | |
|---|-----------------|---------------|---------------|
| | 2016 | 2017 | 2018 |
| Loans from banks and financial institutions | 52.7% | 41.9% | 42.3% |
| Non-convertible debentures and other debt instruments | 23.2% | 35.4% | 31.1% |
| Public(fixed) deposits | 8.3% | 8.4% | 11.2% |
| Refinancing from NHB | 2.4% | 4.0% | 3.1% |
| Commercial papers | 7.6% | 3.7% | 6.5% |
| Subordinated debt | 2.0% | 1.9% | 1.4% |
| External Commercial Borrowings | 3.7% | 3.9% | 3.2% |
| Perpetual Debt | 0.3% | 0.8% | 1.3% |
| Total | 100.0% | 100.0% | 100.0% |

The table below sets forth the amount and weighted average cost of our borrowings as at March 31, 2016, 2017 and 2018.

(₹ in lakh)

| Funding source | Borrowings as at | | | | | |
|--------------------------------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|
| | March 31, 2016 | | March 31, 2017 | | March 31, 2018 | |
| | ₹ lakh | Borrowing cost, % | ₹ lakh | Borrowing cost, % | ₹ lakh | Borrowing cost, % |
| Banks & financial institutions | 32,17,328 | 10.1% | 34,05,356 | 8.9% | 39,20,074 | 8.3% |
| NHB | 1,48,089 | 7.6% | 3,28,850 | 7.6% | 2,84,820 | 7.6% |
| Capital Markets | 2,017,117 | 9.3% | 33,99,201 | 8.8% | 37,36,229 | 8.7% |
| External Commercial Borrowings | 2,23,566 | 8.7% | 3,17,354 | 8.9% | 2,96,476 | 8.7% |
| Fixed deposit | 5,04,266 | 9.5% | 6,83,361 | 8.9% | 10,33,949 | 8.2% |
| Total / Weighted Average Cost | 61,10,367 | 9.7% | 81,34,125 | 8.8% | 92,71,545 | 8.4% |

Credit Ratings

Our borrowings have received the following credit ratings as at March 31, 2018, which help us obtain debt financing at competitive rates of interest:

| Nature of borrowing | Rating / Outlook | | | |
|---|-----------------------|----------------------------|--------------|----------------|
| | CARE | Brickwork | ICRA | CRISIL |
| Short-term debt / Commercial Paper | CARE A1+ | - | ICRA A1+ | CRISIL A1+ |
| Public (fixed) Deposits / Short Term Deposits | CARE AAA (FD); Stable | BWR FAAA (Outlook: Stable) | - | CRISIL A1+ |
| Subordinated debt | CARE AA+; Stable | BWR AAA (Outlook: Stable) | - | - |
| NCDs | CARE AAA; Stable | BWR AAA (Outlook: Stable) | - | - |
| IPDIs | CARE AA; Stable | BWR AA+ (Outlook: Stable) | - | - |
| Long-term bank loans | CARE AAA; Stable | - | - | - |
| Structured obligations | CARE AAA(SO) | - | ICRA AAA(SO) | CRISIL AAA(SO) |

For a discussion of certain risks relating to our funding and funding costs including losing our existing credit ratings, please refer to the chapter titled “*Risk Factors - Internal Risks and Risks Associated with our Business - We may not be able to secure the requisite amount of financing at competitive rates for our growth plans and to continue to gain uninterrupted access to our funding sources, which could adversely affect our business, results of operations and financial condition*” on page 20.

Statutory Liquidity Ratio

Housing finance companies are required to maintain a SLR of not less than 12.50% with respect to public deposits outstanding at the close of business and the last working day of preceding quarter. Housing finance companies are required to maintain a SLR of not less than 12.50% with respect to public deposits outstanding at the close of business on the last working day of the second preceding quarter. As at March 31, 2016, March 31, 2017 and March 31, 2018, we invested ₹ 32,285 lakh, ₹ 43,084 lakh and ₹ 65,014 lakh, in bank deposits and ₹ 29,652 lakh, ₹ 40,407 lakh and ₹ 63,095 lakh in approved securities comprising government securities and government-guaranteed bonds, respectively. As at March 31, 2016, March 31, 2017 and March 31, 2018, our SLR was 13.9%, 13.7% and 14.9%, respectively, which was within the limits prescribed by the NHB.

We classified our investments across current and long-term investments. In respect of long-term investments, we made provisions to reflect permanent diminution in investment value. Our investment decisions are taken within the limits set out by the Board. Our investment function supports the core housing finance business to ensure adequate liquidity and maintain statutory liquidity.

Capital Adequacy

The Company is presently required by the NHB to maintain a minimum capital adequacy consisting of Tier-I and Tier-II capital which shall not be less than 12.00% of our aggregate risk weighted assets and of risk adjusted value of off-balance sheet items. The following table sets out our capital adequacy ratios as at March 31, 2016, 2017 and 2018.

| Particulars | As at March 31, | | |
|------------------------|-----------------|--------|--------|
| | 2016 | 2017 | 2018 |
| Capital Adequacy Ratio | 16.74% | 19.12% | 15.29% |

The Company's capital adequacy ratio was 16.74%, 19.12% and 15.29% as at March 31, 2016, March 31, 2017 and March 31, 2018, respectively, which we believe provides an adequate cushion to withstand business risks and exceeds the minimum requirement of 12.00% stipulated by the NHB. Our capital adequacy ratio is calculated in accordance with Indian GAAP.

Distribution Network

We have a robust marketing and distribution network, with a presence across 347 locations including 187 branches, 135 micro branches, 20 zonal/ regional / CPU offices, two disbursement hubs, one collection center, one Corporate office and One National office, as at March 31, 2018

Our distribution network is designed to reach out to the LMI segment and tap a growing potential customer base throughout India. We maintain a pan-India marketing and distribution network with a presence across 347 locations including 187 branches, 135 micro branches, 20 zonal/ regional / CPU offices, two disbursement hubs, one collection center, one Corporate office and One National office as at March 31, 2018. Our network is grouped into zones and regions located pan-India. Our distribution network in India is spread over Tier II and Tier III cities and towns. We believe our business model allows us to deliver improved turnover time and to improve customer satisfaction while maintaining asset quality.

Our distribution network includes direct selling teams (i.e. staff working with us on a contract basis), DSAs and other business referral partners. Direct selling teams work under supervision of our employees and our payment for their services is a combination of fixed fee and variable commission based on the disbursement of loans sourced by them. The majority of our loans are sourced through the direct selling teams.

We engage DSAs on a commission basis payable upon disbursement of loans sourced by them. Business sourced by the DSAs is appraised by us in accordance with our underwriting standards and requirements. Our employees undertake loan processing, appraisal and management of customer relationships post disbursement of loans. We have also engaged third party web-based loan origination and lead management systems to originate and manage home loan applications. Such third-party provider is engaged on a commission fee on the leads and also based on the amount of loans disbursed to customers who have been originated or led from the loan origination and lead management system.

We have tied up with a public-sector bank ("PSB") to provide its customers with access to our home loan solutions. Our tie-up with the PSB allows us access the PSB's customers and branch networks while providing them with the option to participate in our loan syndication programs. Under the terms of our tie-up agreement, in most cases, the loans are to be disbursed to the selected customer by the Company and the PSB in a 50:50 ratio. As a result, the consent of the PSB would be required for initiating enforcement proceedings. Our tie-up agreements with the ally banks can be terminated by either party with notice.

Additionally, we have international representative offices located in London and Dubai.

Sales, Marketing and Branding

Our marketing and branding activities are conducted by our in-house marketing team, which is responsible for all the product marketing and branding initiatives. We also engage third party creative and media marketing partners for conducting specialized activities to aid our marketing campaigns. We create visibility and customer awareness of the Company through dynamic search ads, online sourcing platform providers, direct sourcing, channel partners, builder tie-ups and TV advertisements with the objective to build our brand, increase sales, create relevance at points of purchase and emerge as the point-of-first-recall. We initiated activities such as spot loan sanctions offer, sponsorship events, mall activations, society activations, business meetings with our channel partner and business associates and retail channel tie-ups. We also enhanced our presence on Google, Facebook, Twitter, LinkedIn and YouTube to create a strong presence in the digital media. We have also set up a call centre which plays an important role assisting prospective customers.

We use various other mediums including the TV, print, radio and outdoors to promote our brand, products and services. In Fiscal 2015, we engaged with Mr. Shah Rukh Khan, an Indian film actor, as our brand ambassador and launched an integrated media campaign ‘Ghar Jaisa Loan’ in January 2015. In Fiscal 2016, we re-launched this campaign with a refreshed message ‘Say No to Bahanas. Own Your Dream Home’. In Fiscal 2017, we extended the thought of the campaign to ‘Home loan Kab. Aapka Dil Chahe Tab’. And in Fiscal 2018, we launched ‘Aisa Desh Ho Mera’ with an objective to amplify our founder chairman’s vision of enabling home ownership for every Indian. This was also in line with the Indian government’s objective of housing for all by 2022.

Further we launched an education initiative with the objective of educating customers about home loans, its process and the various benefits attached to it. The initiative allowed our customers to learn about the entire process of a home loan thereby enabling them to make well informed decisions when buying their home. Our infomercials target low to middle income customers in tier II and tier III cities in India. The duration of each infomercial is close to three minutes and is available in various digital mediums. We also launched a unique initiative called ‘Griha Utsav’ wherein we got builders and aspiring homeowners under one roof to enhance awareness and to create a market place which can help generate leads for us as well as builders. We categorically target smaller markets wherein such initiatives have never been conducted and this increased the turnout at our events.

Provisioning, Write-Offs and Asset Recovery

Asset classification, Provisioning and Write-offs

The NHB Directions, 2010, stipulate requirements for HFCs for assessing the quality of their assets including preparation of financial statements. We follow the NHB Directions, 2010 for preparation of our financial statements in accordance with prudential norms prescribed by the NHB for the purpose of asset classifications. Provisions for contingencies have been made for diminution in investment value and on non-performing loans and other assets as per the prudential norms prescribed by the NHB. We also make certain additional provisions to meet unforeseen contingencies.

The following table is a summary of the risk classification of our aggregate loan portfolio (as a percentage of total outstanding loans) and our provision for probable losses as at March 31, 2016, 2017 and 2018.

(in ₹ lakh, except percentages)

| Particulars | As at March 31 | | | | | |
|---|------------------|---------------|------------------|---------------|------------------|---------------|
| | 2016 | | 2017 | | 2018 | |
| | Amount | % | Amount | % | Amount | % |
| <i>Housing</i> | | | | | | |
| <i>Standard</i> | 4,875,732 | 78.9% | 56,34,177 | 78.1% | 66,34,555 | 72.2% |
| <i>Sub Standard</i> | 8,665 | 0.1% | 5,624 | 0.1% | 21,084 | 0.2% |
| <i>Doubtful</i> | 27,454 | 0.4% | 27,150 | 0.4% | 38,669 | 0.4% |
| <i>Loss Assets</i> | - | 0.0% | - | 0.0% | - | 0.0% |
| Total housing loans (A) | 49,11,851 | 79.5% | 56,66,951 | 78.6% | 66,94,308 | 72.8% |
| <i>Other Property Loans</i> | | | | | | |
| <i>Standard</i> | 12,44,463 | 20.1% | 15,07,596 | 20.9% | 24,70,583 | 26.9% |
| <i>Sub Standard</i> | 4,230 | 0.1% | 2,644 | 0.0% | 8,981 | 0.1% |
| <i>Doubtful</i> | 16,958 | 0.3% | 32,427 | 0.4% | 19,360 | 0.2% |
| <i>Loss Assets</i> | - | 0.0% | - | 0.0% | - | 0.0% |
| Total other property (non-housing) loans (B) | 12,65,651 | 20.5% | 15,42,667 | 21.4% | 24,98,924 | 27.2% |
| Total loan book (A+B) | 61,77,502 | 100.0% | 72,09,618 | 100.0% | 91,93,232 | 100.0% |
| <i>Provisions</i> | 58,302 | 0.94% | 71,419 | 0.99% | 97,408 | 1.1% |

Asset Recovery

Our asset recovery process starts with reminders to delinquent borrowers and proceeds to our taking appropriate legal action. Employees of the Company conduct the recovery process. We also engage outsourced collection agencies in a few markets. We place telephone calls to customers when loan repayments are one month overdue and also send written repayment demands when loan repayments are two to three months overdue. We make field visits right from when customers become overdue. We also seek to take extensive actions under the SARFAESI Act by issuing demand notices

to defaulting borrowers and guarantors and give notice to anyone who has acquired any of the assets securing our loans, taking possession of the mortgaged properties in the defaulted loans. We initiate actions under Section 138 of the Negotiable Instrument Act, 1881 on case to case basis. We also extensively take actions under the SARFAESI Act by issuing demand notices to defaulting borrowers and guarantors and give notice to anyone who has acquired any of the assets securing our loans, taking possession of the mortgaged properties in the defaulted loans and recovering the dues by disposal of assets in the open market.

Non-performing Assets

The following table sets forth details of our non-performing loans, defaulting loans and write-offs for loan losses as at March 31, 2016, 2017 and 2018.

(in ₹ lakh, except percentages)

| Particulars | As at March 31 | | |
|---|----------------|-----------|-----------|
| | 2016 | 2017 | 2018 |
| Gross NPAs | 57,306 | 67,844 | 88,094 |
| Total loans | 61,77,502 | 72,09,618 | 91,93,232 |
| Gross NPAs to total loans (%) | 0.93% | 0.94% | 0.96% |
| Provision for probable losses | 58,302 | 71,419 | 97,408 |
| Provision for probable losses to gross NPAs (%) | 101.7% | 105.3% | 110.6% |
| Net NPAs | 36,101 | 41,942 | 51,466 |
| Net NPAs to total loans (%) | 0.58% | 0.58% | 0.56% |
| Loans – written off | 2,146 | 8,749 | 15,991 |

Loans are classified as non-performing if the default is greater than 90 days. We adhere to NHB Directions, 2010 on the classification of NPAs, and to provisioning guidelines, which require us to set aside a portion or the entire outstanding loan amount depending on the asset quality.

Risk Management

As a lending entity, the Company is exposed to various risks such as credit risk, market risk, liquidity risk, legal risks, interest rate risk and operational risk. The Company is conscious of these factors and places an emphasis on risk management practices to ensure an appropriate balance between risks and returns. The Company has put in place a comprehensive risk management policy to identify, assess and monitor various risks. Risk management is driven by the board with the overall responsibility of risk management assigned to the Risk Management Committee of the Board of Directors. At the operational level, the Company has set up an independent risk management function that is led by Head – Risk.

For further details on the risk associated with our Risk Management operations, please see the chapter “**Risk Factors**” on page 11.

Liquidity risk management

The Company is susceptible to market-related risks such as liquidity risk, interest rate risk, funding risk etc. Such risk management is assigned to the ALCO to monitor these risks on an ongoing basis.

Liquidity risk arises when there is an asset-liability mismatch caused by the difference in the maturity profile of our assets and liabilities. This risk may arise from the unexpected increases in the cost of funding an asset portfolio at the appropriate maturity and the risk of being unable to liquidate a position in a timely manner at a reasonable price. HFCs in particular are exposed to liquidity risk in view of the fact that the assets generated by HFCs are of an average tenor of 6 to 8 years while the liabilities contracted are of an average tenor of 4 to 6 years. We actively monitor our liquidity position to ensure that we can meet all requirements of our borrowers, while also meeting the requirements of our lenders and to be able to consider investment opportunities as they arise. Our ALCO, composed of senior management and headed by our joint managing director and chief executive officer, lays down policies and quantitative limits and appraises the Audit Committee and the Board periodically on our asset-liability mismatch and liquidity issues.

We actively monitor our liquidity position to ensure that we can meet all requirements of our borrowers, while also meeting the requirements of our lenders and to be able to consider investment opportunities as they arise.

The Company seeks diverse sources of liquidity to facilitate flexibility in meeting funding requirements. Our operations are principally funded by borrowings from banks and financial institutions, while we also obtain

funding from the NHB and public (fixed) deposits. In addition, due to our stable short-term and long-term credit ratings, we have access to fundraising opportunities in the capital markets.

The following table sets forth the asset-liability gap position for our operations as at March 31, 2016, 2017 and 2018, respectively.

(in ₹ lakh)

| Asset - Liability Situation | As at March 31, | | |
|-------------------------------|------------------|------------------|--------------------|
| | 2016 | 2017 | 2018 |
| Due in 1 year or less | | | |
| Inflows (Assets) | 18,94,995 | 36,89,348 | 38,56,542 |
| Outflows (Liabilities) | 17,84,343 | 18,01,076 | 30,59,994 |
| Due in 1 - 3 years | | | |
| Inflows (Assets) | 20,54,862 | 25,67,952 | 35,47,949 |
| Outflows (Liabilities) | 16,51,550 | 25,28,963 | 31,50,400 |
| Due in 3 - 5 years | | | |
| Inflows (Assets) | 20,59,333 | 25,74,954 | 33,22,271 |
| Outflows (Liabilities) | 14,95,284 | 18,57,975 | 16,04,819 |
| Due after 5 years | | | |
| Inflows (Assets) | 14,04,073 | 12,19,011 | 14,73,926 |
| Outflows (Liabilities) | 19,25,932 | 31,18,979 | 32,56,831 |
| Total | | | |
| Inflows (Assets) | 74,13,262 | 10,05,126 | 1,22,00,688 |
| Outflows (Liabilities) | 68,57,108 | 93,06,993 | 1,10,72,044 |

Note: The asset liability gap is calculated considering the prepayments on the loan book and includes all assets and liabilities including off-balance sheet items.

Because of the composition of our credit portfolio, which qualifies for priority sector lending, we are one of the preferred sources in the securitization market. We securitize/assign a pool of certain housing and non-housing loans and manage the servicing of such loan accounts under the securitization/assignment agreements with buyers/investors. For example, we have entered into securitization/assignment agreements with various banks. As at March 31, 2017 and March 31, 2018, the balance outstanding in the pool aggregated to ₹ 11,46,374 lakh and ₹ 19,15,351 lakh, respectively. We are responsible for the collection and servicing of this loan portfolio on behalf of buyers/investors in return for a fee. Under the securitization/assignment agreements, we pay to buyers/investors on a monthly basis the *pro rata* collection amount as per the agreement terms.

In Fiscal 2014, we entered into a mortgage guarantee agreement with India Mortgage Guarantee Corporation Private Limited to obtain a guarantee of repayment on the pool of assets extended by us to retail borrowers. As part of this transaction, we securitized a pool of certain identified housing loan receivables along with a security interest to a designated trust. The pool has been rated 'AAA(SO)' by CARE. This enables us to reduce the level of credit enhancement (cash collateral) that would have otherwise been required for our loan transactions and is expected to result in an increase of capital, which can be redeployed to earn higher returns.

Interest rate risk management

The borrowings of HFCs like the Company are largely linked to benchmarks such as the base rate and hence the debt of the Company is mainly floating in nature. This exposes HFCs to interest rate risk. Consequently, exposure to interest rate fluctuations and increases needs to be managed in order to mitigate the risk.

As at March 31, 2018, 99.0% of our assets were floating rate loans and 44.3% of our liabilities were floating rate borrowings. Our business is impacted by a change in interest rates although the floating rate loans only re-price on a periodic basis. Exposure to fluctuations in interest rates is measured primarily by way of asset-liability gap analysis, providing a static view of the maturity profile of balance sheet positions. An interest rate gap is prepared by classifying all assets and liabilities into various time period categories according to contracted maturities or anticipated re-pricing dates. The difference in the amount of assets and liabilities maturing or being re-priced in any time period category would then give an indication of the extent of exposure to the risk of potential changes in the margins on new or re-priced assets and liabilities.

The Company's strategy is to optimize its borrowings between short-term and long-term debt as well as between floating and fixed rate instruments. The Company prepares interest rate risk reports periodically and reports to the NHB regarding the same. The Company follows a prudent policy in respect of managing its assets and liabilities

to ensure that exposure to fluctuations in interest rates is kept within acceptable limits. The Company uses interest rate swaps on a limited basis for the purpose of hedging interest rate mismatches. The ALCO periodically reviews the treasury operations and the pricing of products at specific intervals.

Credit risk management

Credit risk is a risk of loss due to failure of a borrower/counterparty to meet the contractual obligation of repaying debt as per the agreed terms, which is also commonly known as a risk of default. The Company manages credit risk by using a set of credit norms and policies, including a standard credit appraisal policy based on customer credit criteria approved by the Board. These criteria vary between loan products and typically include factors such as the applicant's income and certain stability factors such as the employment and dependency details, age, educational status and other financial obligations of the applicant and the loan-to-cost ratio. The Company has a structured and standardized credit approval process including a comprehensive credit risk assessment, which encompasses analysis of relevant quantitative and qualitative information to ascertain the creditworthiness of the borrower. The credit policy and loan delivery process are put in place by the Company prescribing ideal portfolio configuration in terms of customer profile, such as whether the customer is an individual, a company, or whether such individual is salaried or self-employed. We also consider factors such as exposure limits, segmented net interest margins (interest rates vis-à-vis default propensity in a segment) and its impact on the loan book, risk-based pricing on the basis of probability of default, sanctioning powers, appraisal standards and collateral management. We efficiently manage credit risk on both a portfolio as well as on a transactional level.

The Company's credit evaluation and credit portfolio management methodologies are designed to ensure consistent underwriting and early identification of problematic loans using techniques, such as early default analysis, product analysis and probability of default. The Company has established 20 zonal/ regional / CPU offices as of March 31, 2018 to bring uniformity and minimize local subjectivities in the credit appraisal and credit delivery processes. The Company's branches act as a sourcing point while the zonal and regional offices each act as a centralized operations centre for a set of branches.

The Company has developed internal legal and technical evaluation teams with independent functions to make credit decisions more robust and in line to manage collateral risk. Under our end-to-end business model, our employees are involved throughout the entire loan process and are able to consult with customers from loan origination through disbursement. Our in-house operations team conducts a credit check and verification procedure on each customer, ensuring consistent quality standards in an effort to minimize future losses. The Company's independent internal audit team conducts a regular review of credit files on a sample basis to ensure adherence to policies and processes, and its dedicated collection and recovery team manages the lifecycle of transactions and monitors the credit quality. We believe that this model is especially valuable in the LMI segment where credit risk may be more difficult to assess.

Operational risk management

Operational risk can result from a variety of factors, including failure to obtain proper internal authorizations, improperly documented transactions, failure of operational and information security procedures, computer systems, software or equipment, fraud, inadequate training and employee errors. We have implemented a comprehensive operational risk management policy with a framework to identify, assess and monitor risks, strengthen controls, improve services and minimize operating losses. The Company attempts to mitigate operational risk by maintaining a system of internal controls, establishing systems and procedures to monitor transactions, maintaining key back-up procedures, undertaking regular contingency planning and providing employees with continuous training. We have strengthened our technology platform across systems and processes and set up a disaster recovery site for the retrieval of data to operating units in case of an eventuality or system failure as a part of our business continuity plan. We also set up a data centre in Bengaluru to ensure that all transactions are separately kept on a real time basis. We have formulated the contingency plan to address data recovery in case of a natural disaster and periodically review vigilance and fraud reports, recovery reports and audit reports to detect failures with the objective of systemic remediation. We have also related risk controls to manage legal risks, compliance risks and risks relating to our reputation and brand name.

Management assurance and internal audit function

Our Management Assurance and Audit function is headed by a senior management personnel with reporting lines to the Audit Committee of the Board and a dotted line reporting to the Joint Managing Director and Chief Executive Officer. The head of management assurance and audit is accountable to the Board of Directors through

the Chairman of the Audit Committee. The Management Assurance and Audit function is responsible for providing comprehensive audit coverage of all divisions within the Company and for assisting management in ensuring proper control over Company assets and liabilities. The Management Assurance and Audit function is an independent and objective assurance and consulting activity designed to add value and improve DHFL's operations. It helps the Company accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. The Management Assurance and Audit function adopts a risk-based audit approach and conducts an audit of all branches and functions and also proactively recommends improvements in operational processes and suggests streamlining of controls to mitigate various risks.

The Audit Committee of the Board reviews the performance of the internal audit function on a quarterly basis, gives direction to its functionaries and reviews effectiveness of internal control systems. The internal auditors undertake a comprehensive audit of all functional areas and operations, with their findings being outlined in the report to the Audit Committee of the Board.

Customer Service and Grievance Redressal Processes

The Company has established a multi-level customer query and grievance resolution process for customers to approach us through various channels such as through our branches, our call centers, emails, letters, social media etc. At branch level, dedicated customer service (CS) managers are appointed at each zonal/ regional office. The CS manager and branch operations manager ensure timely resolution of the complaints/queries received at the zonal/ regional office. In addition to customer walk-ins, phone calls and emails, the secure suggestion boxes and complaint registers are made available at every branch and customers are encouraged to submit their feedback and complaints. We accept customer complaints through request letters and/or customer request forms available at our branches whereby we can verify the customer's details. We ascertain the nature of the customer request and subsequently assign a unique service request number. We strive to provide a prompt resolution based on a template response mechanism. If necessary, we engage our legal team in the response process. The customer service managers coordinate the respective vertical team members of branches and other units for resolution of complaint. Upon resolution of the complaint, the branch MIS system is updated, and communication is sent to the customer by telephone or by email using standard templates.

Since November 2015, we have partnered with Rural Shores Business Services (P) Limited, Kopergaon to handle our customer service related calls and emails at our call centers. The call centre services queries related to home loans, SME, mortgages, insurance and deposits. Apart from Hindi and English, calls are also being answered in Marathi which we believe will achieve a higher level of customer satisfaction. All customer interactions are recorded in CRM and assigned a unique reference number. These requests/complaints are subsequently assigned to DHFL teams (operations/ sales/ credit/ etc.) for resolution. Once the complaint has been resolved, the details are updated in CRM, the case is closed once the customer is informed of the resolution.

At Head Office level, all customer complaints are received through a designated email available on the Company's website or through letters and phone calls. All customer grievances received at Head Office level are handled centrally by our Customer Center located in Gurgaon and as well at our Corporate Office. The customer care centre handles all emails, letters, social media and NHB complaints. The Corporate Office team handles all customer walk-ins, calls, letters and emails, and legal notices received by senior management. Once a customer complaint/grievance is received, it is forwarded to the appropriate function for redressal and resolution through CRM. The resolution is then communicated to the customer by email, post or through the NHB site, depending on the mode of receipt of the complaint.

The Company strives to address customer grievances within three days of receipt and resolve customer complaints within one to two weeks from the date of complaint. During the financial year ended March 31, 2018, the Company received 94 complaints, all of which were resolved.

The Company has also taken new initiatives to improve its customer service such as adopting 'A Guide to Customer Service Etiquettes,' conducting customer service satisfaction surveys and appointing an authorized official to redress grievances of the Company's customers.

Insurance

Our Company has insured its various properties and facilities against the risk of fire, theft, risk of financial loss due to fraud and other perils, etc. and has also obtained Directors' and Officers' Liability Insurance Policy which covers the Directors and Officers (employees in managerial or supervisory position) against the risk of financial loss including the

expenses pertaining to defense cost and legal representation expenses arising in the normal course of business. Also, the Public Liability policy availed covers the legal liability arising out of third party bodily injury or third party property damage in company premises.

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

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

For a discussion of certain risks relating to our insurance coverage, please refer to the chapter titled “*Risk Factors - Internal Risks and Risks Associated with our Business - Our insurance coverage may not adequately protect us against losses, and successful claims that exceed our insurance coverage could harm our results of operations and diminish our financial position*” on page 25.

Human Resources

We have experienced promoters and a management team whom we rely upon to anticipate industry trends and to capitalize on new business opportunities that may emerge. We believe that a combination of our reputation in the market, our working environment and competitive compensation programs help us to attract and retain talented people.

We offer eligible employees the right to participate in our Employee Stock Option Schemes in order to reward employees for their performance and motivate them to contribute to the growth and profitability of the Company. We introduced Employee Stock Option Schemes in Fiscal 2009 (ESOS 2008) and in Fiscal 2010 and 2011, respectively (ESOS 2009, Plan II and Plan III). Share options under these schemes are granted to the employees as approved by the Nomination and Remuneration Committee of the Board. In January 2015, we also sought approval of our shareholders for an employee stock appreciation rights scheme (DHFL ESAR 2015) and obtained such approval on February 23, 2015. The shareholders of the Company *vide* special resolution passed by means of Postal Ballot on March 3, 2018 approved an amendment to the DHFL ESAR 2015 which entitled us to allot 2,67,82,046 Equity Shares in aggregate (taken together with the equity shares already allotted to the eligible employees by the Company upon exercise of ESARs granted to them from time to time under DHFL ESAR 2015). For details on ESOS 2008, ESOS 2009 and DHFL ESAR 2015, see the “*Capital Structure*” on page 44. Pursuant to the resolution passed by the Nomination and Remuneration Committee on November 25, 2015, the ESOS 2009 Plan II lapsed.

As at March 31, 2018, we had 3,582 permanent employees. The average service tenure of our employees is approximately 3.6 years. The growth in our employee headcount is in line with our strategy for growing our operations and expanding our geographical reach. The table below sets forth our employees by category as at March 31, 2018.

| Category | No. of employees as at March 31, 2018 |
|-----------------|--|
| Head Office | 331 |
| Other locations | 3,251 |
| Total | 3,582 |

Our employees are non-unionised, and we are not a party to any collective bargaining agreement.

Information Technology

Our branch offices are electronically linked to the central server to facilitate operational efficiency and provide cost-effective service. We have upgraded our existing information technology systems with newer application packages which have enhanced connectivity resulting in the development of a centralized credit information database which can be accessed online on a real time basis resulting in increased efficiency.

The Company's IT systems have the capability of an end-to-end customer data capture, computation of income, collateral data capture and repayment management. Loan approval is controlled by the loan application system and the monthly analytics reports including through-the-door and credit information tracking to ensure risk management control and compliance.

In Fiscals 2016, 2017 and 2018, the Company continued to strengthen its IT platform by:

- establishing a disaster recovery site at a seismically less active zone to avoid data loss and termination of business operations in case of a national disaster;
- setting up portals for the fixed deposit brokers to help with access to the information about customers which saves time and manpower allocation for the transactions;
- strengthening our network with the back-up facilities and improved connectivity via a fast speed network;
- setting up enterprise mobility solution for the collection of staff; and
- rolling out a new platform for fixed deposits.

In Fiscal 2015, we initiated a technology transformation program in association with a leading IT company to support our growth, improve operational efficiency and optimize costs through the use of technology.

As part of this program, we have identified solutions in such areas as: (i) customer relationship management, in particular in marketing, sales and customer service, to achieve higher customer satisfaction and enhanced marketing and sales effectiveness; (ii) digital channels to provide for effective interaction between the Company and its customers and business partners/agents, which will include creation of a customer portal and an agent portal; (iii) a collaboration and employee communication portal to provide for internal communication, knowledge sharing and collaboration between employees; (iv) a new FD management system which will replace the current system to facilitate FD-related activities; (v) imaging, workflow and DMS to facilitate the centralization of data capture and validation of the Company's loan, project finance and FD applications; (vi) collections management, project finance and property information management systems for a specific region; (vii) a financial accounting and treasury system to implement the current customized software and establish unified accounting, financial management and business processes at the Company; (viii) enhanced loan origination and management; (ix) business systems (enterprise) integration; (x) business intelligence and advanced analytics to build a platform and an operational data store to generate systematic, consistent and near real-time MIS reports and dashboards; and (xi) the integration with fintech solutions for improving operational efficiency.

This transformation program has been rolled out for liabilities business in Fiscal 2017 and is being extended to assets business.

Intellectual Property

Our trademarks “Dewan Housing Finance Corporation Ltd.,” “DHFL” with its logo and “DHFL Changing Rules Changing Lives” are registered in the name of the Company, in addition to a number of other trademarks, including those used in our insurance and financial services businesses and advertising campaigns such as “Ashray Deposits” and “The Friendly Housing Loan People.” We also applied for registration with the Trade Mark Registry but do not own some of the trademarks, trade names or other intellectual property rights such as certain classes of our “DHFL” logos and copyright of our “DHFL” logo. We entered into a trademark licensing agreement with DHFL Pramerica, DPAMPL, DPTPL and DHFL General Insurance Limited with respect to the use of our name by these joint ventures. Our associate companies also use some or all of our trademarks, although no written licensing agreements are in place. For further details, please refer to the chapter “*Risk Factors*” on page 26.

Property

Our registered office is located at Warden House, 2nd floor, Sir P.M. Road, Fort, Mumbai – 400 001. The registered office is not owned by the Company and the premises are currently on a tenancy basis from Life Insurance Corporation of India Limited (LIC). Our corporate office is located at TCG Financial Center, 10th floor, BKC Road, Bandra Kurla Complex, Bandra (East), Mumbai – 400 098, Maharashtra, India. Our Corporate Office as well as another premises i.e. Unit No.901 at 9th floor, TCG Financial Center, BKC Road, Bandra Kurla Complex, Bandra (East), Mumbai – 400 098, Maharashtra, India belong to the Company and both the premises have been acquired by the Company on leasehold basis for a period of 80 years. We also own 12 other properties used for various purposes by our Company.

For our branches located throughout India, we have entered into lease or leave and license agreements for terms ranging from one to nine years.

HISTORY AND OTHER CORPORATE MATTERS

Our Company was incorporated at Mumbai as “Dewan Housing Finance and Leasing Company Limited” on April 11, 1984. Our name was subsequently changed to “Dewan Housing Development Finance Limited” on September 26, 1984 and later to “Dewan Housing Finance Corporation Limited” on August 25, 1992.

Our Company was promoted by late Mr. Dewan Kuldeep Singh Wadhawan and late Mr. Rajesh Kumar Wadhawan. Our Company’s current Promoters and Promoter Group comprise of Mr. Kapil Wadhawan, Mr. Dheeraj Wadhawan, Ms. Aruna Wadhawan, WGCL and others. The registered office of our Company is Warden House, 2nd Floor, Sir P. M. Road, Fort, Mumbai, Maharashtra – 400 001, Maharashtra, India. The original signatory to the MOA are Mr. Dewan Rajesh Kumar Wadhawan, Mr. Dewan Rakesh Kumar Wadhawan, Ms. Damyanti Rani K., Mr. Dewan Kuldip Singh, Ms. Aruna Wadhawan, Ms. Malti Wadhawan and Mr. Bipan Kuldip Dewan who were allotted 100 equity shares each at the time of incorporation of our Company. The liability of the members of the Company is limited.

Change in registered office of our Company

There has been no change in the registered office of our Company.

Main objects of our Company

The main objects of our Company as contained in our Memorandum of Association are:

- To advance money to any person or persons or co-operative society or A.O.P Company or Corporation, jointly or individually, for long term, either at interest or without and/or with or without any security for the purpose of enabling the person borrowing the same to erect or purchase, any house or building or any part or portion thereof for residential purposes in India upon such terms and conditions as the Company may think fit.
- To solicit and procure Insurance business as Corporate Agent in respect of all classes of insurance and to undertake such other activities as are incidental or ancillary thereto.
- To set-up, create, float, promote, sponsor, co-sponsor and manage assets, trusts or funds including mutual funds, growth funds, investment funds, income or capital funds, venture capital funds, alternative investment funds, real estate investment trust, infrastructure investment trust, taxable or tax exempt funds, provident, pensions, gratuity and superannuation funds, charitable funds, trusts or consortium funds, or any other funds, trusts or pooled investment vehicles, by whatever name called, whether in India or outside India, and to promote, establish, manage, organise, handle, operate or float an asset management company, a trustee company or any other type of entity to manage and administer all such types of trusts, funds and pooled investment vehicles and to carry on the business of retail and institutional distribution of the units of mutual funds or other trusts, funds or pooled investment vehicles or any other financial products issued by banks, mutual funds, non-banking financial companies, asset reconstruction companies or any financial intermediary.

We have received a number of awards and recognitions in the past, including, amongst others

| Fiscal | Particulars |
|--------|---|
| 2013 | Excellence in Innovative Marketing at MCHI |
| 2014 | Best Employer Brand Award at IPE BFSI Awards Asia’s Most Promising Brand Award |
| 2015 | Certificate of appreciation from the NHB for the Company’s commitment to and support in the Energy Efficient Homes program The Most Promising Brand of the Year (NRI Home Loan Services) in Finance & Banking Sector (UAE) |
| 2016 | 6th CMO Asia Award for excellence in Branding and Marketing India’s Most Trusted Brand 2015 in the Housing Finance Category by International Brand Consulting Ranked 38th in the Business World’s India’s 50 Biggest Financial Companies Ranked as India’s Most Trusted Housing Finance Brand by The Brand Trust Report Best Housing Finance Company in the BFSI Sector by ABP News and World HRD Congress Best Corporate Brand Award 2015 by Economic Times |

| Fiscal | Particulars |
|--------|--|
| | Most Creative AD on TV/Print/Outdoor/Radio In Banking, Financial Services & Insurance (BFSI) at the 10 th Indys Awards for Excellence in Mass Communication, Marketing Communication, Public Relations, Advertising, Branding, Corporate Social Responsibility |
| 2017 | <p>Golden Peacock Innovative Product and Service Award, 2016</p> <p>Marketing Campaign of the Year for the 'DHFL Bahana Campaign' by the National Awards for Marketing Excellence</p> <p>Brand Extension Award for 'DHFL Wealth2Health Fixed Deposit' by the National Awards for Marketing Excellence</p> <p>Awarded the Best Housing Finance Company in the Financial Services Sector by CMO Asia and Stars Group</p> <p>'Best Use of Celebrity Endorsement' and 'Effective Use of Customer Feedback' for the 'Bahana Campaign' by the Asia Pacific CEF</p> <p>"Dream Companies to work in Housing Finance Sector" organised by Times Ascent and World HRD Congress</p> <p>Industry Award for the excellence in the Home Loan Banking</p> <p>DHFL Home Loan Dilse Campaign won the 11th Indy's award for the most creative Ad on television in the banking, financial shares and insurance listed (BFSI) sector</p> <p>Awarded the Marketing Campaign of the year for its "Home Loan Dilse" Campaign at the Global Marketing Excellence Awards endorsed by World Federation of Marketing Professionals and CMO Asia</p> <p>'Gold' at the Asia Pacific Customer Engagement Forum & Awards for the Most Admired Customer Engaged Brand</p> <p>Gold Award at the Asia Pacific Customer Engagement Forum & Awards for Excellence in CSR</p> <p>Mr. Kapil Wadhawan was honored with the India's Greatest Brands and Leaders Award 2015-2016 organised by AsiaOne and URS Media Consulting Private Limited</p> |
| 2018 | <p>"Most Trusted Housing Finance Brand" in the National Awards for Best Housing Finance Companies organised by CMO Asia and the World Federation of Marketing</p> <p>Marketing campaign of the year at the ET NOW BFSI Awards</p> <p>12th Indy's award for the most creative Ad on television in the BFSI sector</p> <p>Mr Kapil Wadhawan awarded as the Best CEO in Financial Service by Business Today</p> <p>"Best Housing Finance Company" of the year at the ET NOW BFSI award</p> <p>Awarded as Leading Housing Finance Company in the National Awards for Best Housing Finance Companies organised by CMO Asia and World Federation of Marketing</p> <p>"The Best Performing Primary Lending Institution under CLSS for MIG" by My Liveable City and knowledge partner National Housing Bank</p> <p>DHFL Griha Utsav initiative won Gold at Asian Customer Engagement Forum for its use of below the line activities to drive financial inclusion</p> <p>DHFL Home Loan Dilse campaign won the Grand Prix Award for the marketing campaign of the year at the Asian Customer Engagement Forum</p> <p>"One of India's Dream Companies to Work in the Housing Finance Sector" by the World HRD Congress</p> <p>"Dream Companies to work for" in the Housing Finance Sector by World HRD Congress and CHRO Asia</p> <p>Awarded the marketing campaign of the year for its campaign "Home Loan Dilse" at the National Awards for Marketing Excellence presented by Times Network</p> <p>Gold Award for the CSR Campaign Delivering Hope at the Asia Pacific Customer Engagement Forum</p> <p>Gold award at the ACEF awards for the best use of Celebrity Endorsement for Home Loan Dilse campaign</p> <p>Golden Globe Tigers Award 2017 as the Most Admired Service Provider in the Financial Sector held in Kuala Lumpur, Malaysia</p> <p>Marketing campaign of the year for the campaign 'Aisa Desh Ho Mera' at the Global Marketing Excellence presented by CMO Asia</p> |

Key terms of our Material Agreements

1. In Fiscal 2014, we have also entered into a joint venture with PGLH of Delaware, Inc. (indirect wholly owned subsidiary of Prudential Financial Inc.) ("**Pramerica**") pursuant to which we and our Promoters' entities have 50.00% and 24.00% stakes, respectively, in DLF Pramerica Life Insurance Company Limited, a registered

life insurance company in India regulated by the IRDA that has subsequently changed its name to DHFL Pramerica Life Insurance Company Limited (“**DPLIC**”).

2. In August 2015, we acquired 50.00% stake in each of Pramerica Asset Managers Private Limited (PAMPL) and Pramerica Trustees Private Limited (PTPL) from PGLH of Delaware, Inc., which is a wholly-owned, indirect subsidiary of Pramerica. PAMPL (now renamed as DHFL Pramerica Asset Managers Private Limited) develops, manages, markets and operates an asset management business. PTPL (now known as DHFL Pramerica Trustees Private Limited) provides trusteeship services and ensures that the activities of PAMPL are in compliance with the SEBI (Mutual Funds) Regulations, 1996, as amended.

We believe that the acquisitions of PAMPL and PTPL, will help us to extend our philosophy of financial inclusion by increasing product offerings to the LMI segment that we have profitably served over the years. Through these entities, we aim to provide asset management services and solutions specially designed for customers in the LMI segment by leveraging on our pan-India distribution network. We also believe that we can significantly enhance financial inclusion and wealth building at the grass roots level by distributing these products through our wide network.

3. During the Fiscal 2016, DPAMPL, acquired Deutsche Asset Management (India) Private Limited (“**DBAMC**”), Deutsche Trustee Services (India) Private Limited, the asset Management Company and Trustee Company of DBMF and Deutsche India Holdings Private Limited, sponsor of DBMF.
4. WGCL has funded the acquisition of the CCDs issued by DIL through its internal accruals and through market borrowings. The CCDs issued by DIL was pledged by WGC as collateral in favour of its lenders. Our Company, in order to ensure that the underlying shares of DPLIC remain within the group, has entered into an option agreement dated March 30, 2017 with WGCL where under WGCL has certain options which may be exercised requiring the CCDs to be transferred to our Company.

Our Subsidiaries

As on the date of this Draft Shelf Prospectus our Company has the following subsidiaries

DHFL Advisory & Investments Private Limited (“DAIPL”)

DAIPL was incorporated pursuant to a certificate of incorporation dated February 12, 2016 issued by the RoC as an advisory/consultancy service and investment activities based business having its Registered Office situated at DHFL House, 3rd-7th Floor, 19 Sahar Road, Off. Western Express Highway, Vile Parle East, Mumbai – 400 099, Maharashtra, India.

DAIPL is a wholly owned subsidiary of our Company with nominees of our Company holding 15 equity shares of DAIPL.

DHFL Investments Limited (“DIL”)

DIL was incorporated pursuant to a certificate of incorporation dated February 13, 2017 issued by the RoC as investment activities based business having its Registered Office situated at DHFL House, 3rd-7th Floor, 19 Sahar Road, Off Western Express Highway, Vile Parle (East), Mumbai – 400 099, Maharashtra, India.

Our Company holds 100% shareholding in DIL, with nominees of our Company holding 60 equity shares of DIL.

In Fiscal 2017, DIL issued 190,10,00,000 compulsorily convertible debentures of face value of ₹ 10 each, amounting to ₹ 190,100 lakh, convertible into equivalent number of equity shares in DIL to WGCL, our promoter group entity to fund the acquisition of our share in DPLIC i.e. 50% of the paid-up equity share capital of DPLIC. The CCDs issued to WGCL are convertible into equivalent number of shares of DIL after the expiry of 100 months from the date on which the CCDs were issued and are mandatorily convertible upon the expiry of 110 months from such issue date. Upon conversion of the CCDs to DIL will become a subsidiary of WGCL.

DHFL Changing Lives Foundation (“DCLF”)

DCLF a Non-Profit Company, limited by guarantee, registered under Section 8 of the Companies Act, 2013 was incorporated pursuant to a certificate of incorporation dated December 1, 2017 issued by the RoC to take forward

our Company's CSR vision and implement social programmes in a far more collaborative and participative way. The Registered Office of DCLF situated at Unit No. 1001, 10th Floor, TCG Financial Centre Plot-C-53, G-Block, Bandra Kurla Complex, Bandra East Mumbai, Mumbai – 400 051, Maharashtra, India.

DCLF is wholly owned subsidiary of our Company.

Our Joint Ventures

DHFL Pramerica Life Insurance Company Limited (“DPLIC”) (through our wholly owned subsidiary DIL)

We had acquired 50% equity stake in DPLIC, a life insurance Company registered with Insurance Regulatory and Development Authority of India, from DLF Limited in December 2013, and entered into a joint venture with Prudential International Insurance Holdings Limited. During the Fiscal 2017 we sold our entire shareholding in DPLIC at ₹ 2,00,050 lakh to our wholly owned subsidiary, DIL.

Shareholding pattern

The Shareholding Pattern of DPLIC as on date of this Draft Shelf Prospectus is as follows:

| Sr. No. | Name of Shareholder | Number of Shares | Face Value (in ₹) | Amount (in ₹) |
|---------|--|---------------------|-------------------|-----------------------|
| 1. | DHFL Investments Limited | 18,70,30,931 | 10 | 1,87,03,09,310 |
| 2. | Yardstick Developers Private Limited | 37,40,619 | 10 | 3,74,06,190 |
| 3. | Kapil Wadhawan (as nominee of DIL) | 2 | 10 | 20 |
| 4. | Dheeraj Wadhawan (as nominee of DIL) | 1 | 10 | 10 |
| 5. | Prudential International Insurance Holdings Limited | 18,32,90,312 | 10 | 1,83,29,03,120 |
| 6. | Kenneth Yukuta Tanji (as nominee of Prudential International Insurance Holdings Limited) | 1 | 10 | 10 |
| 7. | Jan van den Berg (as nominee of Prudential International Insurance Holdings Limited) | 1 | 10 | 10 |
| | Total | 37,40,61,867 | | 3,74,06,18,670 |

During Fiscal 2017, we sold our entire shareholding in DPLIC at ₹ 2,00,050 lakh to our wholly owned subsidiary, DIL. DIL had, in turn, issued to WGCL 190,10,00,000 CCDs amounting ₹ 190,100 lakh convertible into equivalent number of shares of DIL to fund the acquisitions. DIL will become a subsidiary of WGCL after such CCDs are converted into the shares of DHFL Investments Limited. Such CCDs are convertible into equivalent number of shares of DIL after the expiry of 100 months from the date on which the CCDs were issued and are mandatorily convertible upon the expiry of 110 months from such issue date.

WGCL has funded the acquisition of the CCDs issued by DIL through its internal accruals and through market borrowings. The CCDs issued by DIL was pledged by WGC as collateral in favour of its lenders. Our Company, in order to ensure that the underlying shares of DPLIC remains within the group, has entered into an option agreement dated March 30, 2017 with WGCL where under WGCL has certain options which may be exercised requiring the CCDs to be transferred to our Company.

DHFL Pramerica Trustees Private Limited (“DPTPL”)

We acquired 50.00% stake in Pramerica Trustees Private Limited (now renamed as DHFL Pramerica Trustees Private Limited) from PGLH of Delaware, Inc., which is a wholly-owned, indirect subsidiary of Pramerica. DPTPL provides trusteeship services and is the Trustee of DHFL Pramerica Mutual Fund.

The Shareholding Pattern of DPTPL as on date of this Draft Shelf Prospectus is as follows:

| Sr. No. | Name of Shareholder | Number of Shares | Face Value (in ₹) | Amount (in ₹) |
|---------|---|------------------|-------------------|---------------|
| 1. | PGLH of Delaware Inc. | 50,000 | 10 | 5,00,000 |
| 2. | Dewan Housing Finance Corporation Limited | 50,000 | 10 | 5,00,000 |

| Sr. No. | Name of Shareholder | Number of Shares | Face Value (in ₹) | Amount (in ₹) |
|---------|---------------------|------------------|-------------------|------------------|
| | Total | 1,00,000 | | 10,00,000 |

DHFL Pramerica Asset Managers Private Limited (“DPAMPL”)

We acquired 50.00% stake in Pramerica Asset Managers Private Limited (now renamed as DHFL Pramerica Asset Managers Private Limited) from PGLH of Delaware, Inc. DPAMPL develops, manages, markets and operates an asset management business. During the Fiscal 2016 our wholly owned subsidiary, DA IPL, acquired 32.88% stake in DPAMPL.

Shareholding pattern

The Shareholding Pattern of DPAMPL as on date of this Draft Shelf Prospectus is as follows:

| Sr. No. | Name of Shareholder | Number of Shares | Face Value (in ₹) | Amount (in ₹) |
|---------|---|---------------------|-------------------|-----------------------|
| 1. | PGLH of Delaware Inc. | 5,42,46,918 | 10 | 54,24,69,180 |
| 2. | DHFL Advisory and Investments Private Limited | 3,56,78,093 | 10 | 3,56,78,0930 |
| 3. | Dewan Housing Finance Corporation Limited | 1,85,68,825 | 10 | 1,85,68,8250 |
| | Total | 10,84,93,836 | | 1,08,49,38,360 |

REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our business. Taxation statutes such as the IT Act, the applicable goods and services tax statutes, labour regulations such as the Employees State Insurance Act, 1948 and the Employees Provident Fund and Miscellaneous Act, 1952, and other miscellaneous regulations such as the Trade and Merchandise Marks Act, 1958 and applicable Shops and Establishments statutes apply to us as they do to any other Indian company and therefore have not been detailed below. The information detailed below has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies, and the bye-laws of the respective local authorities that are available in the public domain. The regulations set out below may not be exhaustive and are merely intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of Indian law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

For the purposes of this section, references to any legislation, act, regulation, rule, guideline, policy, circular, notification or clarification are to such legislation, act, regulation, rule, guideline, policy, circular, notification or clarification as amended from time to time.

Investors shall carefully consider the information described below, together with the information set out in other sections of this Draft Shelf Prospectus including the financial statements before making an investment decision relating to the Notes, as any changes in the regulations and policies could have a material adverse effect on our Company's business.

Laws in relation to housing finance companies

The National Housing Bank Act, 1987 (the "NHB Act")

The NHB Act was enacted to establish NHB to operate as a principal agency to promote HFCs both at the local and regional levels and to provide financial and other support to such institutions for matters connected therewith or incidental thereto. The business of the NHB, among others, includes promoting, establishing, supporting or aiding in the promotion, establishment and support of HFCs; making loans and advances or other forms of financial assistance for housing activities of HFCs, scheduled banks, state cooperative agricultural and rural development banks or any other institution or class of institutions as may be notified by the Central Government; guaranteeing the financial obligations of HFCs and underwriting the issue of stocks, shares, debentures and other securities of HFCs; formulating one or more schemes for the purpose of mobilization of resources and extension of credit for housing; providing guidelines to the HFCs to ensure their growth on sound lines; providing technical and administrative assistance to HFCs and exercising all powers and functions in the performance of duties entrusted to the NHB under the NHB Act or under any other law for the time being in force.

Under the NHB Act, every HFC is required to obtain a certificate of registration and meet the requirement of net owned funds of ₹ 200 lakh or such other higher amount as the NHB may specify for commencing or carrying on the business of HFCs. Further, every deposit accepting HFC is required to invest and continue to invest in India in unencumbered approved securities, an amount which, at the close of business on any day, is not less than 5% (or such higher percentage as the NHB may specify, not exceeding 25%) of the deposits outstanding at the close of business on the last working day of the second preceding quarter.

Additionally, every deposit accepting HFC is required to maintain in India an account with a scheduled bank in term deposits or certificate of deposits (free of charge or lien) or in deposits with the NHB or by way of subscription to the bonds issued by the NHB, or partly in such account or in such deposit or partly by way of such subscription, a sum which, at the close of business on any day, together with the investment as specified above, shall not be less than 10% (or such higher percentage as the NHB may specify, not exceeding 25%), of the deposits outstanding in the books of the HFC at the close of business on the last working day of the second preceding quarter. Pursuant to the NHB Act, every HFC is also required to create a reserve fund and transfer therein a sum not less than 20% of its net profit every year as disclosed in the profit and loss account and before any dividend is declared.

Under the terms of the NHB Act the NHB may, and on the direction of the RBI the NHB shall, cause an inspection of the book of accounts and other documents of any institution to which the NHB has provided a loan, advance or granted any other financial assistance. Further, the NHB is required to provide a copy of its report to such an

institution. Also, the NHB in order to efficiently discharge its function, is empowered to direct and collect the credit information from any HFC, at any time.

The Housing Finance Companies (National Housing Bank) Directions, 2010, as amended upto Master Circular, 2017 (the “NHB Directions”)

The objectives of the NHB Directions is to consolidate and issue directions in relation to the acceptance of deposits by the housing finance companies, provide the prudential norms for income recognition, accounting standards, asset classification, provision for bad and doubtful assets, capital adequacy and concentration of credit/investment to be observed by the housing finance institutions.

In accordance with the prudential norms mentioned in the NHB Directions, income recognition shall be based on recognized accounting principles. Every HFC shall, after taking into account the degree of well defined credit weaknesses and extent of dependence on collateral security for realization, classify its lease/hire purchase assets, loans and advances and any other forms of credit into certain specified classes, viz. standard assets, substandard assets, doubtful assets and loss assets. Every HFC shall, after taking into account the time lag between an account becoming non-performing, its recognition as such, the realization of the security and the erosion over time in the value of the security charged, to make provision against substandard assets, doubtful assets and loss assets as provided under the NHB Directions, 2010.

The NHB has amended the provisioning norms in the NHB Directions, from time to time. The provisioning requirement in respect of loans, advances and other credit facilities including bills purchased and discounted are required to be:

- a) loss assets - the entire assets are required to be written off. If assets are permitted to remain in the books for any reason, then 100% of the outstanding should be provided for;
- b) doubtful assets - 100% provision to the extent to which the advance is not covered by the realizable value of the security to which a HFC has a valid recourse shall be made (and such realizable value is to be estimated on a realistic basis), and in addition, depending upon the period for which the asset has remained doubtful provision to the extent of 25% to 100% of the secured portion i.e. the estimated realisable value of the outstanding shall be made in the following manner: i) 25% up to the period of one year; ii) 40% for the period of one year to three years and, iii) 100% for the period more than three years;
- c) substandard assets – general provision of 15% of the total outstanding should be made; and
- d) standard assets-(i) standard assets with respect to housing loans at teaser/special rates - provision of 2% on the total outstanding amount of such loans and the provisioning of these loans to be re-set after one year at the applicable rates from the date on which the rates are re-set at higher rates if the accounts remain standard; (ii) (a) standard assets in respect of Commercial Real Estates Residential Housing (“CRE-RH”) (consisting of loans to builders/developers for residential housing projects (except for captive consumption)). Such projects do not include non-residential commercial real estate. However, integrated housing projects comprising some commercial space (e.g. shopping complex, school etc) can be classified as CRE-RH, provided that the commercial space in the residential housing project does not exceed 10% of the total floor space index (**FSI**) of the project. In case the FSI of the commercial area in a predominantly residential housing complex exceeds the ceiling of the project loans, the entire loan should be classified as Commercial Real Estate (**CRE**) (and not CRE-RH) - provision of 0.75% on the total outstanding amount of such loans; (b) standard assets in respect of all other Commercial Real Estates (“CRE”) (consisting of loans to builders/developers/others for office buildings, retail space, multipurpose commercial premises multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction etc, other than those covered in (ii)(A). Loans for a third dwelling unit onwards to an individual will also be treated as CRE exposure) - provision of 1% on the total outstanding amount of such loans; and (iii) standard assets in respect of all loans other than (i) and (ii) - a general provision of 0.4% of the total outstanding amount of loans which are standard assets is required to be made.

Pursuant to the notification no. NHB.HFC.DIR.17/MD&CEO/2015 dated October 9, 2015, no HFC shall grant housing loans to individuals (i) up to ₹ 30.0 lakh with LTV ratio exceeding 90%, (ii) above ₹ 30.0 lakh and up to ₹ 75.0 lakh with LTV exceeding 80%, and (iii) above ₹ 75.0 lakh with LTV exceeding 75%.

Every HFC shall maintain a minimum capital ratio consisting of Tier I and Tier II capital which shall not be less than 12% of its aggregate risk weighted assets and of risk adjusted value of off-balance sheet items.

Under the NHB Directions, degrees of credit risk expressed as percentage weighting have been assigned to balance sheet assets. Hence, the face value of each asset is multiplied by the relevant risk weights to arrive at its risk adjusted value of the asset. The aggregate shall be taken into account for calculating the minimum capital adequacy ratio of a housing finance institution.

Further, in terms of the NHB Directions, no HFC shall invest in land or buildings, except for its own use, an amount exceeding 20% of its capital fund (aggregate of Tier I capital and Tier II capital), provided that such investment over and above 10% of its owned funds is required to be made only in residential units. Provided that the land or buildings acquired in satisfaction of its debts shall be disposed of by the housing finance company within a period of three years or within such a period as may be extended by the NHB, from the date of such acquisition if the investment in these assets together with such assets already held by the housing finance company exceeds the above ceiling. Additionally, no HFC shall lend to any single borrower an amount exceeding 15% of its owned funds, and to any single group of borrowers, an amount exceeding 25% of its owned funds. A HFC is not allowed to invest in the shares of another company an amount exceeding 15% of its owned funds; and in the shares of a single group of companies an amount exceeding 25% of its owned funds. A HFC shall not lend and invest (loans/investments together) amounts exceeding 25% of its owned funds to a single party and 40% of its owned funds to a single group of parties. Additionally, a HFC is not allowed to lend against its own shares and any outstanding loan granted by a HFC against its own shares on the date of commencement of the NHB Directions shall be recovered by the HFC in accordance with the repayment schedule.

The NHB Directions provide for exposure limits for HFC to the capital market. Pursuant to the NHB Directions, 2010, the aggregate exposure of a HFC to the capital market in all forms, both fund based and non-fund based, should not exceed 40% of its net worth as on March 31 of the previous year. Within this overall ceiling, direct investment in shares, convertible bonds/debentures, units of equity-oriented mutual funds and all exposures to venture capital funds (both registered and unregistered) should not exceed 20% of its net worth.

The NHB *vide* circular no NHB(ND)/DRS/POL-No. 36/2010 dated October 18, 2010 has directed all HFCs not to charge any prepayment levy or penalty on pre-closure of housing loans by the borrowers out of their own sources. Further, NHB, *vide* circular no NHB(ND)/DRS/POL-No. 43/2011-2012 dated October 19, 2011 has directed all HFCs to discontinue the pre-payment levy or penalty on preclosure of housing loans when (a) the housing loan is on a floating rate basis and pre-closed by the borrower from funds received from any source and (b) the housing loan is on a fixed rate basis if preclosed by the borrowers from their "own sources" which means any source other than by borrowing from a bank, HFC, NBFC and/or a financial institution. It has been clarified *vide* circular no NHB(ND)/DRS/Pol-No.48/2011-12 dated April 4, 2012 that the instruction applicable to fixed interest rate housing loans referred to in the circular dated October 19, 2011 will be applicable to such loans which carry fixed rate of interest at the time of origination. Further, it has been directed *vide* circular no NHB(ND)/DRS/Pol-No.51/2012-13 dated August 7, 2012 that all dual/special rate (combination of fixed and floating) housing loans will attract the preclosure norms applicable to the fixed/floating rate depending on whether at the time of pre-closure, the loan is on fixed or floating rate. A fixed rate loan shall be considered to be a loan where the rate is fixed for the entire duration of the loan. Thus, in the case of a dual/special rate housing loans, the pre-closure norm for the floating rate will be applicable once the loan has been converted into a floating rate loan, after the expiry of the fixed interest rate period. This shall be applicable to all such dual/special rate housing loans being foreclosed hereafter. Further NHB (ND)/DRS/Policy Circular No. 63/2014-15 dated August 14, 2014 directed that HFCs shall not charge foreclosure charges/pre-payment penalties on all floating rate term loans sanctioned to individual borrowers, with immediate effect. Subsequently, it was clarified *vide* NHB(ND)/DRS/Policy Circular 66/2014-15 dated September 3, 2014 that the provisions of the circular issued on August 14, 2014 are applicable in respect of all floating rate term loans sanctioned to individual borrowers by HFCs, irrespective of the date of sanction and prepaid on or after August 14, 2014. The provisions of the said circular cover part as well as full prepayment. It was also clarified that the aforesaid circular is applicable to term loans sanctioned to individual borrowers and loans in which company, form etc is a borrower or co-borrower, therefore is excluded from its purview.

The NHB *vide* circular no NHB(ND)/DRS/POL-No. 58/2013-14 dated November 18, 2013 has directed all HFCs to ensure that disbursement of housing loans sanctioned to individuals should be closely linked to the stages of construction of the housing projects/houses and upfront disbursal should not be made in cases of incomplete/under-construction/greenfield housing projects/houses.

National Housing Bank Directions on Corporate Governance

The Housing Finance Companies-Corporate Governance (National Housing Bank) Directions, 2016 apply to every non-public deposit accepting Housing Finance Company (HFC) with assets size of ₹ 5,000 lakh and above, as per the last audited balance sheet and all public deposit accepting/holding HFCs.

The Directions provide for constitution of Audit Committee, consisting of not less than three members of its Board of Directors, which will have the same powers, functions and duties as laid down in Section 177 of the Companies Act, 2013. The Audit Committee has to ensure that an Information System Audit of the internal systems and processes is conducted at least once in two years to assess operational risks faced by the HFCs. The HFCs shall also form a Nomination Committee to ensure fit and proper status of proposed/ existing directors, which will have same powers, functions and duties as set out under Section 178 of the Companies Act, 2013. In addition, the HFCs shall form a Risk Management Committee to manage the integrated risk, besides the Asset Liability Management Committee.

The HFCs shall have a policy in place with the approval of the Board of Directors for ascertaining the fit and proper criteria of the directors at the time of appointment and on a continuing basis. The guidelines for a policy on the fit and proper criteria are mentioned in the Directions. A declaration and undertaking has to be obtained from the directors giving additional information on the directors. In addition, Deed of Covenant has to be signed by the directors, as per the format mentioned in the Directions. A quarterly statement on change of directors, and a certificate from the Managing Director of the HFC stating that fit and proper criteria in selection of the directors has been followed has to be furnished to the National Housing Bank within 15 days of the close of the respective quarter. The statement submitted by HFCs for the quarter ending March 31, should be certified by the auditors. As per the Directions, certain disclosures have to be made in the Annual Financial Statements as well. The partner/s of the Chartered Accountant firm conducting the audit has to be rotated every three years. The HFCs are also required to have their internal guidelines on corporate governance with the approval of the Board of Directors.

Laws related to money laundering

The Prevention of Money Laundering Act, 2002 (the “PMLA”) was enacted to prevent money laundering and to provide for confiscation of property derived from, and involved in, money laundering. In terms of the PMLA, every financial institution, including housing finance institutions, is required to maintain record of all transactions including the value and nature of such transactions, furnish information of such transactions to the director defined under PMLA and verify and maintain the records of the identity of all its clients, in such a manner as may be prescribed. The PMLA also provides for power of summons, searches and seizures to the authorities under the PMLA. In terms of PMLA, whosoever directly or indirectly attempts to indulge or knowingly assists or knowingly is a party or is actually involved in any process or activity connected with the proceeds of crime and projecting it as untainted property shall be guilty of offence of money laundering.

The NHB vide circular NHB(ND)/DRS/POL No. 13/2006 dated April 10, 2006 introduced anti-money laundering measures wherein the HFCs were advised inter-alia to follow the customer identification procedure, maintenance of records of transactions and period of preservation of such record keeping in view of the provisions of PMLA. Further, the aforesaid circular introducing anti-money laundering measures were reviewed and revised *vide* a circular dated October 11, 2010 (the “**2010 Notification**”) in light of amendments in the PMLA and the rules framed there under. Further the 2010 Notification requires the HFC to verify identity of non-account based customer while carrying out transaction of an amount equal to or exceeding 50,000. Further, it was directed *vide* a circular dated January 20, 2014, that the HFCs shall ensure that the documents are not given directly to the customers for verification, etc. to obviate any frauds. Subsequently, *vide* a circular dated February 6, 2014, Aadhar card issued by the Unique Identification Authority of India has been mandated as a valid legal document within the meaning of Rule 2(1)(d) of the Prevention of Money Laundering (Maintenance of Records) Rules, 2005. Pursuant to this circular, Aadhar card is a valid identity as well as proof of address for every applicant (if the address on the application matches that on the Aadhar card), for the purpose of KYC. Additionally, *vide* a circular dated April 23, 2015, in order to reduce the risk of identity fraud and document forgery, the paperless version of e-KYC has been accepted as a valid process for KYC under Prevention of Money Laundering (Maintenance of Records) Rules, 2005. Pursuant to circular dated December 8, 2017, HFCs may provide an option to the customer for e-KYC through Aadhaar based One Time Pin (OTP), subject to certain conditions.

Anti-Money Laundering Guidelines 2013, as amended (AML Guidelines)

On February 7, 2013, the Insurance Regulatory Development Authority of India (**IRDAI**) issued AML Guidelines

pertaining to anti-money laundering and counter-financing of terrorism in relation to the general insurance sector. The AML Guidelines, *inter alia*, lay down the adoption of anti-money laundering/counter-financing of terrorism program in order to discharge the statutory responsibility through internal policies, procedures and controls, recruitment and training of employees/agents on anti-money laundering program, and internal controls to combat any possible money laundering attempts. Further, the AML Guidelines prescribe the reporting obligations to track any money laundering attempts for further investigation and action. The IRDAI issued a Master Circular on antimoney laundering and counter-financing of terrorism dated September 28, 2015 consolidating all the guidelines issued from time to time.

Implementation of Indian Accounting Standards (“Ind AS”)

As per circular dated April 16, 2018, every HFC shall follow the provisions of paragraph 24 of the Housing Finance Companies (NHB) Directions, 2010 on Accounting Standards, in terms of the Accounting Standards and Guidance Notes issued by the Institute of Chartered Accountants of India to implement the Indian Accounting Standards by them.

Refinance Scheme for Housing Finance Companies, 2003

Pursuant to Refinance Scheme for Housing Finance Companies, 2003 (“Refinance Scheme”), as amended *vide* a circular dated April 15, 2005, HFCs registered with the NHB are eligible to obtain refinance from the NHB in respect of their direct lending to individuals for the purchase, construction, repair and upgrade of housing units.

In addition, the HFCs are required to provide long-term finance for purchase, construction, repair and upgrading of dwelling units by home-seekers. The HFCs are also required to have specific levels of capital employed and net owned funds to be eligible to avail refinance facilities under the Refinance Scheme. The financial assistance can be drawn by HFCs in respect of loans already advanced by them and also for prospective disbursements. The security for refinance from the NHB may generally be secured by a charge on the book debts of a HFC. If at any time the NHB is of the opinion that the security provided by the HFC has become inadequate to cover the outstanding refinance, it may advise the HFC to furnish such additional security including, *inter-alia*, charges on immovable/moveable property or a requisite guarantee.

Guidelines for Asset Liability Management System for HFCs vide a circular NHB/ND/DRS/Pol- No. 35/2010-11 dated October 11, 2010

The guidelines for introduction of asset liability management system by HFCs was issued by NHB *vide* a circular dated October 11, 2010 (“**ALM Guidelines**”). NHB has since revised the guidelines. The revised guidelines would be applicable to all HFCs irrespective of whether they are accepting/holding public deposits or not. The ALM Guidelines for HFCs lays down broad guidelines for HFCs in respect of systems for management of liquidity and interest rate risks. The ALM Guidelines provide that the board of directors of a HFC should have overall responsibility for management of risks and should decide the risk management policy and set limits for liquidity, interest rate, exchange rate and equity price risks. Additionally, an asset-liability committee is required to be constituted consisting of the HFC’s senior management including the chief executive officer for ensuring adherence to the limits set by the board as well as for deciding the business strategy of the HFC (on the assets and liabilities sides) in line with the HFC’s budget and decided risk management objectives. Asset-liability management support groups to be constituted of operating staff are required to be responsible for analysing, monitoring and reporting the risk profiles to the asset-liability committee.

The ALM Guidelines also recommended classification of various components of assets and liabilities into different time buckets for preparation of gap reports (liquidity and interest rate sensitive). The gap is the difference between rate sensitive assets and rate sensitive liabilities for each time bucket. In accordance with the ALM Guidelines, HFCs which are better equipped to reasonably estimate the behavioural pattern of various components of assets and liabilities on the basis of past data/empirical studies could classify them in the appropriate time buckets, subject to approval by the asset-liability committee/board of the HFC.

The NHB revised the ALM guidelines in 2010 *vide* its policy NHB/ND/DRS/Pol-No. 35/2010-11 dated October 11, 2010, as amended (the ALM Guidelines 2010). The ALM Guidelines 2010 is applicable to all HFCs irrespective of whether they are accepting / holding public deposits or not. All HFCs are required to put in place the ALM System. HFCs meeting the criteria of asset base of ₹ 10,000 lakh (whether accepting/holding public deposits or not) or holding public deposits of 20 crore or more (irrespective of their asset size) as per the audited balance sheet as of March 31, 2010 would be required to submit the quarterly statement of short-term dynamic

liquidity and half-yearly statements of structural liquidity and interest rate sensitivity. The quarterly statement shall be submitted within ten days of the close of the quarter and half yearly statements within 20 days of the close of the half year. It further provided that a board approved comprehensive ALM policy and risk management policy be sent to the NHB before December 31, 2010. The Asset-Liability Committee (ALCO) consisting of the HFC's senior management including the chief executive officer should be responsible for ensuring adherence to the limits set by the board as well as for deciding the business strategy of the HFC (on the assets and liabilities sides) in line with the HFC's budget and decided risk management objectives. The chief executive officer/president or the executive director should head the ALCO. A copy of the policy note recorded by the HFCs on the treatment of the investment portfolio for the purpose of ALM and approved by their board of directors/ALCO should be forwarded to the NHB. ALM Guidelines 2010 further provide guidelines for equipping HFC to manage and minimize liquidity risk, currency risk and interest rate risk.

Guidelines on Fair Practices Code for HFCs

The Guidelines on Fair Practices Code for HFCs ("**Fair Practices Code**") were issued by the NHB vide a circular NHB(ND)/DRS/POL-No-16/2006 dated September 5, 2006 and were revised by the NHB vide circulars NHB/ND/DRS/Pol No. 34/2010-11 dated October 11, 2010 and circular NHB (ND)/DRS/Pol. No. 38/2010-11, dated April 25, 2011, to bring more clarity and transparency and to cover all aspects of loan sanctioning, disbursal and repayment issues. The Fair Practices Code seeks to promote good and fair practices by setting minimum standards in dealing with customers, increase transparency, encourage market forces, promote fair and cordial relationship between customer and HFCs and foster confidence in the housing finance system.

The Fair Practices Code provides for provisions in relation to providing regular and appropriate updates to the customer, prompt resolution of grievances and confidentiality of customer information. Further, the HFCs are required to disclose information on interest rates, common fees and charges through notices etc. HFCs are required to ensure that all advertising and promotional material is clear and not misleading, and that privacy and confidentiality of the customers' information is maintained. Further, whenever loans are given, HFCs should explain to the customer the repayment process by way of amount, tenure and periodicity of repayment. However, if the customer does not adhere to repayment schedule, a defined process in accordance with the laws of the land shall be followed for recovery of dues. The process will involve reminding the customer by sending him/her notice or by making personal visits and/or repossession of security, if any.

Vide circular NHB (ND)/DRS/Policy Circular No.74/2015, any guarantor refusing to comply with the demand made by the creditor/lender to make payment of dues despite having sufficient means to do so, will be treated as a wilful defaulter.

Vide circular NHB(ND)/DRS/Policy Circular No.73/2015-16 and NHB(ND)/DRS/Misc. Circular No.16/2015-16 dated December 3, 2015, the HFCs shall not discriminate visually impaired or physically challenged applicants on the ground of disability in extending products, services, facilities etc.

Guidelines for Recovery Agents Engaged by HFCs

The Guidelines for Recovery Agents Engaged by HFCs ("**Recovery Agents Guidelines**") bearing no. NHB(ND)/DRS/Pol-No.25/2008 were issued on July 14, 2008 by the NHB in relation to the practices and procedures regarding the engagement of recovery agents by the HFCs. Under of the Recovery Agents Guidelines, HFCs are required to have a due diligence process in place for engagement of recovery agents, which should cover inter-alia, individuals involved in the recovery process. HFCs are required to ensure that the agents engaged by them in the recovery process carry out verification of the antecedents of their employees and HFCs may decide the periodicity at which re-verification should be resorted to. HFCs are required to ensure that the recovery agents are properly trained to handle with care and sensitivity their responsibilities, in particular, aspects like hours of calling and privacy of customer information, among others. HFCs are also required to inform the borrower of the details of recovery agency firms/companies while forwarding default cases to the recovery agency.

Under the Recovery Agents Guidelines, any person authorized to represent a HFC in collection and/or security repossession should follow guidelines which includes inter-alia contacting the customer ordinarily at the place of his/her choice; interaction with the customer in a civil manner and assistance to resolve disputes or differences regarding dues in a mutually acceptable and orderly manner. Each HFC should have a mechanism whereby the borrower's grievances with regard to the recovery process can be addressed. The details of the mechanism should also be furnished to the borrower. HFCs have been advised to constitute grievance redressal machinery within the company and give wide publicity about it through electronic and print media.

HFCs are required to, at least on an annual basis, review the financial and operational condition of the service providers to assess their ability to continue to meet their outsourcing obligations. Such due diligence reviews, which can be based on all available information about the service provider, should highlight any deterioration or breach in performance standards, confidentiality and security, and in business continuity preparedness.

Guidelines on Know Your Customers and Anti Money Laundering measures for Housing Finance Companies

The KYC Guidelines issued by NHB *vide* a circular NHB/ND/DRS/Pol-No.33/2010-11 dated October 11, 2010 (“**NHB KYC Guidelines**”) mandate the KYC policies and anti-money laundering measures for HFC to have certain key elements, including inter-alia a customer acceptance policy, customer identification procedures, monitoring of transactions and risk management, adherence to NHB KYC Guidelines and the exercise of due diligence by the NBFC, including its brokers and agents. The NHB KYC Guidelines were amended *vide* NHB(ND)/DRS/Pol. No.60/2013-14 dated February 6, 2014 and NHB (ND)/DRS/Policy Circular No.72/2014-15 dated April 23, 2015 to provide an indicative list of the nature and type of documents/information that may be relied upon for customer identification.

Further, the NHB introduced various reforms *vide* circular no. NHB (ND)/DRS/Policy Circular No.85/2017-18 dated December 8, 2017 that HFC can now carry out their e-KYC verification through Aadhaar based One Time Pin (**OTP**). The process involves verification by input of OTP that has been sent at the time of registration to the mobile number of the customer which is linked with his/her Aadhaar. Accounts opened in terms of this proviso are subject to certain conditions like the explicit consent from the customer for authentication through OTP. The aggregate amount of all the deposit accounts taken together for a customer must not exceed ₹ 10,00,000. Only term loans not exceeding ₹ 50,000 in a year will be sanctioned. The payment of deposits in terms of accounts opened on-line through OTP based e-KYC, shall be accepted only through internet banking from a designated bank account of the customer. A declaration is also required to be obtained from the customer to the effect that no other account has been opened nor will be opened using OTP based KYC either with the same entity or with any other HFC. The circular also provides for reforms to the biometric authentication for e-KYC verification. The customer can now provide the same to an authorized person of the HFC by complying certain criteria while before he/she was required to visit the branch office of the HFC.

The Government of India has authorised the Central Registry of Securitisation Asset Reconstruction and Security Interest of India (“**CERSAI**”), to act as, and to perform the functions of the Central KYC Record Registry *vide* its notification dated November 26, 2015. In terms of the NHB circular NHB(ND)/DRS/Policy Circular No.76/2016-17 dated November 1, 2016, HFCs were advised to upload the KYC data with CERSAI in respect of new individual accounts opened on or after November 1, 2016. Further, HFCs are required to capture the KYC information for sharing with CERSAI in the manner prescribed under the Prevention of Money-Laundering (Maintenance of Records) Rules, 2005, issued under the PMLA.

Guidelines on Wilful Defaulters

Pursuant to the advice of the RBI and recommendations of the Puri Committee, the NHB *vide* a circular dated December 31, 2015 (“**Wilful Defaulters Guidelines**”) has laid down the mechanism for identification and reporting requirements of wilful defaulters by the HFCs to all Credit Information Companies (“**CICs**”). Every instance above ₹ 25.0 lakh limit of siphoning or diversion of funds along with all instances of default by wilful defaulters above this threshold shall merit a disclosure and intimation to all CICs. The penal provisions envisaged under the Wilful Defaulters Guidelines include: (a) restriction of any further facilities being advanced to a listed wilful defaulter; (b) legal proceedings for recovery along with foreclosure for recovery of dues to be initiated expeditiously along with pursuing criminal proceedings wherever necessary; (c) a proactive approach towards seeking a change of management of a wilful defaulter entity; and (d) a covenant to be included in the lending terms restricting any entity to whom financing is provided, to refrain from inducting a listed wilful defaulter on its board. The HFCs are required to put in place transparent mechanisms so that the penal provisions are not misused and timely intimation to the CICs may be made as required.

Norms for excessive interest rates

The NHB *vide* circular no. NHB(ND)/DRS/POL-No-29/2009 dated June 2, 2009, has advised all HFCs to revisit internal policies in determining interest rates, fee and other charges. According to this notification, the board of each HFC was required to revisit its policies on interest rate determination, fees and other charges, including margins and risk premiums charged to different categories of borrowers and approve the same. HFCs were advised

to put in place an internal mechanism to monitor the process and operations in relation to disclosure of interest rates and charges in view of the guidelines indicated in the Fair Practices Code, to ensure transparency in communications with borrowers.

Guidelines for Entry of Housing Finance Companies into Insurance Business

The NHB vide circular NHB (ND)/DRS/Policy Circular No.71/2014-15 dated April 22, 2015 has issued the guidelines on entry of HFCs into Insurance Business. As per the Guidelines, HFCs registered with the NHB and having net owned fund of not less than ₹ 1,000.0 lakh may take up insurance agency business on fee basis and without any risk participation, without the approval of the NHB. However, it has to comply with the following conditions:

- a) The HFC should obtain requisite permission from Insurance Regulatory and Development Authority and comply with the IRDA regulations for acting as 'composite corporate agent' with insurance companies;
- b) The HFC should not adopt any restrictive practice of forcing its customers to go in only for a particular insurance company in respect of assets financed by it.
- c) As the participation by a HFC's customer in insurance products is purely on a voluntary basis, it should be stated in all publicity material distributed by it in a prominent way. There should be no 'linkage' either direct or indirect between the provision of financial services offered by the HFC to its customers and use of the insurance products;
- d) The premium should be paid by the insured directly to the insurance company without routing through the HFC; and
- e) The risks, if any, involved in insurance agency should not get transferred to the business of the HFC.

The HFCs registered with NHB should satisfy the eligibility criteria mentioned in the Guidelines to set up an Insurance JV Company for undertaking insurance business with risk participation. The maximum equity contribution such an HFC can hold in the JV Company will normally be 50 per cent of the paid-up capital of the insurance company. HFCs registered with NHB, which are not eligible as joint venture participants, as above or otherwise can make investments up to 10 per cent of the owned fund of the HFC or ₹ 5,000 lakh, whichever is lower, in the insurance company. The HFCs registered with NHB entering into insurance business as joint venture participant or investor or on risk participation basis will be required to obtain prior approval of the NHB

Laws in relation to foreign investment and external commercial borrowing

Foreign Investment in HFCs

Foreign Investment in India is governed primarily by the provisions of FEMA and the rules, regulations and notifications there-under, read with the presently applicable Consolidated FDI Policy, effective from August 28, 2017 (“**Consolidated FDI Policy**”) (provisions of the Circular 2017) issued by the Department of Industrial Policy and Promotion from time to time. As per the provisions of the Consolidated FDI Policy, 100% FDI under the automatic route is permitted for investment in the financial services activities regulated by NHB.

External Commercial Borrowings for Low Cost Affordable Housing

Pursuant to RBI master circular on “External Commercial Borrowings, Trade Credit, Borrowing and Lending in Foreign Currency by Authorised Dealers and Persons other than Authorised Dealers” dated January 1, 2016 and last updated on April 27, 2018, HFCs are eligible to avail of external commercial borrowings (“**ECB**”) for financing low cost affordable housing units. In order to avail ECB, (a) The minimum Net Owned Funds (“**NOFs**”) of HFCs for the past three Fiscals should not be less than ₹ 30,000 lakh; (b) borrowing through ECB should be within overall borrowing limit of 16 (sixteen) times of their NOF and the net non-performing assets (NNPA) should not exceed 2.5 % of the net advances; (c) The maximum loan amount sanctioned to the individual buyer will be capped at ₹ 25 lakh subject to the condition that the cost of the individual housing unit shall not exceed ₹ 30 lakh; and (d) HFCs while making the applications, shall submit a certificate from NHB that the avilment of ECB is for financing prospective owners of individual units for the low cost affordable housing and ensure that the interest rate spread charged by them to the ultimate buyer is reasonable. Housing Finance Companies, regulated by the National Housing Bank, as eligible borrowers can now avail of ECBs under all tracks (I, II and III). Such entities shall have a board approved risk management policy and shall keep their ECB exposure hedged 100 per cent at all times for ECBs raised under Track I.

Laws in relation to securing and recovering debts

Registration of a charge

Under the Companies Act 2013, our Company is required to register a charge on its property or assets or any of its undertakings, whether tangible or otherwise by filing the relevant form with the RoC along with the instrument creating this charge within 30 days of its creation by paying a prescribed fee. No charge created by a company will be taken into account by the liquidator or any other creditor unless it is duly registered and a certificate of registration of such charge is given by the RoC.

If the particulars of a charge are not filed within the aforesaid period but filed within a period of 300 days of such creation or modification, an additional fee shall be levied. Further, our Company is required to keep at its registered office a register of charges and enter therein particulars of all the charges registered with the RoC on any of the property, assets or undertakings of our Company as well as particulars of any modification of a charge and satisfaction of charge. The entries in the register of charges of the Company shall be made forthwith after the creation, modification or satisfaction of charge, as the case may be.

Where a charge is registered with the RoC, they will issue a certificate of registration of such charge to the person in whose favour the charge is created.

Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (“Securitisation Act”)

The Securitisation Act grants certain special rights to banks and financial institutions to enforce their security interests upon non-payment of a secured debt. The Securitisation Act provides that a secured creditor may, in the case of a default in payment of a debt or an instalment thereof, classify the account of the borrower as a NPA, and give notice in writing to the borrower requiring it to discharge its liabilities within 60 days, failing which the following rights accrue to the secured creditor:

- i. taking possession of the assets constituting the security for the loan, including the right to transfer the assets by way of lease, assignment or sale of the asset;
- ii. taking over the management of the business of the borrower, including the right to sell or otherwise dispose of the assets, in case a significant portion of the debtor’s business is held as security;
- iii. appointment of a manager to manage the secured assets; and
- iv. requiring that any person who has acquired any of the secured assets from the borrower and from whom any money is or may become due to the debtor, to pay the secured creditor instead.

Where a secured creditor seeks to take a secured asset into its possession or sell or transfer the same under the provisions of the Securitisation Act, the secured creditor may make a written request to the Chief Metropolitan Magistrate or the District Magistrate within whose jurisdiction the secured asset or relevant documents may be situated or found. Upon such request, the Chief Metropolitan Magistrate or District Magistrate may take possession of such assets and/ or relevant documents and forward the same to the creditor, using or directing the use of such force as may be necessary. In addition, the secured creditor may file an application before a DRT or a competent court for recovery of balance amounts, if any, and may take any other measures for the recovery of debts.

Further, the Securitisation Act provides for the creation of a central database by the Central Government for recording rights over any property or creation, modification or satisfaction of any security interest thereon. This registry is to be integrated with registration records under various central registrations, including the Companies Act, 2013, the Registration Act, 1908 and the Motor Vehicles Act, 1988. Any registration of transactions of creation, modification or satisfaction of security interest by a creditor or filing of attachment orders shall be deemed to constitute a public notice. Where a security interest or attachment order upon property in favour of a creditor is filed for registration, the claim of such creditor has priority over any subsequent security interest, transfer or attachment order upon the property.

In addition, the Securitisation Act regulates ‘asset reconstruction companies’, which are companies intended to carry on the business of securitisation or asset reconstruction. An asset reconstruction company, upon being registered by the RBI, may acquire the financial assets of a bank or financial institution, whereupon it shall be

deemed to become the lender in place of the bank in relation to such financial assets, and all rights of the bank or financial institution in relation to such financial assets shall vest in the asset reconstruction company. For the purposes of asset reconstruction, an asset reconstruction company may *inter alia* provide for the management of the business of a borrower (including a change in or takeover of its management), sale or lease of the business of a borrower, rescheduling payment of debts, settlement of dues, enforcement or possession of security interests, or conversion of debt of a borrower into shares.

Insolvency and Bankruptcy Code, 2016 (the “IB Code”)

The IB Code primarily enables time-bound reorganisation and insolvency resolution of debtors. The primary objectives of the IB Code are:

- i. to consolidate and amend the laws relating to reorganisation and insolvency resolution of corporate persons, partnership firms and individuals in a time bound manner for maximisation of value of assets of such persons;
- ii. to promote entrepreneurship, availability of credit and balance the interests of all the stakeholders, including alteration in the order of priority of payment of Government dues; and
- iii. to establish an Insolvency and Bankruptcy Board of India.

The IB Code specifies two different sets of adjudicating authorities to exercise judicial control over the insolvency and liquidation processes:

- i. In case of companies, limited liability partnerships and other limited liability entities, National Company Law Tribunals (“NCLT”) shall act as the adjudicating authority; and appeals therefrom shall lie with the National Company Law Appellate Tribunal (“NCLAT”).
- ii. In case of individuals and partnerships, Debt Recovery Tribunal (“DRT”) shall act as the adjudicating authority; and appeals therefrom shall lie with the Debt Recovery Appellate Tribunal (“DRAT”).

The Supreme Court of India shall have appellate jurisdiction over NCLAT and DRAT. The IB Code governs two corporate insolvency processes, i.e. (i) insolvency resolution; and (ii) liquidation:

- i. *Insolvency resolution:* Upon a default by a corporate debtor, a creditor or the debtor itself may initiate insolvency resolution proceedings. The IB Code prescribes a timeline of 180 days for the insolvency resolution process, subject to a single extension of 90 days, during which there shall be a moratorium on the institution or continuation of suits of the debtor, or interference with its assets. During such period, the creditors and the debtor will be expected to negotiate and finalise a resolution plan, with the assistance of insolvency resolution professionals to be appointed by a committee of creditors formed for this purpose. Upon approval of such a plan by the adjudicating authority, the same shall become binding upon the creditors and the debtor.
- ii. *Liquidation:* In the event that no insolvency resolution is successfully formulated, or if the adjudicating authority so decides, a liquidation process may be initiated against the debtor. A liquidator is appointed, who takes the assets and properties of the debtor in his custody and verifies claims of creditors, before selling such assets and properties and distributing the proceeds therefrom to creditors.

The bankruptcy of an individual can be initiated by the debtor, the creditors (either jointly or individually) or by any partner of a partnership firm (where the debtor is a firm), only after the failure of the Insolvency Resolution Process (IRP) or non-implementation of repayment plan. The bankruptcy trustee is responsible for administration of the estate of the bankrupt and for distribution of the proceeds on basis of the priority set out in the Code.

In addition, the IB Code establishes and provides for the functioning of the Insolvency and Bankruptcy Board of India (“IBBI”) which functions as the regulator for matters pertaining to insolvency and bankruptcy. The IBBI exercises a range of legislative, administrative and quasi-judicial functions, *inter alia* in relation to the registration, regulation and monitoring of insolvency professional agencies, insolvency professionals and information utilities; publish information, data, research and studies as may be specified; constitute committees as may be required; and make regulations and guidelines in relation to insolvency and bankruptcy.

Recovery of Debts due to Banks and Financial Institutions Act, 1993 (“Debts Recovery Act”)

The Debts Recovery Act provides for establishment of Debts Recovery Tribunals (“DRT”) for expeditious adjudication and recovery of debts due to a bank or financial institution, or a consortium of banks or financial institutions. The Debts Recovery Act is only applicable to such debts as are for a sum that is greater than ₹ 10.0 lakh, or in the case of particular debts that the Central Government may specify, greater than ₹ 1.0 lakh. Under the DRT Act, the procedures for recovery of debt have been simplified and time frames have been fixed for speedy disposal of cases. The DRT Act lays down the rules for establishment of DRTs, procedure for making application to the DRTs, powers of the DRTs and modes of recovery of debts determined by DRTs. These include attachment and sale of movable and immovable property of the defendant, arrest of the defendant and defendant’s detention in prison and appointment of receiver for management of the movable or immovable properties of the defendant.

A DRT established under the Debts Recovery Act exercises jurisdiction over applications from banks and financial institutions for the recovery of debts due to them, and no court or other authority can exercise jurisdiction in relation to matters covered by the Debts Recovery Act, except the higher courts in India in certain circumstances. The Debts Recovery Act also provides for the establishment of Debts Recovery Appellate Tribunals (“DRAT”), and any appeal from any order of a DRT lies with a DRAT. Further, the Debts Recovery Act provides for the procedure to be followed in proceedings before a DRT or DRAT.

Laws Relating to Employment

Shops and Establishments legislations in various states

The provisions of various Shops and Establishments legislations, as applicable, regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of inter-alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work.

Labour Laws

Our Company is required to comply with various labour laws, including the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, the Payment of Wages Act, 1936, the Payment of Gratuity Act, 1972 and the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952.

Laws relating to Intellectual Property

The Trade Marks Act, 1999 and the Indian Copyright Act, 1957 inter-alia govern the law in relation to intellectual property, including brand names, trade names and service marks and research works.

Other Applicable Acts

In addition to the above, our Company is required to comply with the provisions of the Companies Act, 2013, the Foreign Exchange Management Act, 1999, various tax related legislations and other applicable statutes.

Disclaimer Clause of NHB

The Company has a valid Certificate of Registration dated July 31, 2001 bearing registration no. 01.0014.01 issued by the National Housing Bank (NHB) under Section 29A of the NHB Act, 1987. However, the NHB does not accept any responsibility or guarantee about the present position as to the financial soundness of the Company or for the correctness of any of the statements or representations made or opinions expressed by the Company and for repayment of deposits/ discharge of liabilities by the Company.

OUR MANAGEMENT

Board of Directors

The general supervision, direction and management of our Company, its operations and business are vested in the Board, which exercises its power subject to the Memorandum and Articles of Association of our Company and the requirements of the applicable laws. The Articles of Association set out that the number of Directors in our Company shall be no less than three and not more than 15.

The composition of the Board is in conformity with section 149 of the Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulations. As on date our Company has seven Directors including two Executive Directors i.e. one Chairman and Managing Director and one Joint Managing Director and Chief Executive Officer. Out of the seven Directors, two are Executive Directors, one is a Non-Executive Non-Independent Director and four are Independent Directors (including one woman Director).

The following table sets forth details regarding the Board at the date of this Draft Shelf Prospectus:

Details relating to Directors

| Name, Designation, Occupation, Term, Address and Nationality | Age | DIN | Other Directorships |
|---|-----|----------|---|
| <p>Kapil Wadhawan</p> <p><i>Designation:</i> Chairman and Managing Director</p> <p><i>Occupation:</i> Business</p> <p><i>Term:</i> 5 (five) years commencing from October 04, 2015 (not liable to retire by rotation)</p> <p><i>Address:</i> 22/23, Sea View Palace Pali Hill, Bandra (West), Mumbai – 400 050, Maharashtra, India</p> <p><i>Nationality:</i> Indian</p> | 44 | 00028528 | <ol style="list-style-type: none"> 1. Aadhar Housing Finance Limited 2. Arthveda Fund Management Private Limited; 3. DHFL Investments Limited 4. DHFL Changing Lives Foundation 5. DHFL Pramerica Life Insurance Company Limited; 6. Wadhawan Global Capital Limited; 7. Avanse Financial Services Limited; 8. DHFL Advisory & Investments Private Limited; 9. KYTA Productions Private Limited; 10. DHFL Pramerica Asset Managers Private Limited; 11. Wadhawan Wealth Managers Private Limited; and 12. DHFL General Insurance Limited. |
| <p>Dheeraj Wadhawan</p> <p><i>Designation:</i> Non- Executive Non-Independent Director</p> <p><i>Occupation:</i> Business</p> <p><i>Term:</i> Liable to retire by rotation</p> <p><i>Address:</i> 22/23, Sea View Palace Pali Hill, Bandra (West), Mumbai – 400 050, Maharashtra, India</p> <p><i>Nationality:</i> Indian</p> | 39 | 00096026 | <ol style="list-style-type: none"> 1. Wadhawan Global Capital Limited; 2. WGC Management Services Private Limited; 3. DHFL Advisory & Investments Private Limited; 4. RKW Developers Private Limited; 5. KYTA Productions Private Limited; 6. WGC Advisory Services Private Limited; 7. Rochester Wadhawan Foundation for Learning; 8. R K Wadhawan Institute for Universal Learning Private Limited; 9. Wadhawan Sports Private Limited; and 10. Kyta Hospitality Private Limited. |

| | | | |
|---|----|----------|---|
| <p>Guru Prasad Kohli</p> <p><i>Designation:</i> Independent Director</p> <p><i>Occupation:</i> Management Consultant</p> <p><i>Address:</i> 1403/1404, Dheeraj Enclave, Tower A/1, Opp. Bhor Industries, Off. Western Express Highway, Borivali (East), Mumbai-400 066, Maharashtra, India</p> <p><i>Term:</i> 5 (five) years commencing from April 01, 2014</p> <p><i>Nationality:</i> Indian</p> | 77 | 00230388 | <ol style="list-style-type: none"> 1. Aadhar Housing Finance Limited; 2. DHFL Investments Limited; 3. DHFL General Insurance Limited 4. DHFL Advisory & Investments Private Limited |
| <p>Vijay Kumar Chopra</p> <p><i>Designation:</i> Independent Director</p> <p><i>Occupation:</i> Professional</p> <p><i>Term:</i> 5 (five) years commencing from April 1, 2014</p> <p><i>Address:</i> 4 - A, 4th Floor, Harmony Tower, Dr. E Moses Road, Worli Naka, Worli Mumbai – 400 018 Maharashtra, India</p> <p><i>Nationality:</i> Indian</p> | 72 | 02103940 | <ol style="list-style-type: none"> 1. Greenlam Industries Limited; 2. Havells India Limited; 3. Future Enterprises Limited 4. Pegasus Assets Reconstruction Private Limited; 5. India Infoline Finance Limited; 6. Milestone Capital Advisors Limited; 7. Invesco Asset Management (India) Private Limited; 8. IIFL Facilities Services Limited; 9. DHFL Investments Limited; and 10. Sheela Foam Limited. |
| <p>Mannil Venugopalan</p> <p><i>Designation:</i> Independent Director</p> <p><i>Occupation:</i> Professional</p> <p><i>Term:</i> 5 (five) years commencing from April 1, 2014</p> <p><i>Address:</i> Mannil House House No. 17/229 Thalakkoly Desom Ernakulum Aluva, Kerala – 683 102 Kerala, India</p> <p><i>Nationality:</i> Indian</p> | 73 | 00255575 | <ol style="list-style-type: none"> 1. Shreyas Shipping and Logistics Limited; 2. Shivalik Agro Poly Products Limited; 3. Shri Kailash Logistics (Chennai) Limited 4. Au Small Finance Bank Limited (Formerly AU (India) Financiers Limited) 5. LICHFL Asset Management Company Limited; 6. L&T Finance Limited; 7. Shaolin Trusteeship Private Limited; 8. DHFL Advisory & Investments Private Limited and 9. IL&FS Environmental Infrastructure and Services Limited. |
| <p>Vijaya Sampath</p> <p><i>Designation:</i> Independent Director</p> <p><i>Occupation:</i> Professional</p> <p><i>Term:</i> 5 (five) years commencing from August 26, 2014</p> <p><i>Address:</i> Flat No - 403, Block -14,</p> | 64 | 00641110 | <ol style="list-style-type: none"> 1. L&T-MHPS Boilers Private Limited; 2. L&T-MHPS Turbine Generators Private Limited; 3. L&T Power Development Limited; 4. Nabha Power Limited; 5. Safari Industries (India) Limited; 6. GVS Envicon Technologies Private Limited; 7. Suzlon Energy Limited; 8. Varroc Engineering Limited; 9. Eris Lifesciences Limited; and 10. Craftsman Automation Private Limited |

| | | | |
|---|----|----------|--|
| Heritage City, Mehrauli Gurgaon Road, Gurgaon – 122 002, Haryana, India <i>Nationality:</i> Indian | | | |
| Harshil Rajnikant Mehta <i>Designation:</i> Joint Managing Director & Chief Executive Officer <i>Occupation:</i> Service <i>Term:</i> 5 (five) years commencing from September 1, 2017. Liable to retire by rotation. <i>Address:</i> 2101, Clover Regency Ramji Ashar Lane Off. M.G. Road, Ghatkopar (East) Mumbai – 400 077 Maharashtra, India | 51 | 03038428 | 1. DHFL Pramerica Life Insurance Company Limited |

Profile of Directors

Mr. Kapil Wadhawan, is our Chairman and Managing Director. He is also the Promoter of our Company. He holds a Master’s degree in Business Administration from Edith Cowan University, Australia and a bachelor’s degree in commerce from the University of Mumbai. He has over 22 years of experience in housing finance industry. He has been on the Board of our Company as a Director since September 1996.

Mr. Dheeraj Wadhawan, is our Non-Executive Non Independent director. He has over 11 years of experience in the real estate and construction industry. He has been on the Board of our Company as a Non-Executive Director since May 12, 2008.

Mr. Guru Prasad Kohli, is our Independent Director. He holds a master’s degree in English literature and has acquired a Diploma in Labour Laws, Labour Welfare and Personnel Management from Punjab University. He was also the former Managing Director of Life Insurance Corporation of India. He has been on the Board of our Company as an Independent Director since May 23, 2001.

Mr. Vijay Kumar Chopra, is our Independent Director. He is a fellow member of the Institute of Chartered Accountants of India. He was the Chairman and Managing Director of Corporation Bank and SIDBI. He was also an Executive Director with Oriental Bank of Commerce. He has also served with SEBI as a whole-time member for two years until March, 2008. He has been on the Board of our Company as an Independent Director since May 12, 2008.

Mr. Mannil Venugopalan, is our Independent Director. He holds a bachelor’s degree in commerce from University of Kerala and has vast experience as a commercial banker. He was the Chairman and Managing Director of Bank of India and Managing Director & Chief Executive Officer of Federal Bank. He was also an Executive Director of Union Bank of India. He has been on the Board of our Company as an Independent Director since February 25, 2013.

Ms. Vijaya Sampath, is our Independent Director. She holds a bachelor’s degree in Arts from Faculty of Arts, University of Madras and a bachelor’s degree in law from University of Mysore. She is a fellow member of the Institute of Company Secretaries of India and is currently a partner at M/s. Lakshmikumaran & Sridharan, Advocates. She had worked as a Group General Counsel and Company Secretary for Bharti Group. She has also served on the boards of Bharti Infratel Limited, Bharti AXA General Insurance Company Limited, Bharti Enterprises Limited and Bharti Telemedia Limited. She has been on the Board of our Company as an Independent Director since August 26, 2014.

Mr. Harshil Rajnikant Mehta, is our Joint Managing Director and Chief Executive Officer. He holds a Master’s

degree in science from Mumbai University and a Master's Degree in Business Administration (Finance) from Graduate School of Business, Mississippi State University, USA. He was the managing director and chief executive officer of Aadhar Housing Finance Limited. Prior to this, he was associated with ICICI Bank Limited as CEO. He was appointed as our CEO on January 17, 2015 and has been on the Board of our Company as a Whole-time Director since September 1, 2017.

Confirmations

None of our Directors have been identified as a 'wilful defaulter' by the RBI, ECGC, any government/regulatory authority and/or by any bank or financial institution.

Compensation of Directors

The Nomination and Remuneration Committee determines and recommends to the Board the compensation to Directors. The Board of Directors or the shareholders, as the case may be, approve the compensation to Directors.

The table below sets forth the details of the remuneration (including sitting fees, salaries, commission and perquisites) pertaining to the last three financial years which has been paid or was payable to the existing Directors by the Company, its subsidiary and associate companies:

| | (₹ in lakh) | | |
|---|-------------|-------------|-------------|
| Name | Fiscal 2016 | Fiscal 2017 | Fiscal 2018 |
| DHFL | | | |
| Kapil Wadhawan | 239.5 | 325 | 398.00 |
| Dheeraj Wadhawan | 19.0 | 19.5 | 16.2 |
| Guru Prasad Kohli | 22.2 | 23.4 | 21.5 |
| Vijay Kumar Chopra | 16.2 | 16.9 | 16.8 |
| Mannil Venugopalan | 15.2 | 15.5 | 14.2 |
| Vijaya Sampath | 12.0 | 13.1 | 12.7 |
| Rajiv Kumar | 7.9 | 11.4 | 4.9 |
| Harshil Mehta | - | - | 394.5 |
| DHFL Advisory and Investments Private Limited | | | |
| Kapil Wadhawan | - | Nil | Nil |
| Dheeraj Wadhawan | - | 0.2 | Nil |
| Guru Prasad Kohli | - | 0.7 | 1.6 |
| Mannil Venugopalan | - | - | 1.6 |
| DHFL Investments Limited | | | |
| Kapil Wadhawan | - | Nil | Nil |
| Guru Prasad Kohli | - | Nil | 0.3 |
| Vijay Kumar Chopra | - | Nil | 0.3 |
| Aadhar Housing Finance Limited (erstwhile) | | | |
| Kapil Wadhawan | 2.5 | 2.4 | - |
| Guru Prasad Kohli | 1.8 | 3.9 | - |
| Aadhar Housing Finance Limited (formerly DHFL Vysya Housing Finance Limited) | | | |
| Kapil Wadhawan | 1.9 | 1.4 | 2.1* |
| Guru Prasad Kohli | 6.5 | 7.0 | 11.8* |
| Avanse Financial Services Limited | | | |
| Kapil Wadhawan | Nil | Nil | Nil |
| DHFL Pramerica Life Insurance Company Limited | | | |
| Kapil Wadhawan | Nil | Nil | Nil |
| Harshil Mehta | Nil | Nil | Nil |
| DHFL Pramerica Asset Managers Private Limited | | | |
| Kapil Wadhawan | Nil | Nil | Nil |

*Aadhar Housing Finance Limited merged with DHFL Vysya Housing Finance Limited in Fiscal 2018

Terms and Conditions of employment of Executive Directors

Mr. Kapil Wadhawan has been reappointed for a period of 5 (five) years, with effect from October 4, 2015 as the Chairman and Managing Director of our Company and is not liable to retire by rotation. The terms of appointment

and remuneration was revised by way of an ordinary resolution passed through Postal Ballot on November 27, 2017. The remuneration payable to him shall be as mentioned below:

| Sr. No. | Category | Remuneration |
|--|--|---|
| 1. | Basic Salary | ₹ 175.0 lakh per annum |
| 2. | Perquisites/ Allowances (Allowances shall include (a) rent-free accommodation (furnished or otherwise) or house rent allowance, in lieu thereof; (b) house maintenance allowance together with reimbursement of expenses and / or allowances for utilisation of gas, electricity, water, furnishing & repairs, (c) leave travel concession for self and family including dependents, (d) fees for club membership, (e) payment of insurance premium on policies relating to Health Insurance, Personal Accident Insurance and others, (f) reimbursement of medical expenses.) | ₹ 125.0 lakh per annum |
| 3. | Commission | As may be decided by Nomination and Remuneration Committee/ Board of Directors of the Company |
| Basic salary, perquisites/ allowances and commission payable to the Chairman and the Managing Director shall not exceed in aggregate, 1.0% (one percent) of the net profits of the Company | | |

Mr. Harshil Rajnikant Mehta

Mr. Harshil Rajnikant Mehta has been appointed as the Whole Time Director (designated as Joint Managing Director and Chief Executive Officer) of the Company w.e.f. September 1, 2017 for a period of five years by the Shareholders of the Company by way of Ordinary Resolution passed through Postal Ballot on November 27, 2017 and is liable to retire by rotation. The remuneration payable to him shall be as mentioned below:

| Sr. No. | Category | Remuneration |
|---------|---|---------------------------------|
| 1. | Basic Salary | ₹ 135.0 lakh per annum |
| 2. | Perquisites/ Allowances (Allowances shall include (a) house rent allowance; (b) Medical Reimbursement as per the policy of the Company (c) Leave Travelling Allowance: as per the policy of the Company and as may be approved the Nomination & Remuneration Committee of the Board of Directors of the Company (d) Chauffeur driven Company's car for both business and personal use. Fuel cost, repairs, maintenance and operating and running expenses of the car (on actual basis) (e) Travelling expenses as per the policy of the Company (f) Leave encashment as per the policy of the Company (g) Club membership of two clubs (annual membership fee)- one time entrance/ admission fee to be in Company's name/ cost- upto an amount of ₹ 5,00,000 per annum) (h) Medical through medical insurance covering compressively all facilities including Dental and Ophthalmic for self and family (premium amount to be capped at ₹ 1,00,000 per annum) (i) Maintenance cost of own residence including taxes, Gas and electricity, telephone and broad band charges or rent free furnished accommodation maintained by the Company- upto an amount of ₹ 2,50,000 per annum (j) Soft furnishing once a year if in own accommodation including Furniture and Fixtures at own accommodation (once during the contract period, upto an amount of ₹ 15,00,000) One-time expenses shall be amortized over the life of the contract to arrive at annual perquisite value or as per Income Tax Act as is relevant. | ₹ 122.3 lakh per annum |
| 3. | Annual Performance Bonus | Upto a maximum of 100.0% of the |

| Sr. No. | Category | Remuneration |
|---------|--|---|
| | | basic salary subject to the Company's policy, as applicable from time to time. The performance criteria and the amount of performance bonus shall be decided by the Nomination & Remuneration Committee |
| 4. | Grant of ESARs under Dewan Housing Finance Corporation Limited- Employee Stock Appreciation Rights Plan 2015 | Upto a maximum of 200.0% of basic salary subject to the Company's policy as applicable from time to time. The criteria and grant size shall be decided by the Nomination and Remuneration Committee. |
| 5. | Retirals | (a) Provident Fund (Employers' Contribution - 12% of Basic Salary (b) Gratuity- as per the payment of Gratuity Act. |
| 6. | Other terms | No separate provision for payment of Severance fees. |

Relationship with other Directors

Other than the directors mentioned below, none of the directors of the Company are related to each other:

| Name of Director | Nature of relationship |
|-------------------------------------|------------------------|
| Kapil Wadhawan and Dheeraj Wadhawan | Brothers |

Borrowing powers of the Board

Our Shareholders have at the AGM held on July 21, 2017, passed a resolution under section 180(1)(c) of the Companies Act, 2013 and authorised the Board of Directors to borrow money upon such terms and conditions as the Board may think fit in excess of aggregate of paid up share capital and free reserves of the Company up to an amount of ₹ 2,00,00,000 lakh provided that the total amount so borrowed shall be within the limits as prescribed under the Housing Finance Companies (NHB) Directions, 2010.

Interest of Directors

All of the Directors, other than the Chairman and Managing Director and Joint Managing Director and Chief Executive Officer, may be deemed to be interested to the extent of fees payable to them for attending Board or Board committee meetings and commission as well as to the extent of reimbursement of expenses payable to them. The Chairman and Managing Director and Joint Managing Director and Chief Executive Officer, may be deemed to be interested to the extent of remuneration paid to him for services rendered as the officer of our Company.

Our Directors may also be regarded as interested in the Equity Shares held by them, if any, or that may be subscribed by or allotted to their relatives or the companies, firms or trusts, in which they are interested as directors, members, partners, trustees or promoters. Our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Except as disclosed in this Draft Shelf Prospectus, and except to the extent of shareholding in our Company, our Directors do not have any economic interest in our Company. As of March 31, 2018, there were no outstanding transactions other than in the ordinary course of business undertaken by our Company in which the Directors were interested parties.

Further, except as otherwise stated in this Draft Shelf Prospectus, our Company has not entered into any contract, agreement or arrangement, other than in ordinary course of business, during the preceding two years from the date of this Draft Shelf Prospectus in which any of the Directors are interested, directly or indirectly, and no payments

have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them. Further, as on March 31, 2018, no Director has taken any loans from our Company.

None of the Directors are interested in their capacity as a member of any firm or company and no sums have been paid or are proposed to be paid to any Director or to such firm of company in which he is interested, by any person, in cash or shares or otherwise, either to induce them or to help them qualify as a director or for services rendered by him or by such firm or company, in connection with the promotion or formation of the Company.

None of the Directors have any interest in immovable property acquired or proposed to be acquired by the Company in the preceding two years as of the date of this Draft Shelf Prospectus.

For details relating to contracts, agreements or arrangements entered into by our Company during the last three fiscal years, in which the Directors are interested directly or indirectly and for payments made to them in respect of such contracts, agreements or arrangements and for other interest of Directors in respect to other related party transactions, please refer to the chapter “*Financial Statements*” on page 121.

Shareholding of Directors

As on March 31, 2018, our Directors held the following number of the Equity Shares:

| Names of Directors | Number of Equity Shares held |
|--------------------|------------------------------|
| Kapil Wadhawan | 18,00,000 |
| Dheeraj Wadhawan | 18,00,000 |
| Guru Prasad Kohli | 6,800 |
| Mannil Venugopalan | 1,000 |
| Vijaya Sampath | 5,000 |
| Harshil Mehta | 5,110 |

As on March 31, 2018, our Directors did not hold any outstanding options other than as mentioned below:

| Name of Key Managerial Personnel | Plan | Options Granted | Options vested | Options Outstanding as on March 31, 2018 |
|----------------------------------|---------------------|-----------------|----------------|--|
| Harshil Mehta | ESOS 2008 | Nil | Nil | Nil |
| | ESOS 2009 Plan III | Nil | Nil | Nil |
| | DHFL ESAR 2015- I | 2,00,000* | 1,20,000 | 2,00,000 |
| | DHFL ESAR 2015- II | 2,24,700 | 22,470 | 2,24,700 |
| | DHFL ESAR 2015- III | 2,67,200 | -- | 2,67,200 |
| | DHFL ESAR 2015- VII | 9,00,000 | -- | 9,00,000 |

*The total number of ESAR granted was increased in the ratio of 1:1 subsequent to the Bonus Issue.

Debenture holding of directors

Except as disclosed below, as on March 31, 2018, our directors do not hold any debentures of the Company.

- 1000 non-convertible secured debentures (series IV category III and IV – Annual interest payment) held by Ms. Vijaya Sampath, Independent Director, originally allotted on August 16, 2016.

Corporate Governance

Our Company believes that good corporate governance is an important constituent in enhancing stakeholder value. Our Company has in place processes and systems whereby it complies with the requirements to the corporate governance provided in SEBI Listing Regulations and NHB CG Directions. The corporate governance framework is based on an effective independent Board, separation of the supervisory role of the Board from the executive management team and constitution of the committees of the Board, as required under applicable law.

Our Company believes that its Board is constituted in compliance with the Companies Act and 2013, SEBI Listing Regulations. The Board functions either as a full Board or through various committees constituted to oversee specific operational areas.

Appointment of any relatives of Directors to an office or place of profit

Except our Promoter Directors, none of our Directors' relatives have been appointed to an office or place of profit.

Committees of Board of Directors-

1. Audit Committee

Audit Committee was last reconstituted on October 21, 2014. The terms of reference of this committee were last amended on May 3, 2017. The Audit Committee comprises of 3 (three) members: Mr. Mannil Venugopalan, Mr. Vijay Kumar Chopra and Mr. Guru Prasad Kohli. Mr. Mannil Venugopalan is the Chairman of the Audit Committee.

The terms of reference of the Audit Committee, *inter alia*, include:

- a) To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b) To recommend to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and the fixation of audit fees;
- c) To approve the payment to statutory auditors for any other services rendered by them;
- d) To review with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report.
 - ii. Changes, if any, in accounting policies and practices and reasons for the same.
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management.
 - iv. Significant adjustments made in the financial statements arising out of audit findings.
 - v. Compliance with listing and other legal requirements relating to financial statements
 - vi. Qualifications in the draft audit report.
 - vii. Disclosure of any Related Party Transaction(s);
- e) To review with the management, the financial statements/business operations before submission to the Board;
- f) To review with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- g) To review with the management, performance of statutory and internal auditors, and monitor auditor's independence and performance and effectiveness of the audit process and adequacy of the internal control systems;
- h) To review the compliance of the Fair Practices Code and the functioning of the grievance redressal mechanism at various levels of management;
- i) To ensure that the Information System Audit of the internal systems and processes is conducted to assess the operational risks faced by the Company;
- j) To review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- k) To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- l) To discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- m) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, members (in case of nonpayment of declared dividends) and creditors;
- n) To approve the appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
- o) To consider, suggest, modification and or recommend/approve, the related party transactions of the Company;
- p) To scrutinize inter corporate loans and investments;
- q) To review the Asset-Liability Management Mechanism of the Company;
- r) To consider valuation of assets or undertaking of the Company wherever required;

- s) To evaluate internal financial controls, risk management systems and fraud reporting;
- t) To review and formulate the scope, functioning, periodicity, methodology for conducting the internal audit, in consultation with the Internal Auditor and to discuss with the internal auditors any significant findings and follow up there on;
- u) To have the authority to investigate into any matter as included in its terms of reference or referred to it by the Board and for this purpose the Audit Committee to have power to obtain professional advice from external sources and have full access to information contained in the records of the company;
- v) To review the Company's Vigil Mechanism as defined under the Whistle Blower Policy of the Company with regard to the process/procedure prescribed for its employees and directors to raise concerns, in confidence, about possible wrongdoing in financial reporting, accounting, auditing or other related matter. To ensure that these arrangements allow independent investigation of such matters and appropriate follow up action;
- w) Any other function as may be stipulated by the Companies Act, 2013, SEBI, Stock Exchanges or any other regulatory authorities from time to time.

2. Stakeholders Relationship Committee ("SRC")

SRC was last reconstituted on October 16, 2017. The terms of reference of this committee were last amended on October 17, 2016. The SRC comprises of 3 (three) members: Mr. Guru Prasad Kohli Mr. Kapil Rajeshkumar Wadhawan and Mr. Harshil Mehta. Mr. Guru Prasad Kohli is the Chairman of the SRC.

The terms of reference of the SRC, includes, *inter alia*, the following:

- a) To redress the complaints of the members and investors, related to transfer and transmission of securities, non-receipt of annual reports, dividends and other securities related matter.
- b) To review the requests/complaints received by the Registrar and Share Transfer Agent from the Members relating to transfer, transmission, consolidation, replacement of share certificates, issue of duplicate certificates and dematerialization of securities certificates.
- c) To review the certificates and reports submitted by the Company to the Stock Exchanges under the SEBI Listing Regulations.
- d) To observe the quarterly status of the number of shares in physical as well as dematerialized form.
- e) To review the periodicity and effectiveness of the share transfer process, statutory certifications, depository related issues and activities of the Registrar and Share Transfer Agent.
- f) To monitor and resolve/redress the grievances of Security Holders i.e. Members, Fixed Depositors or Debenture Holders or Commercial Paper Investors or any other Investors of the security/ies issued by the Company.
- g) To recommend measures for overall improvement in the quality of investors services.
- h) To oversee and ensure the compliances under the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.
- i) Any other function as may be stipulated by the Companies Act, 2013, SEBI, Stock Exchange or any other regulatory authorities from time to time.

3. Nomination and Remuneration Committee ("NRC")

NRC was last reconstituted on November 5, 2014. The terms of reference of this committee were last amended on July 24, 2014. NRC comprises of 3 (three) members: Mr. Vijay Kumar Chopra, Mr. Guru Prasad Kohli and Ms. Vijaya Sampath. Mr. Vijay Kumar Chopra is the Chairman of NRC.

The terms of reference of the NRC includes, *inter alia*, the following:

- a) To identify and recommend to the Board, in accordance with the criteria as laid down, appointment/re-appointment/removal of the Executive /Non – Executive Directors and the senior management of the Company
- b) To formulate criteria for evaluation and evaluate the performance of every director including the Independent Directors.
- c) To formulate the criteria for determining qualifications, positive attributes and independence of the Directors.
- d) To recommend to the Board a remuneration policy for the Directors, Key Managerial Personnel and other employees of the Company.
- e) To devise a Policy on Board Diversity of the Company.

- f) To monitor and handle any other matter relating to framing/administration of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 or any amendments thereof.
- g) Any other function as may be mandated by the Board or stipulated by the Companies Act, 2013, SEBI, Stock Exchanges or any other regulatory authorities from time to time.

4. Corporate Social Responsibility Committee (“CSR”)

CSR was last reconstituted on October 16, 2017. The terms of reference of this committee were last amended on April 30, 2014. CSR comprises of 4 (four) members: Mr. Guru Prasad Kohli, Mr. Vijay Kumar Chopra, Mr. Kapil Rajeshkumar Wadhawan and Mr. Harshil Mehta. Mr. Guru Prasad Kohli is the Chairman of the CSR Committee.

The terms of reference of the CSR, includes *inter alia*, the following:

- a) To establish and review of corporate social responsibility policies;
- b) To identify, segment and recommend the CSR projects/programs/activities to the Board of Directors;
- c) To recommend the amount of expenditure to be incurred on the activities as identified for CSR by the Company;
- d) To oversight the implementation of corporate social responsibility projects/ programs/ activities;
- e) To review the annual budgets/expenditure with respect to corporate social responsibility programs/projects/activities;
- f) To work with management to establish and develop the Company’s strategic framework and objectives with respect to corporate social responsibility matters;
- g) To receive reports on the Company’s Corporate Social Responsibility programs/ projects/ activities;
- h) To establish and review the implementation mechanism for the CSR programs/ projects/activities undertaken by the Company;
- i) To establish and review the monitoring mechanism of CSR projects/programs/activities;
- j) To review the CSR initiatives and programs/projects/activities undertaken by the Company;
- k) To review the Company’s disclosure relating to corporate social responsibility matters in accordance with the requirements of the regulatory provisions;
- l) To obtain legal or other independent professional advice/assistance;
- m) To form and delegate authority to any sub-committee or employee(s) of the Company or one or more members of the committee
- n) Any other function as may be stipulated by the Companies Act, 2013, SEBI, Stock Exchanges or any other regulatory authorities from time to time.

5. Risk Management Committee (“RMC”)

RMC was constituted on October 16, 2017. The terms of reference of this committee was last revised on January 20, 2016. The RMC comprises of 4 (four) members: Mr. Kapil Rajeshkumar Wadhawan, Mr. Vijay Kumar Chopra, Mr. Mannil Venugopalan and Mr. Harshil Mehta. Mr. Kapil Rajeshkumar Wadhawan is the Chairman of the RMC.

The terms of reference of the RMC includes, *inter alia*, the following:

- a) To review and monitor the Risk Management Policies and Procedures;
- b) To ensure that the Credit Exposure of the Company to any single/group borrowers does not exceed, the internally set limits and the prescribed exposure ceilings by the Regulator;
- c) To review the Risk Monitoring System;
- d) To review and verify adherence to various risk parameters set-up for various Operations/Functions.
- e) To review the Asset-Liability Management Mechanism of the Company.
- f) To undertake such other function as may be mandated by the Board or stipulated by the Companies Act, 2013, SEBI, Stock Exchanges or any other regulatory authorities from time to time.

6. Finance Committee (“FC”)

FC was last reconstituted on November 5, 2014. The terms of reference of this committee were last amended on April 30, 2018. The FC comprises of 3 (three) members: Mr. Kapil Rajeshkumar Wadhawan, Mr. Guru Prasad Kohli and Mr. Dheeraj Rajeshkumar Wadhawan. Mr. Kapil Rajeshkumar Wadhawan is the Chairman of the FC.

The terms of reference of the FC includes *inter alia*, the following:

- a) To borrow moneys for the purpose of the Company's Business in accordance with the Companies Act, and any modification and enactment thereof, if any and but not exceeding the overall limit up to which the Board of Directors of the Company are authorized/to be authorized under the Companies Act, and any modification and enactment thereof;
- b) To consider and approve/accept the letters of sanction by the term lending institutions/banks/NHB and other bodies corporate, opening and/or closing of the current accounts/cash credit/overdraft/fixed deposits or other account(s) with any bank and authorize the Directors/officers of the Company for the purpose;
- c) To authorize operation of such accounts of the Company with its bankers and to vary the existing authorization to operate the same and granting of general /specific power of attorney to the officers at the branches for routine matters and any such matters pertaining to the routine functions;
- d) To approve the change/s of rates of interest of all loan products and on public deposits or on debentures, debts or any other instruments/ financial products issued by the Company;
- e) To consider and approve the allotment of any issue of securities by the Company, be it by way of preference shares of all types, public issue of equity shares including Rights Offer, preferential issue of equity shares including firm allotment, employees stock option plan/schemes, bonds, debentures and any other financial instrument of like nature;
- f) To grant approval of loans above ₹ 20,000 lakh upto prudential exposure norms as per NHB guidelines to any person, firm or body corporate at any time or from time to time and to grant approval for issuance of Corporate Guarantee(s) by the Company in favour of the body corporates as per the provisions of Companies Act, 2013 and NHB Guidelines;
- g) To open and close the current account(s) with any banks at any place outside the territory of India and to finalize/vary the authorization (s) to operate the same;
- h) To open and close the securities/demat/custodian accounts(s) with any depository /participant at any place in India and abroad and to finalize/vary the authorization (s) to operate the same;
- i) To consider and approve the buyout and sell down of pool of loan portfolio by way of securitization and/or assignment and the matters relating thereto and to authorize Director(s) or the official(s) of the Company for the purpose.
- j) To approve the terms and execution of the agreements, documents, undertakings, contracts, deeds with respect to the transactions approved by the Board or any Committee thereof.

7. Review Committee

The Board of Directors at their meeting held on January 22, 2018 constituted a Review Committee for deciding and declaring any entity/party identified by the Identification Committee as a Wilful Defaulter as per the NHB Guidelines/Circular. The said Committee comprises of two (2) independent Directors - Mr. Mannil Venugopalan and Mr. V.K.Chopra alongwith Mr. Harshil Mehta –Joint Managing Director & CEO as its Chairman. The Committee shall also have two Members from the Identification Committee.

8. NCD Public Issue Committee

The NCD Public Issue Committee was constituted on April 30, 2018. The Committee consists of 3 Members: Mr. Kapil Wadhawan, Mr. Guru Prasad Kohli and Mr. V. K. Chopra. Mr. Kapil Wadhawan is the Chairman of the Committee.

The NCD Public Issue Committee has been constituted to undertake necessary decisions in relation to the proposed Issue, inter- alia (i) deciding from time to time the tenure of the NCDs; (ii) coupon/interest offered; (iii) schedule of payment of interest/coupon and the principal; (iv) details of the security/charge to be created in favour of the NCD holders; (v) details of redemption of the NCDs; and (vi) allied matters in relation to the issue of NCDs, at the time of the issue of the relevant tranche prospectus(es).

The quorum of the Committee shall be any two Members

Changes in the Directors of our Company during the last three years:

The Changes in the Board of Directors of our Company in the three years preceding the date of this Draft Shelf Prospectus are as follows:

| Sr. No. | Name <i>Designation</i> | DIN | Date of appointment/ resignation | Reasons |
|---------|---|----------|-------------------------------------|-------------|
| 1. | Rajiv Kumar <i>Designation: Additional Director (Independent Director)</i> | 02385076 | August 7, 2015 | Appointment |
| 2. | Rajiv Kumar <i>Designation: Independent Director</i> | 02385076 | September 11, 2017 | Resignation |
| 3. | Harshil Mehta <i>Designation: Joint Managing Director</i> | 03038428 | September 1, 2017 | Appointment |

Key managerial personnel of our Company

Our operations are overseen by a professional management team. In addition to the Chairman and Managing Director, and Joint Managing Director and Chief Executive Officer as set forth above, following are the key managerial personnel:

Mr. Santosh R. Sharma (aged about 49 years) is the Chief Financial Officer of our Company. He is a member of the Institute of Chartered Accountants of India. He has been the Chief Financial Officer of our Company for a period of four years.

Ms. Niti Arya (aged about 38 years) is the Company Secretary of our Company. She is a member of the Institute of Company Secretaries of India. She has been associated as a Company Secretary with our Company for a period of four years and nine months.

Compensation of our Company's key managerial personnel

In addition to the remuneration payable to the Chairman and Managing Director and Joint Managing Director & Chief Executive Officer, our Company paid a total remuneration of ₹ 466.94 lakh to its employees who were key managerial personnel during the financial year ended March 31, 2018.

Bonus or profit sharing plan of the key managerial personnel

Other than the commission fixed for our Chairman and Managing Director, our Company does not have any bonus or profit sharing plan with the key managerial personnel.

Interest of key managerial personnel

None of our key managerial personnel has been paid any consideration of any nature from our Company, other than their remuneration. Our KMPs have been granted home loans at concessional rate of interest, in ordinary course of business of our Company.

Payment or Benefit to Officers of our Company

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any other benefit upon termination of his/her employment in our Company.

Shareholding of our Company's key managerial personnel

As at March 31, 2018, our key managerial personnel held the following number of the Equity Shares:

| Names of key managerial personnel | Number of Equity Shares held |
|-----------------------------------|------------------------------|
| Kapil Wadhawan | 18,00,000 |
| Harshil Mehta | 5,110 |
| Santosh Sharma | 20,941 |
| Niti Arya | 7,452 |

As on March 31, 2018, our key managerial personnel, other than our executive directors, held the following number of outstanding options:

| Name of Key | Plan | Options | Options | Options Outstanding |
|-------------|------|---------|---------|---------------------|
|-------------|------|---------|---------|---------------------|

| Managerial Personnel | | Granted | Vested | As on March 31, 2018 |
|----------------------|--------------------------|----------|--------|----------------------|
| Santosh Sharma | ESOS 2008 | Nil | Nil | Nil |
| | ESOS 2009 Plan III | 50,000 | Nil | Nil |
| | DHFL ESAR 2015 Grant I | 32,000* | 19,200 | 19,200 |
| | DHFL ESAR 2015 Grant II | 36,842 | 3,684 | 33,158 |
| | DHFL ESAR 2015 Grant III | 59,500 | Nil | 59,500 |
| | DHFL ESAR 2015 Grant VII | 2,00,000 | Nil | 2,00,000 |
| Niti Arya | ESOS 2008 | Nil | Nil | Nil |
| | ESOS 2009 Plan III | 40,000* | 40,000 | Nil |
| | DHFL ESAR 2015 Grant I | 12,000* | 2,400 | 2,400 |
| | DHFL ESAR 2015 Grant II | 36,842 | 3,684 | 33,158 |
| | DHFL ESAR 2015 Grant III | 50,800 | Nil | 50,800 |
| | DHFL ESAR 2015 Grant VII | 2,00,000 | Nil | 2,00,000 |

*The total number of options/ ESAR granted was increased in the ratio of 1:1 subsequent to the Bonus Issue.

Other Confirmations

Except as otherwise stated above in “*Interest of Directors*”, none of the Directors, Promoters or key managerial personnel of our Company has any financial or other material interest in the Issue and there is no effect of such interest in so far as it is different from the interests of other persons.

Related Party Transactions

For details in relation to the related party transactions entered by our Company during the last three financial years, as per the requirements under “*Accounting Standard 18 – Related Party Transactions*” specified under the Companies Act, refer to the chapter “*Financial Statements*” beginning on page 121.

OUR PROMOTERS

Profiles of our Promoters

Our promoters are Mr. Kapil Wadhawan and Mr. Dheeraj Wadhawan. For additional details on the age, background, nationality, personal address, educational qualifications, experience, experience in the business of our Company, positions/ posts held in the past, terms of appointment as Directors and other directorships of our Promoters, please refer to the chapter titled “*Our Management*” at page 106.

Other understandings and confirmations

Our Promoters and relatives of the Promoters (as per the Companies Act, 2013) have confirmed that they have not been identified as willful defaulters by the RBI or any other governmental authority.

No violations of securities laws have been committed by our Promoters in the past or are currently pending against them. None of our Promoters are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

Interest of Promoters in our Company

Except as disclosed below, other than as our shareholders, Promoters, to the extent of the dividend that may be declared by our Company and to the extent of the remuneration received by them in their capacity as Executive Directors, rent received from our Company for lease of immovable properties owned by Promoters and Promoter Entities and sitting fees paid for attending meetings, our Promoters do not have any other interest in our Company.

Further, our Promoters and Promoter Group entities have given certain personal guarantees/ corporate guarantee in relation to loan facilities availed by our Company. For details please refer to the chapter titled “*Financial Indebtedness*” at page 340.

The details of the properties leased out by our Promoters and Promoter Group entities are as follows:

1. Empresa situated at 19, Sahar Road, Vile Parle (East), Taluka, Andheri, Mumbai – 400 057, Maharashtra, India taken on lease from, M/s Essential Hospitality Private Limited, a Wholly Owned Subsidiary of RKW Developers Private Limited, wherein Mr. Dheeraj Wadhawan, Promoter & Non- Executive Director of our Company, is a promoter and whole time director.
2. Dreams - The Mall at CTS no 642/1 to 29, 654 of village Kanjur and 426 of Village Bhandup, L.B.S. Road. Bhandup (West), Mumbai – 400 078, Maharashtra, India taken on lease from, Wadhawan Holdings Private Limited.
3. Docket Room at Manikpur, Taluka Vasai, land bearing Survey no. 106, Vasai (East), Palghar – 401 208 Maharashtra, India, taken on lease from, Wadhawan Holdings Private Limited.

Our Promoters do not propose to subscribe to the Issue.

Details of Equity Shares allotted to our Promoters during the last three Financial Years

Except as stated below no Equity Shares have been allotted to our Promoters during the last three Financial Years.

| Name of Promoter | Date of Issuance | Number of Shares issued* | Face value (₹) | Nature of Allotment |
|------------------|--------------------|--------------------------|----------------|---------------------|
| Kapil Wadhawan | September 15, 2015 | 9,00,000 | 10 | Bonus Issue |
| Dheeraj Wadhawan | September 15, 2015 | 9,00,000 | 10 | |

*Consequent to the Bonus shares issued by the Company to its shareholders in the ratio 1:1 during the Fiscal 2016

Interest of our Promoters in property, land and construction



Except as stated in the chapter titled “*Financial Information*” at page 121, our Promoters do not have any interest in any property acquired by our Company within two years preceding the date this Draft Shelf Prospectus or any property proposed to be acquired by our Company or in any transaction with respect to the acquisition of land, construction of building or supply of machinery.

Payment of benefits to our Promoters during the last two years

Except as stated in this chapter and the chapter titled “*Financial Information*” at page 121, no amounts or benefits has been paid or given or intended to be paid or given to our Promoters within the two years preceding the date of this Draft Shelf Prospectus. As on the date of this Draft Shelf Prospectus, except as stated in the chapter titled “*Our Management*” at page 106, there is no bonus or profit sharing plan for our Promoters.

SECTION V-FINANCIAL INFORMATION**FINANCIAL STATEMENTS**

| Sr. No. | Particulars | Page No. |
|----------------|--|-----------------|
| 1. | Examination report and Reformatted Consolidated Financial Statements | 122 |
| 2. | Examination report and Reformatted Standalone Financial Statements | 208 |

REFORMATTED CONSOLIDATED FINANCIAL INFORMATION

**The Board of Directors,
Dewan Housing Finance Corporation Limited**

TCG Financial Centre, 10th Floor,
BKC Road, Bandra Kurla Complex,
Bandra (East), Mumbai – 400 098
Maharashtra, India

Dear Sirs

We have examined the Reformatted Consolidated Statement of Assets and Liabilities and Notes forming part thereof, the Reformatted Consolidated Statement of Profit and Losses and Notes forming part thereof and the Reformatted Consolidated Statement of Cash Flows (together referred to as “Reformatted Consolidated Financial Information”) of Dewan Housing Finance Corporation Limited (‘DHFL’ or ‘the Company’), for the years ended 31 March 2018, 31 March 2017 and 31 March 2016 annexed to this report for the purpose of inclusion in the Draft Shelf Prospectus, Shelf Prospectus and relevant tranche prospectus (herein referred as “**Offer Document**”) to be filed by the Company in connection with its proposed issue of Secured Redeemable Non-Convertible Debentures (‘NCDs’) amounting up to Rs. 15,000 crore (“the Issue”), which has been approved by the Board of Directors of the Company by taking into consideration the requirements of:

- a) section 26(1)(b) of the Companies Act 2013 read with rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014; and
- b) the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended (‘the SEBI Regulations’) issued by Securities and Exchange Board of India (‘SEBI’).

The preparation of such Reformatted Consolidated Financial Information is the responsibility of the Company’s management. Our responsibility is to report on such information based on our procedures.

1. The Reformatted Consolidated Financial Information have been extracted by management from the audited Financial Statements of the Company for the years ended 31 March 2018 and 31 March 2017, which were approved by Board of Directors of the Company and which have been audited by us and in respect of which we have issued audit opinion dated 30 April 2018 and 03 May 2017 respectively to the Members of the Company.
2. The Reformatted Consolidated Financial Information have been extracted by management from the audited Financial Statements of the Company for the year ended 31 March 2016 which were approved by Board of Directors of the Company and which have been audited jointly by T. R. Chadha & Co. LLP, Chartered Accountants and Rajendra Neeti & Associates, Chartered Accountants and in respect of which they have issued audit opinion dated 04 May 2016 to the Members of the Company.
3. We have examined the Reformatted Consolidated Financial Information taking into consideration:
 - a) the terms of reference received from the Company requesting us to carry out work on such financial information, proposed to be included in the Offer Document of the Company in connection with its Issue; and
 - b) the Guidance Note on Reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India (ICAI).
4. In accordance with the requirements of section 26(1)(b) of the Companies Act 2013 read with rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the SEBI Regulations and the terms of our engagement agreed with you, we further report that:

The Reformatted Consolidated Financial Information of the Company as at and for the years ended 31 March 2018, 31 March 2017 and 31 March 2016 examined by us are set out in Annexure I to III to this report.

5. Based on our examination as above, we further report that:

- a) The Reformatted Consolidated Financial Information have to be read in conjunction with the notes given in Annexure IV;
 - b) the figures of earlier years have been regrouped (but not restated retrospectively for changes in accounting policies), wherever necessary, to conform primarily to the requirements of the Schedule III to the Companies Act, 2013; and
 - c) in the preparation and presentation of Reformatted Consolidated Financial Information based on Audited Financial Statements as referred to in paragraph 1 and 2 above, no adjustments have been made for any events occurring subsequent to dates of the audit reports specified in paragraph 1 and 2 above.
6. We have not audited any financial statements of the Company as of any date or for any period Subsequent to 31 March 2018. Accordingly, we express no opinion or negative assurance on the financial position, results of operations or cash flows of the Company as of any date or for any period subsequent to 31 March 2018.

Other Financial Information

7. At the Company's request, we have also examined the following financial information proposed to be included in the Offer Document prepared by management and approved by the NCD Public Issue Committee of the Company and annexed to this report relating to the Company as at and for the years ended 31 March 2018, 31 March 2017 and 31 March 2016:
- a) Statement of Accounting Ratios, as appearing in Annexure V
 - b) Statement of Capitalization, as appearing in Annexure VI
8. In our opinion, the Reformatted Consolidated Financial Information and other financial information as disclosed in the Annexures to this report read with the significant accounting policies and notes disclosed in Annexure IV has been prepared in accordance with the requirements of section 26(1)(b) of the Companies Act 2013 read with rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the SEBI Regulations.
9. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by other auditors nor should this be construed as a new opinion on any of the financial statements referred to herein.
10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
11. This report is intended solely for your information and for inclusion in the Offer Document prepared in connection with the Issue of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Chaturvedi & Shah
Chartered Accountants
Firm Registration Number: 101720W

Amit Chaturvedi
Partner
Membership No: 103141
Mumbai, May 03, 2018

(₹ in Lacs)

| NOTES | As at | | | |
|---|------------|-------------------|------------------|------------------|
| | 31.03.2018 | 31.03.2017 | 31.03.2016 | |
| EQUITY AND LIABILITIES | | | | |
| Shareholders' Funds | | | | |
| Share Capital | 1 | 31,366 | 31,315 | 29,180 |
| Reserves and Surplus | 2 | 824,618 | 741,745 | 497,299 |
| Money Received Against Share Warrants | 3 | - | - | 12,500 |
| Total Shareholders' Funds | | 855,984 | 773,060 | 538,979 |
| Non Current Liabilities | | | | |
| Long Term Borrowings | 4 | 7,048,163 | 6,699,916 | 4,511,947 |
| Long-term policy liabilities (Policyholders' Fund) | | - | - | 712 |
| Deferred Tax Liabilities (Net) | 5 | 35,796 | 30,944 | 6,074 |
| Other Long Term Liabilities | 6 | 16 | 30 | 61 |
| Long Term Provisions | 7 | 97,418 | 71,435 | 58,489 |
| Total Non-Current Liabilities | | 7,181,393 | 6,802,325 | 4,577,283 |
| Current Liabilities | | | | |
| Short Term Borrowings | 9 | 881,396 | 426,994 | 643,660 |
| Short-term policy liabilities (Policyholders' Fund) | | - | - | 63,122 |
| Trade Payables | | | | |
| Micro enterprises and Small enterprises | | - | - | - |
| Others | | 5,766 | 2,262 | 5,777 |
| Other Current Liabilities | 10 | 1,837,502 | 1,224,276 | 1,088,313 |
| Short Term Provisions | 8 | 691 | 89 | 7,321 |
| Total Current Liabilities | | 2,725,355 | 1,653,622 | 1,808,193 |
| TOTAL | | 10,762,732 | 9,229,007 | 6,924,455 |
| ASSETS | | | | |
| Non-Current Assets | | | | |
| Fixed Assets | 11 | | | |
| Tangible Assets | | 84,347 | 20,596 | 20,591 |
| Intangible Assets | | 759 | 472 | 30,198 |
| Capital Work in Progress | | - | 54,615 | 55,770 |
| Intangible Assets under Development | | 12,905 | 8,762 | 3,266 |
| | | 98,011 | 84,445 | 109,825 |
| Non-Current Investments | 12 | 207,017 | 87,838 | 155,704 |
| Long term Housing and Property Loans | 13 | 8,498,211 | 6,760,170 | 5,842,629 |
| Other Long Term Loans and Advances | 15 | 96,915 | 104,300 | 27,168 |
| Other Non-Current Assets | 20 | 48,768 | 19,042 | 23,691 |
| Total Non-Current Assets | | 8,948,922 | 7,055,795 | 6,159,017 |
| Current Assets | | | | |
| Current Investments | 16 | 603,376 | 1,263,111 | 25,366 |
| Trade Receivables | 17 | 4,902 | 1,243 | 3,768 |
| Cash and Bank Balances | 18 | 246,844 | 343,009 | 349,690 |
| Short term portion of Housing and Property Loans | 14 | 695,021 | 449,448 | 334,873 |
| Other Short Term Loans and Advances | 19 | 255,309 | 108,288 | 45,589 |
| Other Current Assets | 21 | 8,358 | 8,112 | 6,152 |
| Total Current Assets | | 1,813,810 | 2,173,211 | 765,438 |
| TOTAL | | 10,762,732 | 9,229,007 | 6,924,455 |

(₹ in Lacs)

| | Notes | Year ended | | |
|--|-------|------------------|----------------|----------------|
| | | 31.03.2018 | 31.03.2017 | 31.03.2016 |
| INCOME | | | | |
| Revenue from Operations | 22 | 1,051,474 | 890,671 | 732,351 |
| Premium from Insurance Business | | - | 57,105 | 46,010 |
| Other Operating Income from Insurance Business | | - | 13,213 | 6,800 |
| Other Income | 23 | 1,430 | 574 | 505 |
| TOTAL REVENUE | | 1,052,904 | 961,564 | 785,666 |
| EXPENSES | | | | |
| Finance Cost | 24 | 758,699 | 667,437 | 549,195 |
| Employee Benefits Expenses | 25 | 38,026 | 39,166 | 32,566 |
| Other Expenses | 26 | 37,485 | 42,140 | 37,907 |
| Cost of Insurance Business | | - | 14,589 | 11,811 |
| Change in Policy Reserves | | - | 30,006 | 21,613 |
| Depreciation & Amortisation | | 2,844 | 4,346 | 2,984 |
| Provision for Contingencies | | 41,980 | 21,800 | 17,500 |
| TOTAL EXPENSES | | 879,034 | 819,484 | 673,576 |
| Profit Before Tax And Exceptional Item | | 173,871 | 142,080 | 112,090 |
| Exceptional Items | | - | 185,545 | - |
| Profit Before Tax And After Exceptional Item | | 173,871 | 327,625 | 112,090 |
| Less: Tax Expense | | | | |
| - Current Tax | | 53,697 | 80,136 | 39,145 |
| - MAT Credit | | - | (46,072) | - |
| - Related to earlier years | | - | - | (255) |
| - Deferred Tax | | 4,852 | 13,926 | (1,215) |
| Profit For The Year | | 115,322 | 279,635 | 74,415 |
| Net share of profit from Associates | | 1,245 | 995 | 515 |
| Profit For The Year Attributable to the Company | | 116,567 | 280,630 | 74,930 |
| Earnings per Equity share (Face Value ₹ 10/-) | | | | |
| Basic (₹) | | 37.18 | 92.78 | 25.69 |
| Diluted (₹) | | 36.89 | 92.47 | 23.73 |

Reformatted Consolidated Cash Flow statement

(₹ in Lacs)

| Particulars | Year ended 31.03.2018 | Year ended 31.03.2017 | Year ended 31.03.2016 |
|---|-----------------------|-----------------------|-----------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Net Profit Before Tax | 173,871 | 327,625 | 112,090 |
| Adjustments for: | | | |
| Depreciation and Amortisation | 2,844 | 4,346 | 2,984 |
| Employees Stock Option Expenses | 412 | (778) | (202) |
| (Profit)/Loss on Fixed Assets sold | 62 | 21 | 93 |
| Change in Valuation of Liability in respect of life Policies | - | 30,006 | 23,094 |
| Change in Fair Value | - | - | 44 |
| Provision for Contingencies & Other Provisions | 25,989 | 13,117 | 15,475 |
| Share Premium Utilised | (9,891) | (11,465) | (10,594) |
| Bad Debts | 15,991 | 8,749 | 2,146 |
| Exceptional Items | - | (185,545) | - |
| Operational Treasury Income | (55,102) | (47,266) | (17,287) |
| Operating Profit before Working Capital changes | 154,177 | 138,810 | 127,843 |
| Adjustments for: | | | |
| Current & Non Current Assets | (166,265) | (89,798) | (16,595) |
| Current & Non Current Liabilities | 282,512 | 68,417 | 78,941 |
| Working Capital Changes | 116,247 | (21,381) | 62,346 |
| Cash Generated from Operations During the Year | 270,424 | 117,429 | 190,189 |
| Tax Paid | (46,948) | (85,749) | (35,302) |
| Housing Loan Disbursed (Net) | (3,138,410) | (1,591,000) | (1,413,052) |
| Net Cash Flow (used in) Operating Activities | (2,914,934) | (1,559,319) | (1,258,165) |
| B CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Net Income from Treasury Investments | 54,575 | 47,266 | 17,739 |
| Net Addition to Other Investments | 552,285 | (1,302,775) | (9,439) |
| Investment in Subsidiary | (120) | (10,005) | (7,501) |
| Sale of Investment in associates | (7,736) | - | - |
| Sale of Investment in Joint Venture | - | 200,050 | (3,775) |
| Class 'B' PTC movement | 1,410 | (2,737) | 13,866 |
| Movement In Bank Fixed Deposits | (78,378) | (14,824) | 4,329 |
| Capital Expenditure on Fixed Assets | (15,898) | (12,416) | (12,790) |
| Proceeds from Sale of Fixed Assets | (9) | 2,419 | - |
| Net Cash (used in)/ generated from Investing Activities | 506,129 | (1,093,022) | 2,429 |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Issue of Equity Shares at Premium | 172 | 37,678 | 13,007 |
| Proceeds from Loan Securitised | 1,149,519 | 553,773 | 334,756 |
| Issue of Perpetual Debt | 50,000 | 47,500 | - |
| Other Short Term Borrowings | 3,142 | 6,496 | - |
| Cash Credits (Net) | 112,727 | (63,446) | 166,809 |
| Proceeds form Long Term Borrowings | 1,309,927 | 2,955,944 | 1,497,783 |
| Repayment of Long Term Borrowings | (991,321) | (905,409) | (691,137) |
| (Repayment) / Proceeds from issue of CP | 305,500 | (165,400) | 113,400 |
| Fixed Deposits received | 347,445 | 172,599 | 131,435 |
| Dividend & Dividend Distribution Tax Paid | (22,618) | (10,819) | (24,499) |
| Net Cash from Financing Activities | 2,264,493 | 2,628,916 | 1,541,554 |
| Net (Decrease) / Increase in Cash & Cash Equivalents | (144,312) | (23,425) | 285,818 |
| Cash & cash equivalents at the beginning of the year | 278,578 | 302,005 | 16,187 |
| Cash & Cash Equivalents at the Close of the Year | 134,266 | 278,579 | 302,005 |

(₹ in Lacs)

1 SHARE CAPITAL

Authorised

| | 31.03.2018 | 31.03.2017 | 31.03.2016 |
|---|---------------|---------------|---------------|
| Equity shares Capital of ₹10/- each | 74,800 | 57,800 | 74,800 |
| Redeemable, non convertible preference shares of ₹10/- each | - | - | 7,500 |
| Redeemable, non convertible preference shares of ₹100/- each | - | - | 500 |
| Redeemable, non convertible preference shares of ₹1000/- each | 25,000 | 25,000 | - |
| | 99,800 | 82,800 | 82,800 |

Issued, Subscribed and Paid up

| | | | |
|-------------------------------------|---------------|---------------|---------------|
| Equity shares Capital of ₹10/- each | 31,366 | 31,315 | 29,180 |
| | 31,366 | 31,315 | 29,180 |

2 RESERVES & SURPLUS

Capital Reserve

| | | | |
|--------------------------------|-------|-------|--------|
| Less: utilised during the year | 2,451 | 7,561 | 12,320 |
| | 2,451 | 5,110 | 4,759 |
| | - | 2,451 | 7,561 |

Capital Redemption Reserve

| | | | |
|---|---|---|-----|
| Balance as per last Balance Sheet | - | - | 775 |
| Less : Utilised during the year towards Bonus issue | - | - | 775 |
| | - | - | - |

Securities Premium

| | | | |
|---|----------------|----------------|----------------|
| Balance as per last Balance Sheet | 219,909 | 183,331 | 207,235 |
| Add : Addition during the year | 463 | 48,043 | 501 |
| Less : Utilised during the year towards Bonus issue | - | - | 13,811 |
| Less : Utilised during the year [net of tax] | 9,891 | 11,465 | 10,594 |
| | 210,481 | 219,909 | 183,331 |

Employees Share Options Outstanding

| | | | |
|---|------------|------------|--------------|
| Balance as per last Balance Sheet | 738 | 1,516 | 1,718 |
| Add : Addition during the year | 412 | - | 20 |
| Less: Transferred into Statement of Profit & Loss | - | 612 | - |
| Less: Transferred to Share Premium Account | 342 | 166 | 222 |
| | 808 | 738 | 1,516 |

General Reserve

| | | | |
|---|----------------|----------------|----------------|
| Balance as per last Balance Sheet | 116,522 | 104,845 | 89,007 |
| Add : Transferred from Statement of Profit & Loss | 20,000 | 20,000 | 20,000 |
| Less: Utilisation During the year | 2,826 | | |
| Less : Utilisation on Deferred Tax Liability on Special Reserve | - | 8,323 | 4,162 |
| | 133,696 | 116,522 | 104,845 |

Statutory Reserve (Special Reserve)

[In terms of Section 36(1)(viii) of the Income Tax Act, 1961 read with Section 29C of the National Housing Bank Act, 1987]

| | | | |
|--|----------------|----------------|---------------|
| Balance as per last Balance Sheet | 156,399 | 98,399 | 80,399 |
| Add: Transferred from Statement of Profit & Loss | 27,500 | 58,000 | 18,000 |
| | 183,899 | 156,399 | 98,399 |

Debenture Redemption Reserve

| | | | |
|--|----------------|----------------|----------|
| Balance as per last Balance Sheet | 117,000 | | |
| Add: Transferred from Statement of Profit & Loss | | 117,000 | - |
| | 117,000 | 117,000 | - |

Capital Reserve on Consolidation

| | | |
|-----|-----|--------|
| 346 | 346 | 28,458 |
|-----|-----|--------|

Surplus in Statement of Profit and Loss:

| | | | |
|---|----------------|----------------|----------------|
| As per last Balance Sheet | 128,379 | 73,191 | 63,974 |
| Add: Net Gain on dilution of Associates | 3,588 | 345 | 393 |
| Add : Profit for the year | 116,567 | 280,630 | 74,930 |
| | 248,534 | 354,165 | 139,297 |

Less : Appropriations :

| | | | |
|--|---------------|----------------|---------------|
| General Reserve | 20,000 | 20,000 | 20,000 |
| Statutory Reserve | 27,500 | 58,000 | 18,000 |
| Debenture Redemption Reserve | - | 117,000 | - |
| Interim Equity Dividend | - | 3,130 | 17,507 |
| Equity Dividend Paid | 18,815 | - | 5,836 |
| Dividend for earlier year | - | - | 2 |
| Adjustment pursuant to capital reduction scheme in Joint Venture | - | 27,019 | - |
| Dividend Distribution Tax | 3,830 | 637 | 4,763 |
| | 70,145 | 225,786 | 66,108 |

| | | | |
|-------------------------|---------|---------|--------|
| Surplus closing balance | 178,389 | 128,379 | 73,189 |
|-------------------------|---------|---------|--------|

TOTAL RESERVES & SURPLUS

| | | |
|----------------|----------------|----------------|
| 824,618 | 741,745 | 497,299 |
|----------------|----------------|----------------|

3 MONEY RECEIVED AGAINST SHARE WARRANTS

| | | |
|-------------------|-------------------|-------------------|
| 31.03.2018 | 31.03.2017 | 31.03.2016 |
|-------------------|-------------------|-------------------|

| | | | |
|---------------------------------------|---|---|--------|
| Money Received Against Share Warrants | - | - | 12,500 |
|---------------------------------------|---|---|--------|

| | | |
|---|---|--------|
| - | - | 12,500 |
|---|---|--------|

4 LONG TERM BORROWINGS

| | 31.03.2018 | 31.03.2017 | 31.03.2016 |
|--|------------------|------------------|------------------|
| Secured | | | |
| Non-Convertible Debentures | 2,595,710 | 2,731,873 | 1,199,795 |
| <i>Term Loan from Banks</i> | 3,120,530 | 2,779,247 | 2,568,075 |
| <i>Loan from Others</i> | | | |
| National Housing Bank | 253,816 | 295,575 | 119,324 |
| Foreign Financial Institutions | 266,888 | 296,481 | 215,961 |
| Total Secured long term borrowings | 6,236,944 | 6,103,176 | 4,103,155 |
| Unsecured | | | |
| Non-Convertible Debentures (perpetual) | 116,070 | 66,070 | 18,570 |
| Non-Convertible Debentures (Subordinated issue) | 121,900 | 133,180 | 119,150 |
| Optionally Convertible Redeemable Debentures (OCDs) | 22,500 | 22,500 | - |
| Premium payable on Optionally Convertible Debentures | 4,232 | 2,025 | - |
| Deposit | | | |
| Fixed Deposit (including Cummulative) | 530,622 | 360,821 | 262,853 |
| Other Deposits | 1,445 | 1,365 | 1,104 |
| Other Borrowings | 14,450 | 10,779 | 7,115 |
| Term Loan from Banks | - | - | - |
| Total Unsecured long term borrowings | 811,219 | 596,740 | 408,792 |
| TOTAL LONG TERM BORROWINGS | 7,048,163 | 6,699,916 | 4,511,947 |

5 DEFERRED TAX LIABILITY / (ASSET)

| | 31.03.2018 | 31.03.2017 | 31.03.2016 |
|--|----------------|--------------|-----------------|
| A. Deferred Tax Asset | | | |
| On account of provision for contingency & employee benefits | (33,910) | (24,448) | (23,458) |
| Deferred Tax Liability | | | |
| On difference between book balance and tax balance of other assets | 28,306 | 23,777 | 10,186 |
| | (5,604) | (671) | (13,272) |
| B. Deferred Tax Liability on Special IT Reserve | 41,400 | 31,615 | 19,346 |

NET DEFERRED TAX LIABILITY

| | | |
|--------|--------|-------|
| 35,796 | 30,944 | 6,074 |
|--------|--------|-------|

6 OTHER LONG TERM LIABILITIES

Advance from customers
Others

| | | |
|----|----|----|
| 16 | 30 | 61 |
|----|----|----|

Total Other Long Term Liabilities

| | | |
|----|----|----|
| 16 | 30 | 61 |
|----|----|----|

7 PROVISIONS

Long Term Provision

Provision for Contingencies

Against Standard Assets:

| | | | |
|--|--------|--------|--------|
| As per last Balance sheet | 42,825 | 34,730 | 27,822 |
| Add : Provision during the year | 14,289 | 8,095 | 6,908 |
| Net provision on standard loan portfolio (A) | 57,114 | 42,825 | 34,730 |

Against NPA:

| | | | |
|---|--------|--------|--------|
| As per last Balance sheet | 25,902 | 21,205 | 13,910 |
| Add : Provision during the year | 27,151 | 13,446 | 9,441 |
| Less : Utilised During the year | 15,991 | 8,749 | 2,146 |
| Net provision on NPA loan portfolio (B) | 37,062 | 25,902 | 21,205 |

Against Investment:

| | | | |
|--|---|------|----|
| As per last Balance sheet | - | 66 | - |
| Add : (withdrawal) / Provision during the year | - | (66) | 66 |
| | - | - | 66 |

Less : Transfer to Provision for diminution in
the value of investment

| | | | |
|-----------------------------|---|---|------|
| Provision on Investment (C) | - | - | (66) |
|-----------------------------|---|---|------|

Against ICDs:

| | | | |
|---------------------------|-------|-------|-------|
| As per last Balance sheet | 1,459 | 1,447 | 964 |
| Provision during the year | 584 | 12 | 483 |
| Provision on ICDs (D) | 2,043 | 1,459 | 1,447 |

Against Other Assets:

| | | | |
|---------------------------|-------|-----|-----|
| As per last Balance sheet | 1,233 | 920 | 319 |
| Provision during the year | (44) | 313 | 601 |

| | | | | |
|--|--------------------|---------------|---------------|---------------|
| Provision during the year | | - | - | - |
| Provision on Other Assets | (E) | 1,189 | 1,233 | 920 |
| Total Provision for Contingencies | (A+B+C+D+E) | 97,408 | 71,419 | 58,302 |
| Others: | | | | |
| Provision for employee benefits | | 4 | 0 | 170 |
| Other Provisions | | 6 | 15 | 17 |
| TOTAL LONG TERM PROVISION | | 97,418 | 71,435 | 58,489 |

8 SHORT TERM BORROWINGS

| | 31.03.2018 | 31.03.2017 | 31.03.2016 |
|--|----------------|----------------|----------------|
| Secured | | | |
| Loans repayable on demand | | | |
| From Banks | 223,741 | 111,014 | 174,460 |
| Secured short term borrowings | 223,741 | 111,014 | 174,460 |
| Unsecured | | | |
| Deposits | | | |
| Fixed Deposits | 42,416 | 8,988 | 3,691 |
| Other Deposits | 448 | 868 | 609 |
| Other short term loans and advances | | | |
| Commercial Papers | 605,000 | 299,500 | 464,900 |
| Others | 9,791 | 6,624 | - |
| Unsecured short term borrowings | 657,655 | 315,980 | 469,200 |
| TOTAL SHORT TERM BORROWINGS | 881,396 | 426,994 | 643,660 |

9 OTHER CURRENT LIABILITIES

| | 31.03.2018 | 31.03.2017 | 31.03.2016 |
|---|------------|------------|------------|
| Current maturities of long-term borrowing | 1,358,530 | 1,024,193 | 949,349 |
| Interest accrued but not due on borrowings | 152,923 | 136,734 | 52,929 |
| Unclaimed Dividends | 169 | 142 | 171 |
| Unclaimed matured deposits and interest accrued thereon | 10,341 | 7,674 | 5,410 |
| Policy Liabilities | - | - | - |
| Other payables | | | |
| Advance from customers | 13,196 | 8,228 | 19,330 |
| Book overdraft | 217,184 | - | - |
| Creditors for Capital Expenditure | 1,725 | 1,262 | 136 |

| | | | |
|---|------------------|------------------|------------------|
| Amount payable under securitisation/ joint syndication transactor | 60,855 | 35,644 | 21,605 |
| Statutory Dues | 4,059 | 2,736 | 2,813 |
| Share application money pending Allotment | - | - | 30,000 |
| Other current liabilities | 18,519 | 7,664 | 6,570 |
| | 1,837,502 | 1,224,276 | 1,088,313 |

10 SHORT TERM PROVISION

| | 31.03.2018 | 31.03.2017 | 31.03.2016 |
|---|------------|------------|--------------|
| Provision for employee benefits | 691 | 88 | 297 |
| Provision for Proposed Dividend | - | - | 5,836 |
| Provision for Dividend Distribution Tax | - | - | 1,188 |
| Other Provisions | - | 1 | - |
| | 691 | 89 | 7,321 |

11 FIXED ASSETS

| | 31.03.2018 | 31.03.2017 | 31.03.2016 |
|---|---------------|---------------|----------------|
| Tangible: (Preperty, Plant and Equipments) | | | |
| Building | 56,730 | 5,058 | 5,058 |
| Leasehold Premises | 9,163 | 9,489 | 9,489 |
| Furniture & Fixture | 2,746 | 1,662 | 3,138 |
| Leasehold Improvements | 5,436 | 1,402 | - |
| Office Equipments | 5,019 | 1,355 | 1,367 |
| Vehicles | 277 | 44 | 61 |
| Computer (Hardware) | 4,977 | 1,406 | 1,478 |
| | 84,347 | 20,415 | 20,591 |
| Intangible: | | | |
| Computer (Software) | 759 | 472 | 935 |
| Investment Management Rights | - | - | 29,263 |
| | 759 | 472 | 30,198 |
| Capital Work in Process | - | 54,615 | 55,770 |
| Intangible Assets Under Development | 12,905 | 8,762 | 3,266 |
| | 12,905 | 63,377 | 59,036 |
| | 98,011 | 84,264 | 109,825 |

12 NON CURRENT INVESTMENTS (AT COST)

(Long Term Investments)

(Valued at cost less diminution in value, if any, other than temporary)

Equity Investments (unquoted)

| | 31.03.2018 | 31.03.2017 | 31.03.2016 |
|--|---------------|--------------|--------------|
| Investment in Subsidiary | 10,125 | 10,005 | - |
| Investment in JV | - | - | - |
| Investment in Associates: | | | |
| Equity Investments in Associates | 22,160 | 9,664 | 8,323 |
| Add: Good will on acquisition of asso. | 10 | 10 | 10 |
| | <u>22,170</u> | <u>9,674</u> | <u>8,333</u> |

| | | | |
|---|---|---|---|
| Investment in unquoted equity instruments | 2 | 1 | 1 |
|---|---|---|---|

Other Investment:

| | | | |
|---|--------|--------|--------|
| Investment in unquoted optionally convertible preference share (Quoted) | 11,961 | - | - |
| Investment in unquoted optionally convertible preference share | 3,427 | 1,271 | 1,271 |
| Investment in Pass Through Certificates Class B | 8,776 | 10,221 | 7,640 |
| Investment in security receipt | 66,628 | - | - |
| Investment in Government securities (SLR) - quoted | 66,526 | 42,530 | 29,652 |
| Investment in Government securities (Non - SLR) - quoted | 12,341 | 10,712 | 10,232 |
| Investment in Venture Capital Fund - unquoted | 1,895 | 1,948 | 2,000 |
| Investments in Mutual Funds (Quoted) | 2,606 | 890 | 566 |
| Investments in Mutual Funds (Unquoted) | 562 | 586 | - |

Investment by Insurance Company:

| | | | |
|--|---|---|--------|
| Investment Related to Policy Holders | - | - | 52,096 |
| Investment to cover linked liabilities | - | - | 9,046 |
| Investment related to Shareholders | - | - | 34,867 |

| | | |
|----------------|---------------|----------------|
| 207,017 | 87,838 | 155,704 |
|----------------|---------------|----------------|

13 HOUSING AND PROPERTY LOANS - Non Current Portion

Secured, considered good unless stated otherwise

Housing Loans

| | | | |
|--------------------|------------------|------------------|------------------|
| Standard loans | 7,762,507 | 6,252,066 | 5,305,934 |
| Sub-Standard loans | 23,037 | 6,768 | 8,934 |
| Doubtful loans | 40,115 | 27,890 | 27,653 |
| Loss assets | - | - | - |
| | <u>7,825,659</u> | <u>6,286,724</u> | <u>5,342,521</u> |

Less : Securitised Housing Loans

Total Housing Loans (A)

| | | |
|------------------|------------------|------------------|
| 1,526,338 | 940,836 | 679,569 |
| 6,299,321 | 5,345,888 | 4,662,952 |

Other Property Loans

| | | | |
|--------------------|-----------|-----------|-----------|
| Standard loans | 2,441,051 | 1,520,766 | 1,211,854 |
| Sub-Standard loans | 9,745 | 2,854 | 4,363 |

| | | | |
|---|------------------|------------------|------------------|
| Doubtful loans | 19,942 | 32,801 | 16,958 |
| Loss assets | | - | - |
| | 2,470,738 | 1,556,421 | 1,233,175 |
| Less : Other Property Securitised Loans | 271,848 | 142,139 | 53,498 |
| Total Other Property Loans (B) | 2,198,890 | 1,414,282 | 1,179,677 |
| Total Loan book (A+B) | 8,498,211 | 6,760,170 | 5,842,629 |

14 OTHER LONG TERM LOANS AND ADVANCES

| | 31.03.2018 | 31.03.2017 | 31.03.2016 |
|---|---------------|----------------|---------------|
| Secured and considered good | | | |
| Loans and advances to employees | 3 | 4 | 14 |
| Other loans and advances | 13 | 13 | 13 |
| Unsecured, considered good unless stated otherwise | | | |
| Capital advances | 593 | 1,158 | 519 |
| Security deposits | 1,715 | 1,559 | 1,722 |
| Loans and advances to employees | 890 | 20 | 23 |
| Advances recoverable in cash or in kind | 45,351 | 46,444 | 21,460 |
| MAT Credit Entitlement | 38,016 | 46,072 | - |
| Advance Income Tax (Net of Provisions) | 10,334 | 9,030 | 3,417 |
| TOTAL OTHER LONG TERM LOANS AND ADVANCES | 96,915 | 104,300 | 27,168 |

15 OTHER NON CURRENT ASSETS

Unsecured, considered good

| | 31.03.2018 | 31.03.2017 | 31.03.2016 |
|--|---------------|---------------|---------------|
| <u>Non Current Portion</u> | | | |
| Non current portion of balances with banks in deposit accounts | 48,530 | 18,300 | 20,222 |
| Interest accrued but not due | 238 | 742 | 3,469 |
| | 48,768 | 19,042 | 23,691 |

16 CURRENT INVESTMENTS

| | 31.03.2018 | 31.03.2017 | 31.03.2016 |
|--|------------|------------|------------|
| Equity Investments | | | |
| Investment in equity instruments- Quoted | 3 | 3 | 912 |
| Other Investments | | | |
| Investment in Debenture - Quoted | 192,659 | 200,991 | - |

| | | | |
|--|---------|---------|--------|
| Investment in Debenture (SLR) | | | |
| Investment in Mutual Funds - Unquoted | 410,090 | 273,261 | 18,890 |
| Investment in Certificate of Deposit - Unquoted | - | 788,268 | - |
| Investment in Pass Through Certificates -Class B | 624 | 588 | 432 |

Investment by Insurance Company:

| | | | |
|--|--|---|-------|
| Investment Related to Policy Holders | | - | 537 |
| Investment to cover linked liabilities | | - | 2,113 |
| Investment related to Shareholders | | - | 2,482 |

TOTAL CURRENT INVESTMENTS

| | | |
|----------------|------------------|---------------|
| 603,376 | 1,263,111 | 25,366 |
|----------------|------------------|---------------|

17 TRADE RECEIVABLES

Unsecured and considered good, otherwise stated

| 31.03.2018 | 31.03.2017 | 31.03.2016 |
|------------|------------|------------|
|------------|------------|------------|

Receivables due for more than six months from due date (Considered doubtful ₹ 95 lacs (₹ 95 lacs))

| | | | |
|--|----|----|----|
| | 95 | 95 | 95 |
|--|----|----|----|

| | | | |
|--------|-------|-------|-------|
| Others | 4,807 | 1,148 | 3,673 |
|--------|-------|-------|-------|

| | | |
|--------------|--------------|--------------|
| 4,902 | 1,243 | 3,768 |
|--------------|--------------|--------------|

18 CASH AND BANK BALANCES

| 31.03.2018 | 31.03.2017 | 31.03.2016 |
|------------|------------|------------|
|------------|------------|------------|

Cash and Cash Equivalents

Balances with Banks

| | | | |
|---------------------|---------|--------|--------|
| in Current Accounts | 133,640 | 90,605 | 74,618 |
|---------------------|---------|--------|--------|

| | | | |
|---|--|---------|---|
| in Deposits accounts with original maturity of less than 3 months | | 187,500 | - |
|---|--|---------|---|

| | | | |
|-------------------------|----|---|---|
| Cheques/ Drafts in hand | 23 | - | - |
|-------------------------|----|---|---|

| | | | |
|-------------------------|--|---|---------|
| Remittance in Transit * | | - | 225,857 |
|-------------------------|--|---|---------|

| | | | |
|--------------|-----|-----|-----|
| Cash on hand | 603 | 474 | 605 |
|--------------|-----|-----|-----|

| | | | |
|------------------|---|---|-----|
| Insurance Stamps | - | - | 925 |
|------------------|---|---|-----|

Total Cash and Cash Equivalents (A)

| | | |
|----------------|----------------|----------------|
| 134,266 | 278,579 | 302,005 |
|----------------|----------------|----------------|

* Remittance in Transit of ₹ Nil (₹ 225,857 lacs) credited by bank on 4th April, 2016 due to banking holidays.

Other Bank Balances

| | | | |
|--|---------|--------|--------|
| Other Deposits accounts having balance maturity of less than 12 months | 112,409 | 64,288 | 47,514 |
|--|---------|--------|--------|

| | | | |
|---|--------|--------|--------|
| Deposits having balance maturity of more than 12 months | 48,530 | 18,300 | 20,222 |
|---|--------|--------|--------|

| | | | |
|---|-----|-----|-----|
| Balances in unpaid dividend bank accounts | 169 | 142 | 171 |
|---|-----|-----|-----|

Total Other Bank Balances (B)

| | | |
|----------------|---------------|---------------|
| 161,108 | 82,730 | 67,907 |
|----------------|---------------|---------------|

| | | | |
|---|----------------|----------------|----------------|
| Total Cash and Bank Balances | 295,374 | 361,309 | 369,912 |
| Less : Amounts disclosed under non-current assets | 48,530 | 18,300 | 20,222 |
| Total Net Cash and Bank Balances | 246,844 | 343,009 | 349,690 |

Summary:

| | | | |
|--|----------------|----------------|----------------|
| Total Cash and Cash Equivalents | 134,266 | 278,579 | 302,005 |
| Other Bank Balances | 161,108 | 82,730 | 67,907 |
| Amounts disclosed under non-current assets | (48,530) | (18,300) | (20,222) |
| Total Net Cash and Bank Balances | 246,844 | 343,009 | 349,690 |

19 HOUSING AND PROPERTY LOANS - Current Portion

Secured, considered good unless stated otherwise

Housing Loans

| | 31.03.2018 | 31.03.2017 | 31.03.2016 |
|--------------------|----------------|----------------|----------------|
| Standard loans | 489,465 | 376,365 | 287,708 |
| Sub-Standard loans | - | - | - |
| Doubtful loans | - | - | - |
| Loss assets | - | - | - |
| | 489,465 | 376,365 | 287,708 |

Less : Securitised Housing Loans

Total Housing Loans (A)

| | | | |
|--|----------------|----------------|----------------|
| | 94,478 | 55,302 | 38,808 |
| | 394,987 | 321,063 | 248,900 |

Other Property Loans

| | | | |
|--------------------|----------------|----------------|---------------|
| Standard loans | 322,721 | 136,482 | 88,984 |
| Sub-Standard loans | - | - | - |
| Doubtful loans | - | - | - |
| Loss assets | - | - | - |
| | 322,721 | 136,482 | 88,984 |

Less : Other Property Securitised Loans

Total Other Property Loans (B)

| | | | |
|--|----------------|----------------|---------------|
| | 22,687 | 8,097 | 3,011 |
| | 300,034 | 128,385 | 85,973 |

Total Loan book (A+B)

| | | | |
|--|----------------|----------------|----------------|
| | 695,021 | 449,448 | 334,873 |
|--|----------------|----------------|----------------|

20 SHORT TERM LOANS & ADVANCES

Secured and considered good

| | 31.03.2018 | 31.03.2017 | 31.03.2016 |
|--|------------|------------|------------|
| Current maturities of other long term loans and advances | 1,912 | 1,002 | 698 |
| EMI/PEMI/other receivable (Including Interest) | 144,316 | 37,910 | 20,092 |

Unsecured, considered good, otherwise stated

| | | | |
|--|----------------|----------------|---------------|
| Current maturities of Security deposits | - | 600 | 122 |
| Loans and advances/Recoverable - related parties | 1,954 | 2,288 | 580 |
| Inter Corporate Deposits | 61,067 | 2,647 | 1,447 |
| Advances recoverable in cash or in kind | 46,060 | 63,842 | 22,651 |
| TOTAL SHORT TERM LOANS AND ADVANCES | 255,309 | 108,288 | 45,589 |

21 OTHER CURRENT ASSETS
Unsecured, considered good

Current Portion

Interest accrued but not due

| 31.03.2018 | 31.03.2017 | 31.03.2016 |
|--------------|--------------|--------------|
| 8,358 | 8,112 | 6,152 |
| 8,358 | 8,112 | 6,152 |

22 REVENUE FROM OPERATIONS

| | 31.03.2018 | 31.03.2017 | 31.03.2016 |
|--|------------------|----------------|----------------|
| Interest on Housing and Property Loans | 904,532 | 792,247 | 688,392 |
| Interest on Bank Deposits | 7,656 | 7,764 | 5,927 |
| Interest on Long Term Investments | 4,414 | 4,126 | 2,622 |
| Other Interest | 29,255 | 11,886 | 119 |
| Revenue from other services (Refer note 22.1) | 37,787 | 20,912 | 16,552 |
| Operational treasury income (Refer note 22.2) | 55,028 | 47,266 | 17,287 |
| Insurance Commission (Refer note 22.3) | 6,664 | 1,152 | 684 |
| Management and Advisory | 6,138 | 5,319 | 768 |
| | 1,051,474 | 890,671 | 732,351 |

22.1 Revenue from other services includes

| | | | |
|--|---------------|---------------|---------------|
| Loan related Services | 30,751 | 16,922 | 12,416 |
| Advisory Services | 7,036 | 3,990 | 4,136 |
| Total Revenue from other services | 37,787 | 20,912 | 16,552 |

22.2 Operational treasury income includes:

| | | | |
|---|--------|--------|--------|
| Net Income from mutual fund & financial / commodity derivatives | 38,867 | 42,855 | 16,669 |
| Profit on sale of investments | 2,503 | 2,104 | 452 |

| | | | |
|--|---------------|---------------|---------------|
| Dividend Income | 13,658 | 2,307 | 166 |
| Total Operational treasury income | 55,028 | 47,266 | 17,287 |

22.3 Insurance commission income includes amount received from :

| | | | |
|--|--------------|--------------|------------|
| DHFL Pramerica Life Insurance Co. Ltd | 3,119 | 710 | 684 |
| Cholamandalam MS General Insurance Company Ltd | 1,635 | 442 | - |
| DHFL General Insurance Co. Ltd | 1,910 | - | - |
| Total Insurance commission income | 6,664 | 1,152 | 684 |

23 OTHER INCOME

| | 31.03.2018 | 31.03.2017 | 31.03.2016 |
|---|--------------|------------|------------|
| Rent Income | 1,050 | 405 | 364 |
| Liabilities no longer required written back | | 11 | - |
| Miscellaneous Income | 380 | 158 | 141 |
| | 1,430 | 574 | 505 |

24 FINANCE COST

| | 31.03.2018 | 31.03.2017 | 31.03.2016 |
|-------------------------------------|----------------|----------------|----------------|
| Interest expenses | 724,110 | 636,018 | 516,513 |
| Premium on redemption of Debentures | 34,238 | 37,290 | 39,051 |
| Less: Securities premium utilized | (15,126) | (17,532) | (16,200) |
| Other Borrowing Costs | 15,477 | 11,661 | 9,831 |
| Total Finance cost | 758,699 | 667,437 | 549,195 |

25 EMPLOYEE BENEFITS EXPENSES

| | 31.03.2018 | 31.03.2017 | 31.03.2016 |
|--|---------------|---------------|---------------|
| Salaries and Bonus | 34,876 | 36,365 | 30,391 |
| Contribution to Provident Fund & Other Funds | 2,100 | 2,010 | 1,534 |
| Staff Welfare Expenses | 1,050 | 791 | 641 |
| | 38,026 | 39,166 | 32,566 |

26 OTHER EXPENSES

| | 31.03.2018 | 31.03.2017 | 31.03.2016 |
|---|---------------|---------------|---------------|
| Rent, Rates & Taxes | 5,794 | 5,103 | 3,691 |
| Training & Conference Expenses | 298 | 1,441 | 1,139 |
| Travelling & Conveyance | 4,097 | 4,243 | 3,084 |
| Printing & Stationery | 719 | 573 | 532 |
| Advertisement and Business Promotion expenses | 8,510 | 14,793 | 13,868 |
| Brokerage and scheme related expenses | 2,104 | 648 | 192 |
| Insurance | 599 | 607 | 426 |
| Legal & Professional Charges | 4,011 | 4,264 | 6,686 |
| Communication Expenses | 1,633 | 1,901 | 1,748 |
| General Repairs & Maintenance | 2,664 | 2,944 | 2,316 |
| Electricity | 927 | 886 | 844 |
| Directors Sitting Fees & Commission | 108 | 135 | 144 |
| Loss on sale of Fixed Assets (net) | 62 | 21 | 93 |
| Managerial remuneration | - | - | 220 |
| Membership and subscription | 14 | - | - |
| CSR Expenses | 2,381 | 932 | 716 |
| Office Maintenance | 1,431 | 883 | 827 |
| Recovery Expenses | 942 | 934 | 308 |
| Auditors' Remuneration | 344 | 324 | 267 |
| Bad Debts | 15,991 | 8,749 | 2,146 |
| Less provision for Non Performing Assets utilized | (15,991) | (8,749) | (2,146) |
| Miscellaneous Expenses | 846 | 1,476 | 719 |
| Preliminary Expenses | - | 33 | 87 |
| Total Other expenses | 37,485 | 42,140 | 37,907 |

Annexure V

Accounting Ratio Statement on Consolidated Basis:

| Particulars | Fiscal 2018* | Fiscal 2017* | Fiscal 2016* |
|---------------------------------------|--------------|--------------|--------------|
| Earnings Per Share : (In Rs.)* | | | |
| - Basic | 37.19 | 92.78** | 25.69 |
| - Diluted | 36.95 | 92.47** | 23.73 |
| Return on Equity (In %) | 19.46 | 46.10** | 18.86 |
| Book Value Per Equity Share (In Rs.)* | 272.90 | 246.86 | 174.82 |
| Debt/Equity Ratio (In Times) | 10.52 | 10.09 | 11.25 |

*The Earnings per share and Book Value per equity share have been restated for earlier years after considering the issue of bonus shares in Fiscal 2016 , to make them comparable.

**It includes Exceptional item of Rs. 1,96,943 lacs.

Notes :

1. Net worth = Shareholders fund – Capital Reserve on Consolidation
2. Earnings per share = Profit after tax/ Equity Share outstanding at the end of year
3. Return on Equity = (Profit after tax + Provision for Contingencies) / Average Net worth
4. Book Value Per Equity Share = Net worth/Number of Equity Shares outstanding at the end of year
5. Debt/Equity Ratio = (Total Debt outstanding at the end of year – Total Cash & Bank Balances)/ Net worth

Capitalisation Statement on Consolidated Basis as at March 31, 2018:

(In Rs. lakhs)

| Particulars | Prior to the Issue (as of March 31, 2018) | Increase pursuant to the Issue | Post-Issue ¹ |
|---|--|-----------------------------------|-------------------------|
| Debt | | | |
| Short term debt ² | 8,91,737 | - | 891,737 |
| Long term debt ³ | 84,06,693 | 15,00,000 | 99,06,693 |
| Total debt | 92,98,430 | 15,00,000 | 1,07,98,430 |
| Shareholders' fund | | | |
| Share capital | 31,366 | - | 31,366 |
| Reserves and surplus (excluding revaluation reserve and Capital reserve on Consolidation) | 8,24,618 | - | 8,24,618 |
| | | | |
| Total shareholders' funds | 8,55,984 | - | 8,55,984 |
| Long term debt/ equity (In times)⁴ | 9.48 | | 11.23 |
| Total debt/ equity (In times)⁵ | 10.52 | | 12.27 |

Notes:

1. The debt-equity ratio post the Issue is indicative on account of the assumed inflow of Rs. 15,00,000 lakhs from the proposed Issue in the secured debt category as on March 31, 2018 only. The actual debt-equity ratio post the Issue would depend on the actual position of debt and equity on the Deemed Date of Allotment.
2. Short term debt = Short term borrowings + Unclaimed Matured Deposits and Interest Accrued thereon
3. Long term debt = Long term borrowings + Current Maturities of Long term borrowings
4. Long term debt/equity = (Total Long Term Debt outstanding at the end of year - Total Cash & Bank Balances) / Networth
5. Total debt/equity = (Total Debt outstanding at the end of year - Total Cash & Bank Balances) / Networth
6. Figures are rounded off to nearest Rs. In Lakhs

1 SIGNIFICANT ACCOUNTING POLICIES:

1.1 Basis of preparation of financial statements :

- a) These financial statements are prepared and presented in accordance with the Generally Accepted Accounting Principles (GAAP) under historical cost convention on accrual basis of accounting and comply with the Accounting Standards as prescribed under section 133 of the Companies Act, 2013 and the guidelines issued by the National Housing Bank.
- b) The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statement are prudent and reasonable. The future results could differ due to these estimates and the differences between the actual results and estimates are recognised in the periods in which the results are known / materialise.
- c) Based on the nature of its activities, the Company has determined its operating cycle as 12 months for the purpose of classification of its Assets and Liabilities as current and non current.
- d) Amounts in the financial statements are presented in ₹ Lakh, except for per share data and as otherwise stated.

1.2 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. In addition, the following criterias must also be met before revenue is recognised:

- a) **Interest on housing loans and other assets:**
Repayment of housing loans is by way of Equated Monthly Installments (EMI) comprising principal and interest. Interest is calculated each period on the outstanding balance at the beginning of the Company's financial year or on monthly reducing balance in terms of financing scheme opted by the borrower. EMI generally commences once the entire loan is disbursed. Pending commencement of EMI, pre-EMI monthly interest is payable.

Interest on performing assets comprising of fixed deposits, Certificate of Deposits, Debentures etc. are recognized on accrual basis and on non-performing assets on realisation basis as per the guidelines prescribed by the National Housing Bank.
- d) Dividend income on investments is recognised when the right to receive the same is established. In term of Housing Finance Companies (NHB) Direction 2010 Dividend Income on units of Mutual Funds held by the Company are recognised on Cash Basis.
- e) Processing fees and other loan related charges are recognized when it is reasonable to expect ultimate collection which is generally at the time of Login / disbursement of the loan.
- f) Additional / Overdue / penal interest / charges on delayed EMI/PEMI are recognised only when it is reasonably certain that the ultimate collection will be made.
- g) Income from services including trade mark license fees is recognized after the service is rendered and to the extent it is probable that the economic benefits will flow to the Company and that the revenue can be reliably measured.
- h) **Management and Trusteeship Fees - Mutual Fund**
i. Management and Trusteeship Fees are accrued at agreed rates on the daily net assets of the Mutual Fund Schemes using proportionate completion method.
ii. Portfolio Management fees are recognised on an accrual basis in accordance with portfolio management agreement entered with respective client using proportionate completion method.
- i) **Amortisation of Discount/Premium**
Accretion of discount or amortization of premium to the face value in respect of debt securities, for funds other than linked funds, is recognized over the remaining period to maturity/holding period on straight line basis.
In case of discounted instruments, the difference between the redemption value and book value is accreted over the life of the instrument, on straight line basis.

1.3 Interest & Ancillary Financial Cost :

Interest and other related financial charges are recognized as an expense in the period for which they relate as specified in Accounting Standard (AS 16) on "Borrowing Costs". Ancillary costs in connection with the borrowings and deposit are amortized to Statement of Profit and Loss over the tenure of loan / deposit. Brokerage on deposits taken is amortized over the period of deposit.

Share / debenture issues expenses and certain part of premium / discount on issue of debentures (net of tax) are adjusted against the Securities premium account as permissible under the Companies Act, 2013 over the tenure of securities.

Interest accrued on cumulative fixed deposits and payable at the time of maturity is clubbed with the principal amount on the date of periodical rest when interest is credited in Fixed Deposit account in accordance with the particular deposit scheme.

1.4 Foreign Exchange Transactions :

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction.

Monetary Assets and liabilities in foreign currencies are converted at the rates of exchange prevailing on the date of the financial statement. The net gain or loss on account of exchange differences either on settlement or on translation are recognized in the Statement of Profit and Loss.

In respect of Forward Exchange Contracts, the premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts on reporting dates are recognized in the Statement of Profit and Loss. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as an expense in that year.

Derivative Transactions:

As a part of its risk management strategy, the Company has entered into derivatives like Interest Rate Swap, Cross Currency Swaps and Forward Contracts having the same notional amount and maturity as the underlying borrowings which are designated as fair value / cash flow hedge as applicable, as per Guidance Note on Derivatives (2015) issued by Institute of Chartered Accountants of India. All outstanding derivative contracts are marked-to-market as at the year end. The changes in fair value of hedges are recorded in income statement together with change in the fair value of underlying liability. Any profit/loss arising on cancellation/unwinding of derivative contracts are recognised as income or expenses.

1.5 Provision for Contingencies :

The Company makes provision towards Non Performing Assets and Standard Assets as per the Prudential Norms prescribed by the National Housing Bank. The Company also makes assessment of its portfolio and creates additional provision to meet unforeseen contingencies.

A loan is recognized as Sub Standard Assets or Doubtful or Loss Assets based on the period for which the repayment installment or interest has remained in arrears as prescribed under NHB Guidelines.

1.6 Investments :

i. Other than Insurance Business

Investments are accounted at cost inclusive of brokerage, fees and stamp charges and are classified into two categories, viz. Current or Long-Term based on management's intention at the time of purchase.

Current investments are carried category wise, at the lower of cost and fair value, whereas Long-Term investments are carried at cost less provision for diminution, other than temporary, in the value of such investments. Unquoted current investment in units of Mutual Funds are valued as per NAV of the Plan.

Provision for diminution in the value of investments is made in accordance with the guidelines issued by the National Housing Bank and the Accounting Standard on 'Accounting for Investments' (AS 13) and is recognised through the Provision for Contingencies Account.

1.7 Property, Plant & Equipment :

Property, Plant and Equipmen (PPE) are stated at cost less accumulated depreciation and impaired losses, if any. All directly attributable costs including borrowing cost, net of cenvat /GST credit, till the asset is put to use is shown as capital work in progress and is capitalised thereafter.

Depreciation on PPE is provided on straight-line method by considering useful lives of assets which are same as specified in part 'C' of schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively.

1.8 Intangible Assets and Amortization:

Intangible assets comprising of system software are stated at cost less accumulated amortization.

Intangible assets are amortised over their estimated useful life of 3 to 6 years on straight line method.

The amortisation period and the amortisation method for intangible assets with a finite useful life are reviewed at each reporting date

1.9 Impairment of Assets :

Impairment losses (if any) on Assets are recognized in accordance with the Accounting Standard 28 "Impairment of Assets". The Company assesses at each Balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the assets. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value.

1.10 Leases:

Operating Leases

Lease rentals in respect of assets taken on "Operating Leases" are charged to the Statement of Profit and Loss on straight line basis over the lease term.

Finance Leases

Finance leases, which effectively transfer to the Company substantially all the risks and rewards incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease and are accordingly disclosed. The capital element of the leasing commitments is shown as Secured liabilities. Lease payments are apportioned between the finance charges and reduction of the corresponding liability based on the implicit rate of return.

1.11 Statutory / Special Reserve :

The Company creates Statutory / Special Reserve every year out of its profits in terms of Sec 36(1) (viii) of the Income Tax Act, 1961 read with Sec 29C of the National Housing Bank Act, 1987.

1.12 Prepaid Expenses :

Financial & Other Expenses incurred during the year which relates to future accounting years and brokerage paid on long term fixed deposits has been treated as revenue expense only for the period relating to the current year and balance is treated as prepaid expenses to be adjusted on pro-rata time basis of respective instrument in the future accounting years.

1.13 Mutual Fund Expenses

i) Annual recurring expenses related to the schemes of mutual fund which are in excess of internal expense limits are borne by the Company.

ii) The Company also absorbs the expenses relating to the launch of the schemes of Pramerica Mutual Fund.

iii) Upfront brokerage on close ended fixed tenure schemes is amortised over the tenure of the respective scheme and in case of Equity Linked Saving Scheme (ELSS), upfront brokerage is amortised over three years. The unamortized portion of the brokerage is carried forward as prepaid expense. Any other brokerage is charged to Statement of Profit and Loss in the year in which it is incurred.

1.14 Employees Benefits :

a) Company's contribution in respect of Employees' Provident Fund made to Government is considered as defined contribution plan and is charged to the Statement of Profit & Loss.

b) Gratuity Fund Scheme is considered as defined benefit plan. The Company's liability is determined on the basis of an actuarial valuation using the Projected Unit Credit Method as at Balance Sheet date. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised in the Statement of Profit and Loss as Income or Expenses, as applicable in the period in which they occur.

c) Compensated Absences are accounted for on the basis of actuarial valuation at the year end using the projected Unit Credit Method. Actuarial gains / losses are recognized in the Statement of Profit & Loss in the period in which they occur.

d) Short-term employee benefits:

The undiscounted amount of short-term employee benefits expected to be paid in respect of services rendered by employees are recognised during the year when the employees render the service.

e) Company has introduced the Employee Stock Option Scheme ('the Scheme') which provides the grant of options to acquire equity shares of the Company to its employees. The options granted to employees vest in a graded manner and these may be exercised by the employees within a specified period.

The Company follows the intrinsic value method to account for its stock-based employee compensation plans. Compensation cost is measured by the excess, if any, of the market price of the underlying stock over the exercise price as determined under the option plan. The market price is the closing price on the stock exchange where there is highest trading volume on the working day immediately preceding the date of grant. Compensation cost, if any, is amortised over the vesting period.

The Company has also approved the grant of Employee Stock Appreciation Rights (SARs) to the eligible employees of the Company. The said SARs shall carry the right to apply for number of equity shares of the Company, equivalent to Appreciation in those rights, over the grant price.

The Company follows the intrinsic value method to account for its Employee Stock Appreciation Rights (SARs). Compensation cost is measured by the excess, if any, of the market price of the underlying stock over the exercise price as determined under the option plan. The market price is the closing price on the stock exchange where there is highest trading volume on the working day immediately preceding the date of grant. Compensation cost, if any, is amortised over the vesting period.

1.15 Earnings per share :

The Basic earning per share and diluted earning per share have been computed in accordance with Accounting Standard (AS-20) on "Earnings Per Share" and is also shown in the Statement of Profit and Loss.

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit after tax relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares which are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Company also discloses EPS- both basic and diluted- for the accounting period, had the Fair value method being used for compensation cost for ESOS/SARs.

1.16 Taxes on Income:

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which during the specified period gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax arising on account of timing differences and which are capable of reversal in one or more subsequent periods is recognized using the tax rates and tax laws that have been enacted or substantially enacted as at the reporting date. Deferred tax assets are recognised for timing differences, only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. In the event of existence of carry forward of losses and unabsorbed depreciation, deferred tax assets are recognized to the extent there are virtual certainties supported by convincing evidence that they would be realized in future.

Deferred Tax liability on deduction claimed in earlier years u/s 36 (1)(viii) of the Income Tax Act 1961 has been provided in terms of National Housing Bank (NHB) policy circular.

1.17 Provisions, Contingent Liability and Contingent Assets:

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements

1.18 Housing and Other Loans :

Housing Loans include outstanding amount of Housing Loans disbursed directly or indirectly to individual, project loans for residential buildings and other borrowers. Other loans include mortgage loan, non residential property loan, plot loan for self construction where construction has not begun in last three years and loan against the lease rental income from properties in accordance with directions of National Housing Bank (NHB). Other loans also include loans granted to Small & Medium Enterprise (SME) and certain part there of are unsecured in terms of the particular scheme. EMI and PEMI installments due from borrowers against the housing loans receivable for less than equal to three months, are treated as trade receivables and are shown as current assets.

1.19 Securitised Assets :

Securitised and Assigned Assets are derecognised in the books of the Company based on the principle of transfer of ownership interest over the assets.

1.20 Cash Flow Statement :

Cash flows are reported using the indirect method set out in Accounting Standard (AS 3) on Cash Flow Statement. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

1.21 Assets repossessed under SARFAESI Act :

Assets repossessed under SARFAESI Act are part of NPA Portfolio of loans for which necessary provisions are being made and such assets are to be disposed off at the earliest, subject to legal formalities. Losses/gains, if any, are being booked at the time of sales realisation of such assets.

2 The consolidated financial statements relate to Dewan Housing Finance Corporation Ltd (“DHFL Ltd.” or “the Company”), its subsidiaries, jointly controlled entities and Company's share of profit/loss in its associates as on March 31, 2018 and for the year ended on that date. The consolidated financial statements have been prepared on the following basis:

(i) The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by consolidating the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions, resulting in unrealised profits or losses as per Accounting Standard 21 on ‘Consolidated Financial Statements’ (AS 21).

(ii) The Company’s investments in equity shares of associates are accounted for under the equity method and its share of pre-acquisition profits/losses is reflected as goodwill/capital reserve in the carrying value of investments in accordance with the Accounting Standard 23 on ‘Accounting for Investments in Associates in Consolidated Financial Statements’ (AS 23).

(iii) Interest in Joint Ventures have been accounted by using the proportionate consolidation method as per Accounting Standard 27 on ‘Financial reporting of interest in Joint Ventures’ (AS 27)

(iv) The financial statements of the subsidiaries, Joint Ventures and the associates used in the consolidation are drawn up to the same reporting date as that of the Company, i.e. March 31, 2018.

(iv) The difference between the cost of the investment in the subsidiary and Joint Venture and company share of net assets at the time of acquisition of shares in the subsidiary and Joint Venture is recognised in the financial statement as goodwill or capital reserve as the case may be.

The list of subsidiary company, joint venture and associates incorporated in India, which are included in the consolidation and the companies holding therein as under.

| Name of company | Proportion of Ownership interest percentage (%) | |
|---|---|---------------|
| | Current Year | Previous Year |
| Subsidiary | | |
| DHFL Advisory & Investments Pvt Ltd | 100.00% | 100.00% |
| DHFL Investments Ltd (Refer note no 2.2) | 100.00% | 100.00% |
| Joint Ventures | | |
| DHFL Pramerica Life Insurance Co Ltd (Refer note no 2.2) | - | 50.00% |
| DHFL Pramerica Asset Managers Pvt Ltd | 50.00% | 50.00% |
| DHFL Pramerica Trustees Pvt Ltd | 50.00% | 50.00% |
| Associates | | |
| Aadhar Housing Finance Limited (Formerly known as DHFL Vysya Housing Finance Limited)(Refer note no 2.1 and 13.2) | 9.15% | 9.47% |
| DHFL Venture Trustee Company Private Ltd. (Refer note no 2.2) | 0.00% | 45.00% |
| Aadhar Housing Finance Ltd.(Erstwhile) (Refer note no 2.1 and 13.2) | 0.00% | 12.37% |
| Avanse Financial Services Ltd. | 31.49% | 36.78% |

2.1 Associates of DHFL on the basis of significant influence in decision making

2.2 During the previous year, company had incorporated wholly owned subsidiary DHFL Investments Limited (“DIL”). As at 31st March, 2018, Company has an investment of ₹ 10,005 lacs in equity shares of DIL representing 100% of the equity capital. DIL has also issued Compulsorily Convertible Debentures to Wadhawan Global Capital Pvt. Ltd., a promoter entity of the Company. Company’s intention is to liquidate investments in DIL, subject to favorable market condition and therefore, in accordance with paragraph 11(a) of Accounting Standard (AS 21) - Consolidated Financial Statements, Company has not consolidated the financial statements of DIL. Management believes, this presentation reflects the substance of transaction and gives the true and fair value of state of affairs in accordance with the accounting standards. DIL also holds 50% in Joint Venture DHFL Pramerica Life Insurance Co. Ltd. and 45% in DHFL Venture Trustee Company Private Ltd. As DIL is not consolidated for reason stated above, its joint venture & associate is also not consolidated.

DEWAN HOUSING FINANCE CORPORATION LIMITED

Version _

Notes forming part of the consolidated financial statement for the year ended 31st March, 2018.

| | | As at 31-03-2018 | (₹ in Lacs) As at 31-03-2017 |
|---|---|---------------------|--------------------------------------|
| 3 | SHARE CAPITAL | | |
| | Authorised | | |
| | 57,80,00,000 equity shares of ₹10/- each | 57,800 | 57,800 |
| | 25,00,000 Redeemable, non convertible preference shares of ₹1000/- each | 25,000 | 25,000 |
| | | <u>82,800</u> | <u>82,800</u> |
| | Issued, Subscribed and Paid up | | |
| | 31,36,58,847 (31,31,52,205) equity shares of ₹10/- each fully paid | 31,366 | 31,315 |
| | | <u>31,366</u> | <u>31,315</u> |

3.1 The Company has only one class of shares i.e. equity. The shareholders have voting rights in the proportion of their shareholdings. The shareholders are entitled to dividend, if declared and paid by the Company. In the event of liquidation, these shareholders are entitled to receive remaining assets of the Company after distribution of all liabilities, in the proportion of their shareholdings.

3.2 The reconciliation of the number of shares outstanding and the amount of share capital as at the beginning and at the end of the reporting period:

| Particulars | As at 31.03.2018 | | As at 31.03.2017 | |
|------------------------------------|--------------------|---------------|--------------------|---------------|
| | No. of shares | Amount (Lacs) | No. of shares | Amount (Lacs) |
| Equity shares at the beginning | 313,152,205 | 31,315 | 291,797,988 | 29,180 |
| Add: Shares issued during the year | - | - | 21,230,070 | 2,123 |
| Add: Shares issued under ESOS/ESAR | 506,642 | 51 | 124,147 | 12 |
| Equity shares at the end | <u>313,658,847</u> | <u>31,366</u> | <u>313,152,205</u> | <u>31,315</u> |

3.3 Details of shareholders holding more than five percent equity shares in the Company are as under:

| Particulars | As at 31.03.2018 | | As at 31.03.2017 | |
|--------------------------------------|------------------|-----------|------------------|-----------|
| | No. of shares | % holding | No. of shares | % holding |
| M/s. Wadhawan Global Capital Limited | 117,049,714 | 37.32 | 117,049,714 | 37.38 |

3.4 Share issued for consideration other than cash:

- a. Company has allotted 14,58,56,530 no. of Equity Shares as fully paid up for consideration other than cash towards Bonus issue during the financial year 2015 - 16.
- b. As per the Scheme of Amalgamation, the Company has allotted 1,08,86,375 no. of Equity Shares as fully paid up for consideration other than cash in financial year 2012-13

3.5 Employee Stock Option Plans:

- a. Employee Stock Option Scheme 2008 (ESOS-2008) was implemented by the Company. 14,22,590 equity share options were granted under 'ESOS-2008' in 2008-09 to the employees as approved by the remuneration and compensation committee of directors of the Company at ₹ 53.65 per share, the reconsidered price approved in the EOGM dated 31st March, 2009.

Consequent to issue of Bonus Shares by the Company in earlier years, the adjusted exercise price is Rs. 26.83 per Equity Share and the total number of options also increased in the same ratio.

- b. Employee Stock Option Scheme 2009 (ESOS-2009) was implemented by the Company. 12,75,000 equity share options were granted under 'ESOS-2009, Plan II' in 2009-10 and additional 12,34,670 equity share options were approved to be granted under 'ESOS-2009, Plan III' in 2010-11 to the employees by the remuneration and compensation committee of directors of the Company at ₹ 141/- per share, the price approved in the remuneration and compensation committee meeting held on 25th November, 2009. The ESOP 2009 Plan II lapsed on November 25, 2015 and the ESOP 2009 Plan III was completed on 30th June, 2017 upon allotment of the balance equity shares under the ESOP 2009 Plan III. Consequent to issue of Bonus Shares by the Company in earlier years, the adjusted exercise price is Rs. 70.50 per Equity Share and the total number of options also increased in the same ratio.
- c. Pursuant to the resolution passed by the Board of Directors of the Company, at its meeting held on 16th January, 2015 and the special resolution passed by the Members of the Company on 23rd February, 2015 through Postal Ballot, the DHFL Employee Stock Appreciation Rights Plan 2015 ("DHFL ESAR Plan 2015" / "the Plan") was approved in accordance with the provisions of SEBI (SBE) Regulations, exercisable into not more than 51,46,023 fully paid-up equity shares in aggregate, having face value of Rs. 10/- each. Consequent to the bonus shares issued by the Company to its Members in the ratio 1:1 during the financial year 2015-16, the total number of employee Stock Appreciation Rights (SARs) also increased in the same ratio i.e. exercisable into not more than 1,02,92,046 fully paid up equity shares. During the financial year, the Members of the Company, approved amendment to the DHFL ESAR Plan 2015, inter-alia, for increasing the number of equity shares that can be allotted thereunder to 2,67,82,046 equity shares. ESARs granted are as under:

| Particulars | Approval Date | No of ESARs | SAR Price (₹) |
|-------------|---------------|-------------|---|
| Grant I | 21-Mar-15 | 1,550,100 | 380.00 (₹ 190/- per SAR Post Bonus issue) |
| Grant II | 17-Nov-16 | 2,081,545 | 230.80 |
| Grant III | 13-Jul-17 | 3,247,100 | 434.90 |
| Grant IV | 13-Jul-17 | 550,000 | 300.08 |
| Grant V | 16-Oct-17 | 150,800 | 434.90 |
| Grant VI | 22-Jan-18 | 71,900 | 434.02 |
| Grant VII | 22-Mar-18 | 11,735,600 | 520.20 |

d. Movement in options:

| Particulars | ESOS-2008 | ESOS-2009 | ESAR 2015 Grant I to VII |
|--|-----------|------------|--------------------------|
| Number of options / ESARs outstanding at the beginning of the year | 32,380 | 200,000 | 3,969,552 |
| Number of options / ESARs granted during the year | - | - | 15,755,400 |
| Number of options / ESARs issued due to Bonus during the year | - | - | - |
| Number of options / ESARs forfeited / lapsed during the year | 2,000 | - | 1,167,224 |
| Number of options / ESARs Vested during the year | - | - | 491,004 |
| Number of options / ESARs Exercised during the year | - | 200,000 | 525,400 |
| Number of shares arising as a result of exercise of options | - | 200,000 | 306,642 |
| Money realized by exercise of options (in ₹) | - | 14,100,000 | 3,066,420 |
| Number of options outstanding at the end of the year | 30,380 | - | 18,032,328 |
| Number of options exercisable at the end of the year | 30,380 | - | - |

Weighted Average exercise price & Option price (in ₹):

| | | |
|------------|-------|-----------------|
| Pre Bonus | 53.65 | 380.00 |
| Post Bonus | 26.83 | 190.00 - 520.20 |

- e. The fair value has been calculated using the Black Scholes Option Pricing model, the Assumptions used in the model on a weighted average basis are as follows:

| | |
|--|--------|
| 1. Risk Free Interest Rate | 6.36% |
| 2. Expected Life | 4.50 |
| 3. Expected Volatility | 44.84% |
| 4. Dividend Yield | 3.48% |
| 5. Price of the underlying share in market at the time of the option grant (₹) | 229.80 |

| | (₹ lacs) | |
|--|------------------|------------------|
| | As at 31-03-2018 | As at 31-03-2017 |
| 4 RESERVES & SURPLUS | | |
| Capital Reserve | | |
| Balance as per last Balance Sheet | 2,451 | 7,561 |
| Less: Utilised during the year (refer Note 28) | 2,451 | 5,110 |
| | - | 2,451 |

| | | | | |
|---|----------------|-----------------------|----------------|-----------------------|
| Securities Premium | | | | |
| Balance as per last Balance Sheet | 219,909 | | 183,331 | |
| Add : Addition during the year | <u>463</u> | | <u>48,043</u> | |
| | 220,372 | | 231,374 | |
| Less : Utilised during the year [net of tax of ₹ 5,235 lakh (₹ 6068 lakh)] (refer Note 4.2) | <u>9,891</u> | 210,481 | <u>11,465</u> | 219,909 |
| Employees Share Options Outstanding | | | | |
| Balance as per last Balance Sheet | 738 | | 1,516 | |
| Add : Addition during the year | 412 | | - | |
| Less: Transferred to Statement of Profit and Loss | - | | 612 | |
| Less: Transferred to Securities Premium Account | <u>342</u> | 808 | <u>166</u> | 738 |
| General Reserve | | | | |
| Balance as per last Balance Sheet | 116,522 | | 104,845 | |
| Add : Transferred from Surplus in Statement of Profit and Loss | 20,000 | | 20,000 | |
| Less: utilised during the year (refer Note 28) | 2,826 | | | |
| Less : Utilisation on Deferred Tax Liability on Special Reserve (refer Note 4.4) | <u>-</u> | 133,696 | <u>8,323</u> | 116,522 |
| Statutory Reserve (Special Reserve) | | | | |
| [In terms of Section 36(1)(viii) of the Income Tax Act, 1961 read with Section 29C of the National Housing Bank Act, 1987] (Refer note 4.3) | | | | |
| Balance as per last Balance Sheet | 156,399 | | 98,399 | |
| Add : Transferred from Surplus in Statement of Profit and Loss | <u>27,500</u> | 183,899 | <u>58,000</u> | 156,399 |
| Debenture Redemption Reserve | | | | |
| Balance as per last Balance Sheet | 117,000 | | - | |
| Add: Transferred from Statement of Profit & Loss (Refer note 5.7) | <u>-</u> | 117,000 | <u>117,000</u> | 117,000 |
| Capital Reserve on Consolidation | | | | |
| | | 346 | | 346 |
| Surplus in Statement of Profit and Loss: | | | | |
| As per last Balance Sheet | 128,380 | | 73,191 | |
| Add: Net Gain on dilution Associates | 3,588 | | 345 | |
| Add : Profit for the year | <u>116,566</u> | | <u>280,630</u> | |
| | 248,533 | | 354,165 | |
| Less : Appropriations : | | | | |
| General Reserve | 20,000 | | 20,000 | |
| Statutory Reserve | 27,500 | | 58,000 | |
| Debenture Redemption Reserve | - | | 117,000 | |
| Interim Equity Dividend | 9,408 | | 3,130 | |
| Equity Dividend Paid | 9,407 | | - | |
| Adjustment pursuant to capital reduction scheme in Joint Venture | - | | 27,018 | |
| Dividend Distribution Tax | <u>3,830</u> | | <u>637</u> | |
| | 70,145 | | 225,785 | |
| Surplus closing balance | | 178,388 | | 128,380 |
| TOTAL RESERVES & SURPLUS | | <u>824,618</u> | | <u>741,745</u> |

4.1 During the year, the Company has paid interim dividend on Equity Shares @ ₹ 3/- (₹ 1/-) per share. The Board of Directors of the Company has recommended final dividend of ₹ 2.50 per share for the financial year 2017-18 which is subject to approval of the members at the ensuing Annual General Meeting of the Company.

4.2 In accordance with Section 52 of the Companies Act, 2013, during the year the company has utilized Securities Premium Account towards premium on redemption of Zero Coupon Secured Redeemable Non-Convertible Debentures and Securities issue expenses amounting to ₹ 9,891 lacs (₹ 11,465 lacs) net of tax of ₹ 5,235 lacs (₹ 6,068 lacs).

- 4.3 Statement for Disclosure on Statutory / Special Reserves, as prescribed by NHB vide its circular no NHB(ND)/DRS/Pol. Circular.61/2013-14, dated: 7th April, 2014 and NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017:

| Particulars | (₹ lacs) | |
|---|----------------|----------------|
| | 31.03.2018 | 31.03.2017 |
| Balance at the beginning of the year | | |
| a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987 | 64,924 | 17,924 |
| b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under, Section 29C of the NHB Act, 1987 | 91,475 | 80,475 |
| c) Total | 156,399 | 98,399 |
| Addition during the year | | |
| Add: a) Amount transferred u/s 29C of the NHB Act, 1987 | 400 | 47,000 |
| b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the | 27,100 | 11,000 |
| c) Total | 27,500 | 58,000 |
| Balance at the end of the year | | |
| a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987 | 65,324 | 64,924 |
| b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the | 118,575 | 91,475 |
| c) Total | 183,899 | 156,399 |

- 4.4 National Housing Bank vide circular No.NHB(ND)/DRS/Policy Circular 65/2014-15 dated 22nd August, 2014 has clarified that deferred tax liability (contingent upon Company's withdrawal of Sec 36(1)(viii) Reserves leading to tax liability) in respect of opening balance under special reserve as at 1st April, 2014 may be adjusted from free opening reserves of the Company over a period of 3 years in the ratio of 25:25:50 respectively. Accordingly, the Company has proportionately adjusted its opening reserves with an amount of ₹ Nil lacs (₹ 8,323 lacs) as contingent deferred tax liability. Deferred Tax Liability on current year Special Reserve has been charged to Statement of Profit & Loss amounting to ₹ 9,785 lacs (₹ 3,946 lacs).

| 5 | LONG TERM BORROWINGS | (₹ lacs) | | | |
|---|---|---------------------|------------------|------------------|------------------|
| | | Non Current Portion | | Current Portion | |
| | | As at 31-03-2018 | As at 31-03-2017 | As at 31-03-2018 | As at 31-03-2017 |
| | Secured | | | | |
| | Non-Convertible Debentures | 2,595,710 | 2,731,873 | 286,266 | 151,078 |
| | Term Loan from Banks | 3,120,530 | 2,779,247 | 575,803 | 515,096 |
| | Loan from Others | | | | |
| | National Housing Bank | 253,816 | 295,575 | 31,004 | 33,275 |
| | Foreign Financial Institutions | 266,888 | 296,481 | 29,588 | 20,874 |
| | Total Secured long term borrowings | 6,236,944 | 6,103,176 | 922,661 | 720,323 |
| | Unsecured | | | | |
| | Non-Convertible Debentures (perpetual) | 116,070 | 66,070 | - | - |
| | Non-Convertible Debentures (Subordinated issue) | 121,900 | 133,180 | 11,280 | 17,500 |
| | Optionally Convertible Redeemable Debentures ("OCDs") | 22,500 | 22,500 | - | - |
| | Premium payable on Optionally Convertible Debenture Deposit | 4,232 | 2,025 | - | - |
| | Fixed Deposit (including Cumulative) | 530,622 | 360,821 | 389,343 | 269,963 |
| | Other Deposits | 1,445 | 1,365 | 1,117 | 1,081 |
| | Other Borrowings | 14,450 | 10,779 | 34,129 | 15,326 |
| | Total Unsecured long term borrowings | 811,219 | 596,740 | 435,869 | 303,870 |
| | TOTAL LONG TERM BORROWINGS | 7,048,163 | 6,699,916 | 1,358,530 | 1,024,193 |
| | Current Portion of above liability is disclosed under the head "other current liabilities". (Refer Note 11) | - | - | (1,358,530) | (1,024,193) |
| | Net Amount | 7,048,163 | 6,699,916 | - | - |

5.1

Non Convertible Debentures (NCD) (current and non current portion) amounting to ₹ 2,881,976 lacs (₹ 2,882,951 lacs) are secured by way of first charge read with Note 5.2 herein below and are redeemable at par, in one or more installments, on various periods, as below.

Secured NCDs also include amount outstanding for Zero Coupon Secured Redeemable Non-Convertible Debentures (ZCD) aggregating ₹ 247,206 lacs (₹ 290,565 lacs), which are redeemable at premium on maturity. The accumulated premium payable on outstanding ZCD accrued till 31st March, 2018 amounting to ₹ 83,716 lacs (₹ 73,275 lacs) is included above and a part of which has been provided out of the Securities Premium Account (refer Note 4.2).

Terms of repayment of Loans and redemption of bonds & debentures

(₹ In Lacs)

| Particulars | >5 Years | 3-5 Years | 1-3 Years | Grand Total |
|---|------------------|----------------|------------------|------------------|
| Secured | | | | |
| Bank | | | | |
| Linked with Base Rate of respective banks | 746,758 | 1,032,357 | 1,341,415 | 3,120,530 |
| | (720,078) | (940,756) | (1,118,413) | (2,779,247) |
| Loan from ECBs | | | | |
| 8.41 -11.00 | - | 135,531 | 131,357 | 266,888 |
| | (5,189) | (232,117) | (59,175) | (296,481) |
| Loan from National Housing Bank (NHB) | | | | |
| 6.12 - 9.00 | 145,101 | 47,069 | 60,340 | 252,510 |
| | (165,668) | (48,111) | (70,158) | (283,937) |
| 9.01 - 11.00 | - | 86 | 1,220 | 1,306 |
| | (2,968) | (3,274) | (5,396) | (11,638) |
| N H B Total | 145,101 | 47,155 | 61,559 | 253,816 |
| | (168,636) | (51,385) | (75,554) | (295,575) |
| Non-Convertible Debenture | | | | |
| 5.00 - 7.00 | 35,157 | | | 35,157 |
| | (32,909) | - | - | (32,909) |
| 7.25 - 11.55 | 1,209,059 | 287,844 | 1,063,650 | 2,560,553 |
| | (1,243,349) | (530,554) | (925,061) | (2,698,964) |
| NCD Total | 1,244,216 | 287,844 | 1,063,650 | 2,595,710 |
| | (1,276,258) | (530,554) | (925,061) | (2,731,873) |
| Optionally Convertible Debenture | | | | |
| | - | - | 26,732 | 26,732 |
| | - | (24,525) | - | (24,525) |
| Unsecured | | | | |
| Perpetual Debt | | | | |
| 9.85 - 12.75 | 116,070 | - | - | 116,070 |
| | (66,070) | - | - | (66,070) |
| Sub - Debt | | | | |
| 9.40 - 11.35 | 49,530 | 25,270 | 44,600 | 119,400 |
| | (69,800) | (45,000) | (18,380) | (133,180) |

- 5.2 All Secured loans (Current and Non Current portion), from the National Housing Bank, Other Banks, Foreign Financial Institution, Financial Institutions and Secured Non Convertible Debentures / ZCD are secured by way of first charge to and in favour of participating banks, Institutions, National Housing Bank and Debenture Trustees jointly ranking pari passu (read with Note 9.1), inter-se, on the Company's whole of the present and future book debts, housing loan Installments/receivables, investments including all the receivables of the Company and other movable assets, wherever situated, excluding SLR assets, read with Note 6.4 hereinafter and term loans from banks, debentures and certain ECBs are further secured on pari passu basis by constructive delivery of title deeds of certain immovable properties of the Company, to Union Bank of India, acting for itself and as an agent of other participating lenders and Debenture trustees, and are also guaranteed by the promoter directors of the Company.

Pursuant to the refinancing arrangement, the Company has provided to NHB certain standard documents such as a non-disposal undertaking from the Promoters and Promoter Group with respect to their shareholdings and corporate guarantee from Wadhawan Global Capital Private Limited (promoter entity)

- 5.3 During the year Company availed ECB of USD 125 million under the ECB Refinance facility from following parties. The ECB was raised under the RBI Refinance Guidelines for Low Cost Affordable Housing Scheme of the Reserve Bank of India (RBI) under the approval route. The principal amount has been hedged by way of currency swaps to protect the foreign currency risk and converted into rupee liability of ₹ 784,25 lacs in compliance of statutory requirement.

In the previous year, Company had availed total ECB of total USD 150 million under two ECB facilities, both for a period of 5 years, respectively. The principal amount has been hedged by way of currency swaps to protect the foreign currency risk and converted into rupee liability, in compliance of statutory requirement.

As a part of Assets Liability management on account of the Companies adjustable rate home loan products as well as to reduce the overall cost of borrowing, during the year, the Company has entered into Interest Rate swaps wherein it has converted its variable rate rupee liability of notional amount of USD 145 million into fixed rate rupee liability.

As on 31st March, 2018 the Company has an outstanding foreign currency borrowing of USD 459 million (USD 493 million) equivalent to ₹ 296,476 lacs (₹ 317,355 lacs).

- 5.4 The National Housing Bank directives require all HFC's accepting public deposits to create a floating charge on the statutory liquid assets maintained in favor of depositors through the mechanism of a trust deed. The Company has accordingly appointed a SEBI approved trustee Company as trustee for the above by executing the trust deed.

Accordingly, the public deposits of the company as defined in paragraph 2(1)(y) of the Housing Finance Companies (NHB) Directions, 2010, are secured by floating charge on the Statutory Liquid Assets maintained in terms of sub-sections (1) & (2) of Section 29B of the National Housing Bank Act, 1987.

- 5.5 Unsecured Redeemable Non Convertible Subordinated Debentures aggregating to ₹ 1,33,180 lacs (₹ 1,50,680 lacs), outstanding as at 31st March, 2018, are subordinated to present and future senior indebtedness of the company. It qualifies as Tier II capital in accordance with National Housing Bank (NHB) guidelines for assessing capital adequacy based on balance term to maturity. These debentures are redeemable at par on maturity on various periods read with note no. 5.1

- 5.6 Fixed Deposits, Other Deposits and other borrowings, including short term fixed deposits and short term other deposits, are repayable as per individual contracted maturities ranging from 12 to 120 months from the date of deposit. The interest is payable on contracted terms depending upon the scheme opted by the depositor.

- 5.7 Department of Company Affairs with reference to the General Circular no. 4/2003 vide G.S.R. 413 (E) dated 18.06.2014, had clarified that, Housing Finance Companies registered with National Housing Bank are exempted from the requirement of creating Debenture Redemption Reserve (DRR) in case of privately placed debentures. However, the Company needs to create DRR in case of public issue of Debentures and accordingly, the Company has created DRR as at year end 31st March, 2017 to the tune of ₹ 117,000 lacs against its public issue of Secured Redeemable Non-Convertible Debentures.

- 5.8 OCD are issued by wholly owned subsidiary for a tenure of 5 years beginning from April '16 to April '21. As per the terms, the debenture holder shall at any time during the Tenor of the OCD, have the right to exercise at its discretion either to redeem the debentures or convert the debentures into equity shares of Rs. 10 each of the company. Premium payable on redemption is @ 9% pa.

| | | (₹ lacs) | |
|---|--|---------------------|------------------|
| | | As at 31-03-2018 | As at 31-03-2017 |
| 6 | DEFERRED TAX LIABILITY / (ASSET) | | |
| | A. Deferred Tax Asset | | |
| | On account of provision for contingency & employee benefits | (33,910) | (24,448) |
| | | - | - |
| | | (33,910) | (24,448) |
| | Deferred Tax Liability | | |
| | On difference between book balance and tax balance of other assets | 28,306 | 23,777 |
| | | 28,306 | 23,777 |
| | | (A) (5,604) | (671) |
| | B. Deferred Tax Liability on Special Reserve | 41,400 | 31,615 |
| | | (B) 41,400 | 31,615 |
| | NET DEFERRED TAX LIABILITY | (A+B) 35,796 | 30,944 |

| | | (₹ lacs) | |
|---|--|------------------|------------------|
| | | As at 31-03-2018 | As at 31-03-2017 |
| 7 | OTHER LONG TERM LIABILITIES | | |
| | Others | 16 | 30 |
| | Total Other Long Term Liabilities | 16 | 30 |

| | | (₹ lacs) | | | |
|---|--|---------------------|------------------|----------------------|------------------|
| | | Long Term Provision | | Short Term Provision | |
| | | As at 31-03-2018 | As at 31-03-2017 | As at 31-03-2018 | As at 31-03-2017 |
| 8 | PROVISIONS | | | | |
| | Provision for Contingencies | | | | |
| | Against Standard Assets: | | | | |
| | As per last Balance sheet | 42,825 | 34,730 | | |
| | Add : Provision during the year | 14,289 | 8,095 | | |
| | Net provision on standard loan portfolio (A) | 57,114 | 42,825 | - | - |
| | Against NPA: | | | | |
| | As per last Balance sheet | 25,902 | 21,205 | | |
| | Add : Provision during the year | 27,151 | 13,446 | | |
| | Less : Utilised during the year | 15,991 | 8,749 | | |
| | Net provision on NPA loan portfolio (B) | 37,062 | 25,902 | - | - |
| | Against Investment: | | | | |
| | As per last Balance sheet | - | 66 | | |
| | Add : (withdrawal) during the year | - | (66) | | |
| | Provision on Investment (C) | - | - | | |
| | Against ICDs: | | | | |
| | As per last Balance sheet | 1,459 | 1,447 | | |
| | Provision during the year | 584 | 12 | | |
| | Provision on ICDs (D) | 2,043 | 1,459 | | |
| | Against Other Assets: | | | | |
| | As per last Balance sheet | 1,233 | 920 | | |
| | Add : (withdrawal)/ Provision during the year | (44) | 313 | | |
| | Provision on Other Assets (E) | 1,189 | 1,233 | | |
| | Total Provision for Contingencies (A+B+C+D+E) | 97,408 | 71,419 | - | - |
| | Provision for employee benefits | - | - | 691 | 89 |
| | Other Provisions | 6 | 15 | - | - |
| | TOTAL PROVISIONS | 97,418 | 71,435 | 691 | 89 |

8.1 The Company has written off ₹ 15,991 lacs (₹ 8,749 lacs) as bad debts to recover some of its old NPA and Loss Accounts by way of one time settlement or sale to Asset Reconstruction Companies. The Company has withdrawn ₹ 15,991 lacs (₹ 8,749 lacs) from contingency provisions created out of profits of earlier years.

8.2 Details of Housing and Property Loans and Contingency Provisions

Housing and property loans and provision in respect thereof on account of standard, sub standard, doubtful and loss assets are recorded in accordance with the guidelines on prudential norms as specified by National Housing Bank are as follows:

| | | As at 31-03-2018 | | As at 31-03-2017 | |
|-------------------------------------|---------|-------------------------|----------------------|-------------------------|----------------------|
| | | Portfolio | Provisions | Portfolio | Provisions |
| Standard Assets | | | | | |
| Housing Loans | | 6,634,555 | 31,593 | 5,634,177 | 26,889 |
| Other Property Loans | | 2,470,583 | 24,521 | 1,507,596 | 15,093 |
| | (A) | <u>9,105,138</u> | <u>56,114</u> | <u>7,141,773</u> | <u>41,982</u> |
| Sub Standard Assets | | | | | |
| Housing Loans | | 21,084 | 3,163 | 5,624 | 844 |
| Other Property Loans | | 8,981 | 1,347 | 2,644 | 397 |
| | (B) | <u>30,065</u> | <u>4,510</u> | <u>8,268</u> | <u>1,241</u> |
| Doubtful Assets | | | | | |
| Housing Loans | | 38,669 | 20,420 | 27,150 | 12,398 |
| Other Property Loans | | 19,360 | 11,700 | 32,427 | 12,263 |
| | (C) | <u>58,029</u> | <u>32,119</u> | <u>59,577</u> | <u>24,661</u> |
| Loss Assets | | | | | |
| Housing Loans | | - | - | - | - |
| Other Property Loans | | - | - | - | - |
| | | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Additional provision on Loss Assets | | | 1,433 | | 843 |
| Provisions on ICDs | | | 2,043 | | 1,459 |
| Provisions on Other Assets | | | 1,189 | | 1,233 |
| Total | (A+B+C) | <u><u>9,193,232</u></u> | <u><u>97,408</u></u> | <u><u>7,209,618</u></u> | <u><u>71,419</u></u> |
| Summary: | | | | | |
| Housing Loans | | 6,694,308 | 55,175 | 5,666,951 | 40,131 |
| Other Property Loans | | 2,498,924 | 37,568 | 1,542,667 | 27,753 |
| Additional provision on Loan Assets | | | 1,433 | | 843 |
| Provisions on ICDs | | | 2,043 | | 1,459 |
| Provisions on Other Assets | | | 1,189 | | 1,233 |
| Total | | <u><u>9,193,232</u></u> | <u><u>97,408</u></u> | <u><u>7,209,618</u></u> | <u><u>71,419</u></u> |

8.3 Provision for Contingencies

The Company has made full provisions for Contingencies for diminution in investment value and on standard as well as on non-performing housing loans and other property loans as per the Prudential Norms prescribed by the National Housing Bank. The Company has maintained additional provision amounting to ₹ 1,433 lacs (₹ 843 lacs) as at year end.

| 9 | SHORT TERM BORROWINGS | (₹ lacs) | |
|---|--|-----------------------|-----------------------|
| | | As at 31-03-2018 | As at 31-03-2017 |
| | Secured | | |
| | Loans repayable on demand | | |
| | From Banks | 223,741 | 111,014 |
| | Secured short term borrowings | <u>223,741</u> | <u>111,014</u> |
| | Unsecured | | |
| | Deposits | | |
| | Fixed Deposits (Refer Note 5.6) | 42,416 | 8,988 |
| | Other Deposits (Refer Note 5.6) | 448 | 868 |
| | Other short term loans and advances | | |
| | Commercial Papers | 605,000 | 299,500 |
| | Others | 9,791 | 6,624 |
| | Unsecured short term borrowings | <u>657,655</u> | <u>315,980</u> |
| | TOTAL SHORT TERM BORROWINGS | <u><u>881,396</u></u> | <u><u>426,994</u></u> |

- 9.1 Loans repayable on demand and other short term loans comprising of Cash credit facilities from banks and are secured by a first charge by way of hypothecation of book debts of specific loan assets of the company and are further secured by negative lien on the underlying specific properties and / or secured by demand promissory notes. Certain Cash credit facilities are also secured by way of a first pari passu charge along with other secured loans read with Note 5.2. All cash credit facilities are repayable as per the contracted/ roll over term.

10 **TRADE PAYABLES:**

There is no amount due and payable to micro and small suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006 at the end of the year. No interest has been paid/ is payable by the Company during/for the year to these 'Suppliers'. The above information takes into account only those suppliers who have submitted their registration details or has responded to the inquiries made by the Company for this purpose.

| 11 | OTHER CURRENT LIABILITIES | (₹ lacs) | |
|----|---|------------------|------------------|
| | | As at 31-03-2018 | As at 31-03-2017 |
| | Current maturities of long-term borrowing (Refer Note 5) | 1,358,530 | 1,024,193 |
| | Interest accrued but not due on borrowings | 152,923 | 136,734 |
| | Unclaimed Dividends ^{11.1} | 169 | 142 |
| | Unclaimed matured deposits and interest accrued thereon ^{11.1} | 10,341 | 7,674 |
| | Other payables | | |
| | Advance from customers | 13,196 | 8,228 |
| | Temporary Overdrawn Balances as per books | 217,184 | - |
| | Creditors for Capital Expenditure | 1,725 | 1,262 |
| | Amount payable under securitisation/ joint syndication transaction | 60,855 | 35,644 |
| | Statutory Dues | 4,059 | 2,736 |
| | Other current liabilities | 18,519 | 7,664 |
| | TOTAL OTHER CURRENT LIABILITIES | 1,837,502 | 1,224,276 |

11.1

As required under section 124 of the Companies Act, 2013, the Company has transferred unclaimed dividend of the year 2009-10 ₹ 7 lacs (₹ 6 lacs) and towards unclaimed Deposits and interest accrued thereon ₹ 17 lacs (₹ 12 lacs) to Investor Education & Protection Fund (IEPF) during the year. There are no amounts due for payment to the Investor Education and Protection Fund under section 125 of the Companies Act, 2013 as at the year end in respect of Unclaimed Matured Deposits and Unpaid Dividends.

FIXED ASSETS

(Rs. in lacs)

| Assets | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK |
|--|---------------------|---------------|-----------------------------|---------------------|---------------------|-----------------|-----------------------------|--------------------|---------------------|
| | As on 01.04.2017 | Addition | Deduction/ Sale/ Exp Out | As on 31.03.2018 | As on 01.04.2017 | for the year | Deduction/ Sale/ Exp Out | Upto 31.03.2018 | As on 31.03.2018 |
| Tangible (Property, Plant and Equipment): | | | | | | | | | |
| Building | 6,180 | 51,531 | - | 57,711 | 673 | 308 | - | 981 | 56,730 |
| Leasehold Premises | 9,999 | - | - | 9,999 | 673 | 163 | - | 836 | 9,163 |
| Furniture & Fixture | 2,669 | 1,579 | 26 | 4,222 | 1,189 | 312 | 24 | 1,478 | 2,746 |
| Leasehold Improvements | 3,579 | 4,986 | 203 | 8,363 | 2,662 | 465 | 200 | 2,927 | 5,436 |
| Office Equipments | 3,638 | 3,449 | 146 | 6,942 | 1,397 | 598 | 72 | 1,923 | 5,019 |
| Vehicles | 153 | 270 | 9 | 414 | 95 | 49 | 6 | 137 | 277 |
| Computer (Hardware) | 3,466 | 4,540 | 93 | 7,913 | 2,398 | 628 | 90 | 2,936 | 4,977 |
| Sub Total | 29,683 | 66,356 | 476 | 95,564 | 9,087 | 2,523 | 393 | 11,218 | 84,347 |
| Intangible: * | | | | | | | | | |
| Computer (Software) | 2,078 | 608 | - | 2,686 | 1,607 | 321 | - | 1,928 | 759 |
| Sub Total | 2,078 | 608 | - | 2,686 | 1,607 | 321 | - | 1,928 | 759 |
| Fixed Assets | 31,762 | 66,964 | 476 | 98,251 | 10,694 | 2,844 | 393 | 13,145 | 85,106 |
| Intangible Assets Under Development | | | | | | | | | 12,905 |
| TOTAL | 31,762 | 66,964 | 476 | 98,251 | 10,694 | 2,844 | 393 | 13,145 | 98,011 |

* Other than internally generated

FIXED ASSETS

(Rs. in lacs)

| Assets | GROSS BLOCK | | | | DEPRECIATION | | | | NET BLOCK |
|--|---------------------|--------------|-----------------------------|---------------------|---------------------|-----------------|-----------------------------|--------------------|---------------------|
| | As on 01.04.2016 | Addition | Deduction/ Sale/ Exp Out | As on 31.03.2017 | As on 01.04.2016 | for the year | Deduction/ Sale/ Exp Out | Upto 31.03.2017 | As on 31.03.2017 |
| Tangible (Property, Plant and Equipment): | | | | | | | | | |
| Building | 5,643 | 537 | - | 6,180 | 585 | 88 | - | 673 | 5,507 |
| Leasehold Premises | 9,999 | - | - | 9,999 | 510 | 163 | - | 673 | 9,326 |
| Furniture & Fixture | 2,654 | 112 | 137 | 2,630 | 993 | 280 | 106 | 1,167 | 1,464 |
| Leasehold Improvements | 3,558 | 556 | 761 | 3,352 | 2,156 | 733 | 398 | 2,490 | 862 |
| Office Equipments | 2,507 | 1,364 | 89 | 3,782 | 1,152 | 397 | 184 | 1,364 | 2,417 |
| Vehicles | 114 | 20 | 9 | 125 | 70 | 16 | 5 | 81 | 44 |
| Computer (Hardware) | 3,665 | 618 | 988 | 3,295 | 2,259 | 664 | 629 | 2,294 | 1,001 |
| Sub Total | 28,139 | 3,207 | 1,984 | 29,363 | 7,724 | 2,341 | 1,323 | 8,742 | 20,621 |
| Intangible: * | | | | | | | | | |
| Computer (Software) | 2,596 | 1,641 | 2,247 | 1,990 | 1,683 | 702 | 849 | 1,536 | 454 |
| Sub Total | 2,596 | 1,641 | 2,247 | 1,990 | 1,683 | 702 | 849 | 1,536 | 454 |
| Fixed Assets | 30,735 | 4,848 | 4,230 | 31,353 | 9,407 | 3,043 | 2,171 | 10,278 | 21,075 |
| Capital Work in Progress | | | | | | | | | 54,615.00 |
| Intangible Assets Under Development | | | | | | | | | |
| TOTAL | 30,735 | 4,848 | 4,230 | 31,353 | 9,407 | 3,043 | 2,171 | 10,278 | 75,690 |

* Other than internally generated

| | | (₹ lacs) | |
|-----------|---|-----------------------|----------------------|
| | | As at 31-03-2018 | As at 31-03-2017 |
| 13 | NON CURRENT INVESTMENTS (AT COST) | | |
| | Equity Investments | | |
| | Investment in Subsidiary (Refer note no: 2.2) | 10,125 | 10,005 |
| | Investment in Associates: | | |
| | Equity Investments in Associates | 22,160 | 9,664 |
| | Add: Good will on acquisition of asso. | <u>10</u> | <u>10</u> |
| | | 22,170 | 9,674 |
| | Investment in unquoted equity instruments | 2 | 1 |
| | Investment in unquoted optionally convertible preference share (Quoted) | 11,961 | - |
| | Investment in unquoted optionally convertible preference share (Unquoted) | 3,427 | 1,271 |
| | Investment in Venture Capital Fund | 1,895 | 1,948 |
| | Investment in Pass Through Certificates Class B | 8,776 | 10,221 |
| | Investment in security receipt | 66,628 | - |
| | Investment in Government securities (SLR) - quoted | 66,526 | 42,530 |
| | Investment in Government securities (Non - SLR) - quoted | 12,341 | 10,712 |
| | Investments in Mutual Funds (Quoted) | 2,606 | 890 |
| | Investments in Mutual Funds (Unquoted) | 561 | 586 |
| | Total Non Current Investments | <u>207,017</u> | <u>87,838</u> |
| | Aggregate amount of quoted investments | 93,433 | 54,132 |
| | Market value of Quoted investments | 98,755 | 55,130 |
| | Aggregate amount of Unquoted investments | 113,584 | 33,706 |

13.1 Investment in Government and other SLR Securities aggregating to ₹ 66,526 lacs (₹ 42,530 lacs) carry a floating charge created in favor of depositors in the Fixed Deposit schemes of the Company (read with Note 5.4 above).

13.2 In terms of Scheme of Amalgamation, approved by National Company Law Tribunal on October 27,2017, Erstwhile Aadhar Housing Finance Limited has been merged with the DHFL Vysya Housing Finance Limited. Company has received 12,52,101 equity shares of DHFL Vysya Housing Finance Limited on merger in lieu of the shares held in erstwhile Aadhar Housing Finance Limited. Name of DHFL Vysya Housing Finance Limited has been changed to Aadhar Housing Finance Limited after amalgamation.

| | | (₹ lacs) | | | |
|-----------|--|---------------------|---------------------|---------------------|---------------------|
| | | Non Current Portion | | Current Portion | |
| | | As at 31-03-2018 | As at 31-03-2017 | As at 31-03-2018 | As at 31-03-2017 |
| 14 | HOUSING AND PROPERTY LOANS | | | | |
| | Secured, considered good unless stated otherwise | | | | |
| | Housing Loans | | | | |
| | Standard loans | 7,762,507 | 6,252,066 | 489,465 | 376,365 |
| | Sub-Standard loans | 23,037 | 6,768 | - | - |
| | Doubtful loans | 40,115 | 27,890 | - | - |
| | Loss assets | - | - | - | - |
| | | <u>7,825,659</u> | <u>6,286,724</u> | <u>489,465</u> | <u>376,365</u> |
| | Less : Securitised Housing Loans | 1,526,338 | 940,836 | 94,478 | 55,302 |
| A | Total Housing Loans | 6,299,321 | 5,345,888 | 394,987 | 321,063 |
| | Other Property Loans | | | | |
| | Standard loans | 2,441,051 | 1,520,766 | 322,721 | 136,482 |
| | Sub-Standard loans | 9,745 | 2,854 | - | - |
| | Doubtful loans | 19,942 | 32,801 | - | - |
| | Loss assets | - | - | - | - |
| | | <u>2,470,738</u> | <u>1,556,421</u> | <u>322,721</u> | <u>136,482</u> |
| | Less : Other Property Securitised Loans | 271,848 | 142,139 | 22,687 | 8,097 |
| B | Total Other Property Loans | 2,198,890 | 1,414,282 | 300,034 | 128,385 |
| | Total Loan book (A+B) | 8,498,211 | 6,760,170 | 695,021 | 449,448 |

Summary:

| | | | | |
|--|-------------------|------------------|----------------|----------------|
| Housing Loans | 7,825,659 | 6,286,724 | 489,465 | 376,365 |
| Other Property Loans | 2,470,738 | 1,556,421 | 322,721 | 136,482 |
| Total Housing & Property Loans under Company's management | 10,296,397 | 7,843,145 | 812,186 | 512,847 |
| Less : Securitised and Syndicated portion | 1,798,186 | 1,082,975 | 117,165 | 63,399 |
| TOTAL HOUSING AND PROPERTY LOANS | 8,498,211 | 6,760,170 | 695,021 | 449,448 |

- 14.1 Other property loans include mortgage loan, non residential property loan, plot loan for self construction where construction has not began in last three years and loan against the lease rental income from properties in accordance with directions of National Housing Bank (NHB). These also include loans granted to Small & Medium Enterprise (SME) and certain part are unsecured in terms of the particular scheme of an aggregate amount of ₹ 12,490 lacs (₹ 9,265 lacs).
- 14.2 As certified by the management, loans given by the Company are secured by equitable mortgage/ registered mortgage of the property and assets financed and/or assignment of Life Insurance policies and/or personal guarantees and/or undertaking to create a security and/or hypothecation of assets and are considered appropriate and good.
- 14.3 Composite Loans sanctioned (i.e. loans allowed for purchase of plot and self construction of house) on or before 31st March, 2015, in which construction has not started till 31st March, 2018, as per information available with the Company, is excluded from Housing Loans and regrouped under Other Loans (Non Housing) in above outstanding as on 31st March, 2018 aggregating to ₹ 35,234 lacs (₹ 19,111 lacs).
- 14.4 Insurance portion of Housing Loan is excluded from Housing Loan and regrouped in Other Property Loan. The insurance portion amounting to ₹ 160,334 lacs (₹ 136,668 lacs) to meet the cost of the insurance premium to secure the borrower's life and thereby further secure the loan portfolio by way of risk mitigation method and to secure the Company's Housing loan portfolio against any eventuality.
- 14.5 The Company has entered into Loan Syndication arrangements with certain public and private sector banks to provide Housing loan to borrowers wherein DHFL originates the loan files and gets it processed under common credit norms. The said banks have agreed to participate upto 50% of the disbursed loan portfolio under loan syndication arrangement. Entire/partial processing fees and other charges/ income on these loans, depending upon the syndication arrangements, accrues to DHFL. The Company has derecognised the said loan portion syndicated to others in its books.
- 14.6 The Company has repossessed certain assets under SARFAESI Act which are retained for the purpose of sale under the rules and regulations of SARFAESI Act involving ₹ 7,890 lacs (₹ 7,890 lacs), which are part of NPA portfolio for which necessary provisions have already been made. These assets are accounted as and when they are realised as per related accounting policy.
- 14.7 The Company has securitized / assigned pool of certain housing and property loans and managed servicing of such loan accounts. The balance outstanding in the pool, as at the reporting date aggregates ₹ 19,15,351 lacs (₹ 1,146,373 lacs). These assets have been de-recognised in the books of the Company. The Company is responsible for collection and getting servicing of this loan portfolio on behalf of buyers / investors. In terms of the said securitization/assignment agreements, the Company pays to buyer/investor on monthly basis the prorata collection amount as per individual agreement terms. The Company has purchased home loan pools in two tranches for a cumulative amount of ₹ Nil (₹ 30,863 lacs) in compliance with RBIs norms on Securitisation, specific to Direct Assignment transactions, in terms of Minimum Holding Period (MHP) and Minimum Retention Requirement (MRR).
- 14.8 Housing and other property loans (current and non-current) includes ₹ 269 lacs (₹ 315 lacs) given to the key managerial persons of the Company under the normal course of business.

| | | (₹ lacs) | | | |
|----|---|---------------------|---------------------|---------------------|---------------------|
| 15 | OTHER LONG TERM LOANS AND ADVANCES | Non Current Portion | | Current Portion | |
| | | As at 31-03-2018 | As at 31-03-2017 | As at 31-03-2018 | As at 31-03-2017 |
| | Secured and considered good | | | | |
| | Loans against Fixed Deposits | - | - | | 1,002 |
| | Loans and advances to employees (Refer Note 15.1) | 3 | 4 | | |
| | Other loans and advances | 13 | 13 | | |
| | Unsecured, considered good unless stated otherwise | | | | |
| | Capital advances | 593 | 1,158 | | |
| | Security deposits | 1,715 | 1,559 | | 2,016 |
| | Loans and advances to employees | 890 | 20 | | 1,225 |
| | Advances recoverable in cash or in kind | 45,351 | 46,444 | | 23,081 |
| | MAT Credit Entitlement | 38,016 | 46,072 | | |
| | Advance Income Tax (Net of Provisions) | 10,334 | 9,030 | | |
| | TOTAL OTHER LONG TERM LOANS AND ADVANCES | 96,915 | 104,300 | | 27,324 |

- 15.1 Loans to employees are secured by the hypothecation of respective assets against which these loans have been granted

| 16 | CURRENT INVESTMENTS (at lower of cost and fair value unless stated otherwise) | (₹ lacs) | |
|----|---|----------------------------|-------------------------|
| | | As at 31-03-2018 | As at 31-03-2017 |
| | Trade Investments | | |
| | Investment in equity instruments- quoted | 3 | 3 |
| | Other Investments | | |
| | Investment in Mutual Funds/Venture Capital Fund - unquoted | 410,090 | 273,261 |
| | Investment in Debenture (Quoted) | 192,659 | 200,991 |
| | Investment in Certificate of Deposit (Unquoted) | - | 788,268 |
| | Investment in Pass Through Certificates -Class B | 624 | 588 |
| | Investment Related to Policy Holders | - | 1 |
| | TOTAL CURRENT INVESTMENTS | 603,376 | 1,263,111 |
| | Aggregate amount of Quoted Investments | 192,662 | 200,994 |
| | Market Value of Quoted Investments | 207,420 | 201,069 |
| | Aggregate amount of Unquoted Investments | 410,714 | 1,062,117 |
| | | | |
| | | | (₹ lacs) |
| 17 | TRADE RECEIVABLES | <u>As at 31-03-2018</u> | <u>As at 31-03-2017</u> |
| | Unsecured and considered good, otherwise stated | | |
| | Receivables due for more than six months from due date (Considered doubtful ₹ 95 lacs (₹ 95 lacs)) (refer note 8 for Provision) | 95 | 95 |
| | Others (refer note 32) | 4,807 | 1,148 |
| | TOTAL TRADE RECEIVABLES | 4,902 | 1,243 |
| | | | |
| 18 | CASH AND BANK BALANCES | <u>As at 31-03-2018</u> | <u>As at 31-03-2017</u> |
| | Cash and Cash Equivalents | | |
| | Balances with Banks | | |
| | in Current Accounts | 133,640 | 90,605 |
| | in Deposits accounts with original maturity of less than 3 months | - | 187,500 |
| | Cheques/ Drafts in hand | 23 | - |
| | Cash on hand | 603 | 474 |
| | Total Cash and Cash Equivalents | A 134,266 | 278,579 |
| | Other Bank Balances | | |
| | Other Deposits accounts having balance maturity of less than 12 months | 112,409 | 64,288 |
| | Deposits having balance maturity of more than 12 months (Refer Note 20) | 48,530 | 18,300 |
| | Balances in unpaid dividend bank accounts | 169 | 142 |
| | Total Other Bank Balances | B 161,108 | 82,730 |
| | Total Cash and Bank Balances | C = (A + B) 295,374 | 361,309 |
| | Less : Amounts disclosed under non-current assets (Refer Note 20) | D 48,530 | 18,300 |
| | Total Net Cash and Bank Balances | E = (C - D) 246,844 | 343,009 |
| | Summary: | | |
| | Total Cash and Cash Equivalents | 134,266 | 278,579 |
| | Other Bank Balances | 161,108 | 82,730 |
| | Amounts disclosed under non-current assets | (48,530) | (18,300) |
| | Total Net Cash and Bank Balances | 246,844 | 343,009 |

- 18.1 Current portion of balances with Banks in Deposit Accounts includes deposits under lien aggregating to ₹ 54,068 lacs (₹ 24,784 lacs) being earmarked for SLR requirements of NHB. ₹ 682 lacs (₹ 1,220 lacs) being margin money for bank guarantees, ₹ 28,572 lacs (₹ 34,162 lacs) being securitization comforts provided to various Trustees/ buyer, ₹ Nil (₹ 1,350 lacs) toward sinking fund requirement of debenture provided to Trustee of debentures and ₹ 3,020 lacs (₹ 1,850 lacs) under lien against Interest rate swaps, Margin Money towards CSGL account ₹ 5,500 lacs (₹ Nil).

| 19 | SHORT TERM LOANS & ADVANCES | (₹ lacs) | |
|----|--|------------------|------------------|
| | | As at 31-03-2018 | As at 31-03-2017 |
| | Secured and considered good | | |
| | Current maturities of other long term loans and advances (Refer Note 15) | 1,912 | 1,002 |
| | EMI/PEMI/other receivable (Including Interest) (Ref Note 19.1) | 144,316 | 37,910 |
| | Unsecured, considered good | | |
| | Current maturities of other long term loans and advances (Refer Note 15) | - | 600 |
| | Loans and advances/Recoverable - related parties (refer note 32) | 1,954 | 2,288 |
| | Inter Corporate Deposits (Considered doubtful ₹1,447 lacs) (₹ 1,447 lacs) (refer note 8 for Provision) | 61,067 | 2,647 |
| | Advances recoverable in cash or in kind (Considered doubtful ₹ 363 lacs (₹ 363 lacs)) (Refer Note 8) | 46,060 | 63,842 |
| | TOTAL SHORT TERM LOANS AND ADVANCES | 255,309 | 108,288 |

- 19.1 EMI/PEMI Receivable represents dues from borrowers against the loan receivable for less than or equal to three months. For better presentation, from current year, such receivables are classified under short term loans and advances, which until previous year were classified under Trade Receivable.

| 20 | OTHER NON CURRENT & CURRENT ASSETS | (₹ lacs) | | | |
|----|---|---------------------|------------------|------------------|------------------|
| | | Non Current Portion | | Current Portion | |
| | | As at 31-03-2018 | As at 31-03-2017 | As at 31-03-2018 | As at 31-03-2017 |
| | Unsecured, considered good | | | | |
| | Non current portion of balances with banks in deposit accounts (Refer Note 18 & 20.1) | 48,530 | 18,300 | - | - |
| | Interest accrued but not due | 238 | 742 | 8,357 | 8,112 |
| | | 48,768 | 19,042 | 8,357 | 8,112 |

- 20.1 Non Current portion of balances with Banks in Deposit Accounts includes ₹ 9,680 lacs (₹ 18,300 lacs) being earmarked for SLR requirements of NHB and ₹ 1,350 lacs (₹ Nil) towards sinking fund requirement of debenture provided to Trustee of debentures.

| 21 | REVENUE FROM OPERATIONS | (₹ lacs) | |
|----|--|------------------|------------------|
| | | As at 31-03-2018 | As at 31-03-2017 |
| | Interest on Housing and Property Loans | 904,532 | 792,247 |
| | Interest on Bank Deposits | 7,656 | 7,764 |
| | Interest on Long Term Investments | 4,414 | 4,126 |
| | Other Interest* | 29,255 | 11,887 |
| | Revenue from other services (Refer note 21.1) | 37,787 | 20,912 |
| | Operational treasury income (Refer note 21.2) | 55,028 | 47,266 |
| | Management and Advisory | 6,138 | 5,319 |
| | Insurance Commission (Refer note 21.3) | 6,664 | 1,152 |
| | Total Revenue from operations | 1,051,474 | 890,672 |

* Includes Interest on short term CDs, ICDs and CPs

| 21.1 | Revenue from other services includes | | |
|------|--|---------------|---------------|
| | Loan related Services | 30,751.00 | 16,922 |
| | Advisory Services | 7,036.00 | 3,990 |
| | Total Revenue from other services | 37,787 | 20,912 |

Revenue from other services is net of the amount paid / payable towards Business Sourcing and related expenses ₹ 31,660 lacs (₹ 14,762 lacs)

| | | | | | |
|-------------|---|----------|----------------|----------|----------------|
| 21.2 | Operational treasury income includes: | | | | |
| | Net Income from mutual fund | | 38,693 | | 42,855 |
| | Profit on sale of investments | | 2,503 | | 2,104 |
| | Dividend Income | | 13,658 | | 2,307 |
| | Others | | 174 | | - |
| | Total Operational treasury income | | 55,028 | | 47,266 |
| 21.3 | Insurance commission income includes amount received from : | | | | |
| | DHFL Pramerica Life Insurance Co. Ltd | | 3,119 | | 710 |
| | Cholamandalam MS General Insurance Company Ltd | | 1,635 | | 442 |
| | DHFL General Insurance Co. Ltd | | 1,910 | | - |
| | | | 6,664 | | 1,152 |
| | Insurance Commission has been received in capacity of Corporate Insurance Agent | | | | |
| 22 | OTHER INCOME | | | | |
| | Rent Income | | 1,050 | | 405 |
| | Liabilities no longer required written back | | - | | 11 |
| | Miscellaneous Income | | 380 | | 158 |
| | Total Other Income | | 1,430 | | 574 |
| 23 | FINANCE COST | | | | |
| | Interest expenses | | 724,110 | | 636,018 |
| | Premium on redemption of Debentures | 34,238 | | 37,290 | |
| | Less: Securities premium utilized (Refer note 4.2) | (15,126) | 19,112 | (17,532) | 19,758 |
| | Other Borrowing Costs | | 15,477 | | 11,661 |
| | Total Finance cost | | 758,699 | | 667,437 |
| 24 | EMPLOYEES BENEFITS EXPENSE | | | | |
| | Salaries and Bonus | | 34,876 | | 36,365 |
| | Contribution to Provident Fund & Other Funds | | 2,100 | | 2,010 |
| | Staff Welfare Expenses | | 1,050 | | 791 |
| | Total Employees Benefits Expenses | | 38,026 | | 39,166 |
| 25 | OTHER EXPENSES | | | | |
| | Rent, Rates & Taxes | | 5,794 | | 5,103 |
| | Training & Conference Expenses | | 298 | | 1,441 |
| | Travelling & Conveyance | | 4,097 | | 4,243 |
| | Printing & Stationery | | 719 | | 573 |
| | Advertisement and Business Promotion expenses | | 8,510 | | 14,793 |
| | Brokerage and scheme related expenses | | 2,104 | | 648 |
| | Insurance | | 599 | | 607 |
| | Legal & Professional Charges | | 4,011 | | 4,264 |
| | Communication Expenses | | 1,633 | | 1,901 |
| | General Repairs & Maintenance | | 2,664 | | 2,944 |
| | Electricity | | 927 | | 886 |
| | Directors Sitting Fees | | 108 | | 135 |
| | Loss on sale of Fixed Assets (net) | | 62 | | 21 |
| | CSR Expenses (Refer Note 25.1) | | 2,381 | | 932 |
| | Membership and subscription | | 14 | | - |
| | Office Maintenance | | 1,431 | | 883 |
| | Recovery Expenses | | 942 | | 934 |
| | Auditors' Remuneration (Refer Note 31) | | 344 | | 324 |
| | Bad Debts | 15,991 | | 8,749 | |
| | Less provision for Non Performing Assets utilized | 15,991 | - | 8,749 | - |
| | Miscellaneous Expenses | | 846 | | 1,476 |
| | Preliminary Expenses | | - | | 33 |
| | Total Other expenses | | 37,485 | | 42,140 |

25.1 Corporate Social Responsibility (CSR)

Company is required to spend money on Corporate Social Responsibility (CSR) activity as per CSR Rules under the Companies Act 2013. During the year Company has spent ₹ 2,381 lacs (₹ 932 lacs) out of required sum of ₹ 2,298 lacs (₹ 1,864 lacs). The CSR committee is in the process of evaluating various scheme to meet the requirement as per section 135 of the Companies Act, 2013 read with Schedule VII.

Details of amount spent towards CSR given below:

| Particulars | (₹ lacs) | |
|------------------------------------|--------------|------------|
| | 2017-18 | 2016-17 |
| Art & Culture | 15 | 13 |
| Early Childhood Care and Education | 935 | 171 |
| Education | 322 | 293 |
| Environment | 2 | 18 |
| Financial Literacy | 141 | 40 |
| Health & Medicine | 26 | 29 |
| Rural Development | 237 | 111 |
| Skill Development | 551 | 176 |
| Sports | 58 | - |
| Others | 96 | 81 |
| Grand Total | 2,381 | 932 |

26 EARNING PER SHARE

| | | |
|--|-------------|-------------|
| Net Profit attributable to equity shareholders for basic and diluted EPS | 116,565 | 280,630 |
| No. of Equity shares (Number) | 313,658,847 | 313,152,205 |
| Weighted Average No. of Equity Shares | 313,529,856 | 302,483,110 |
| Nominal value of Equity Shares (₹) | 10 | 10 |
| Earning Per Share (₹): | | |
| Basic | 37.18 | 92.78 |
| Diluted | 36.88 | 92.47 |

26.1 The reconciliation between the Basic and the Diluted Earning per Share is as follows:

| Particulars | (in ₹) | |
|-------------------------------------|-----------|-----------|
| | 2017 - 18 | 2016 - 17 |
| Basic Earning per share | 37.18 | 92.78 |
| Effect of outstanding Stock options | (0.30) | (0.31) |
| Diluted Earning per share | 36.88 | 92.47 |

For number of share

| Particulars | Current Year | Previous Year |
|---|--------------|---------------|
| Weighted average number of shares for Basic Earning per | 313,529,856 | 302,483,110 |
| Dilutive effect of outstanding Stock options | 2,534,811 | 1,006,913 |
| Weighted average number of shares for Diluted Earning | 316,064,666 | 303,490,023 |

27 LEASES

Operating Lease

The company has taken certain premises for office and residential use for its employees under cancellable and non cancellable operating lease agreements. Terms of the lease include terms for renewal, increase in rents in future periods and terms of cancellation. The total lease rent recognized as an expense during the year under the lease agreements amounts to ₹ 4,080 lacs (₹ 4,619 lacs).

Expected future minimum commitments during the non-cancellable period under the lease arrangements are as follows:

| | As at 31-03-2018 | As at 31-03-2017 |
|---|------------------|------------------|
| | | (₹ lacs) |
| Within one year | 358 | 567 |
| Later than one year but not later than five years | 219 | 766 |
| Later than five years | 14 | 121 |
| | 591 | 1,454 |

28

Two subsidiaries of the Company were amalgamated into the company pursuant to the Scheme of amalgamation (Scheme) under Section 391 to 394 of the Companies Act, 1956 approved by the Board of directors of all the three companies and sanctioned by the Hon'ble High Court of judicature at Bombay vide its order dated 27th July, 2012 and by the Hon'ble High Court of judicature at Delhi vide its order dated 4th January, 2013 which were filed with the Registrar of Companies on 31st January, 2013 being the effective date for the amalgamation scheme. In terms of the above scheme, the Assets and Liabilities of the subsidiary companies were amalgamated with DHFL at their respective fair value in the earlier years. Proportionate Fair value appreciation surplus amounting to ₹ 2,451 lacs (₹ 5,110 lacs) has been amortized out of the Capital Reserve and ₹ 2,826 lacs (₹ Nil) has been amortized out of the General Reserve in terms of the valuation report of the scheme.

29. Segment Reporting:

The Company has identified three reportable segments viz. Loans, Life Insurance and Asset Management. Segments have been identified and reported taking into account nature of services, the differing risks and returns and the internal business reporting systems. The accounting policies adopted for segment reporting are in line with the accounting policy of the Company with following additional policies for segment reporting.

a) Revenue and Expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and Expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

b) Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Investments, tax related assets and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Unallocable".

(Rs. in lacs)

| Particulars | Loans | | Life Insurance | | Asset Management | | Others | | Inter Segment | | Unallocated | | Total | |
|---|----------------|----------------|----------------|----------------|------------------|--------------|--------------|---------------|---------------|--------------|-----------------|-----------------|----------------|----------------|
| | Mar 31, 2018 | Mar 31, 2017 | Mar 31, 2018 | Mar 31, 2017 | Mar 31, 2018 | Mar 31, 2017 | Mar 31, 2018 | Mar 31, 2017 | Mar 31, 2018 | Mar 31, 2017 | Mar 31, 2018 | Mar 31, 2017 | Mar 31, 2018 | Mar 31, 2017 |
| Segment Revenue | 1,045,016 | 885,176 | - | 70,318 | 6,527 | 5,491 | 1,362 | 579 | - | - | - | - | 1,052,904 | 961,564 |
| Segment Result | 174,233 | 139,692 | - | 189,057 | 489 | 364 | 392 | (493) | - | - | - | - | 175,114 | 328,620 |
| Income Tax (Current) | - | - | - | - | - | - | - | - | - | - | 53,697 | 34,064 | 53,697 | 34,064 |
| Deferred tax | - | - | - | - | - | - | - | - | - | - | 4,852 | 13,926 | 4,852 | 13,926 |
| Income Tax | | | | | | | | | | | 58,549 | 47,990 | 58,549 | 47,990 |
| Total Result | 174,233 | 139,692 | - | 189,057 | 489 | 364 | 392 | (493) | - | - | (58,549) | (47,990) | 116,565 | 280,630 |
| Segment Assets | | | | | | | | | | | | | | |
| Assets | 10,674,264 | 9,136,499 | - | - | 8,229 | 4,283 | 31,735 | 33,008 | 153 | 128 | 48,350 | 55,088 | 10,762,732 | 9,229,007 |
| Liabilities | 9,841,734 | 8,402,243 | - | - | 2,331 | 1,202 | 26,734 | 21,429 | 153 | 128 | 35,796 | 30,945 | 9,906,748 | 8,455,947 |
| Net Assets | 832,531 | 734,256 | - | - | 5,898 | 3,082 | 5,001 | 11,580 | - | - | 12,554 | 24,143 | 855,984 | 773,060 |
| Other Information | | | | | | | | | | | | | | |
| Capital Expenditure | 66,935 | 8,592 | - | - | 60 | 65 | - | - | - | - | - | - | 66,995 | 8,657 |
| Depreciation | 2,763 | 2,330 | - | 712 | 81 | 1,304 | - | - | - | - | - | - | 2,844 | 4,346 |
| Non-cash expenses - other than Depreciation | 41,980 | 21,634 | - | 30,006 | - | - | - | - | - | - | - | - | 41,980 | 51,640 |

Note:

- The Loan segment providing loans to retail customers for construction or purchase of residential property, loans against property, loans to real estate developers etc.
- Life Insurance includes life insurance business carried through joint venture "DHFL Pramerica Life Insurance Co. Ltd., which is not consolidated w.e.f 31.3.2017 (Refer note 2.2)
- Asset Management segment include mutual fund, asset management company.
- Others include advisory services and profit from Associate.
- The group does not have any material operations outside India and hence disclosure of geographic segments is not given.

| | | (₹ lacs) | |
|----|--|------------------|------------------|
| 30 | Contingent liability : | As at 31-03-2018 | As at 31-03-2017 |
| | Guarantees provided by the Company | 10,730 | 24,130 |
| | Claims against the Company not acknowledged as debts | 1,891 | 919 |
| | Income Tax Demand | - | - |
| | Share in jointly controlled entities | - | - |
| | Share in associates | - | 14 |

30.1 Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances) is ₹ 4,007 lacs (₹ 8,380 lacs).

30.2 Contingent Liability in respect of undertaking provided by the Company for meeting the shortfall in collection, if any, at the time of securitisation of receivables outstanding as at 31st March, 2018 amounting to ₹ 28,608 lacs (₹ 34,067 lacs) . The outflows would arise in the event of short collection, in the Cash inflows of the pool of securitised receivable.

| | | (₹ lacs) | |
|----|--|------------------|------------------|
| 31 | AUDITORS REMUNERATION : | As at 31-03-2018 | As at 31-03-2017 |
| | Audit Fees | 159 | 137 |
| | Tax Audit Fees | 12 | 12 |
| | Certification and Other Matters (*) | 84 | 169 |
| | Audit Fees of Branch / Components Auditors | 55 | 53 |
| | Reimbursement of Expenses | 10 | 13 |
| | Service Tax/GST | 24 | 12 |
| | | 344 | 396 |

* Certification and other matters includes ₹ Nil (₹ 72 lacs) paid towards fees for public issue of Secured Non Convertible Debentures(NCD) and utilised out of Securities Premium account over a period of NCD.

32 RELATED PARTY TRANSACTIONS

As per Accounting Standard (AS 18) on "Related Party Disclosures" details of transactions with related parties as defined therein are given below:

A) List of related parties with whom transaction have taken place during the year and relationship:

1) Companies

(i) Subsidiaries

a DHFL Investments Limited

(ii) Joint Ventures

a DHFL Pramerica Life Insurance Company Limited

(iii) Associate Companies

- a. Avanse Financial Services Limited
b. DHFL Venture Trustee Company Private Limited
c. DHFL Vysya Housing Finance Limited
d. Aadhar Housing Finance Limited (Formerly known as DHFL Vysya Housing Finance Limited)
e. Aadhar Housing Finance Limited (Erstwhile)

(iv) Enterprises over which KMP are able to exercise significant influence

- a. Arthveda Fund Management Private Limited
b. Wadhawan Holdings Private Limited
c. Dish Hospitality Private Limited
d. WGC Management Services Private Limited
e. Wadhawan Sports Private Limited
f. Essential Hospitality Private Limited
g. DHFL General Insurance Limited (w.e.f. 1st November, 2017)
h. DHFL Changing Lives Foundation (w.e.f.1st December, 2017)

2) Key Management Personnel

- a. Mr. Kapil Wadhawan Chairman & Managing Director
b. Mr. Harshil Mehta Chief Executive Officer & Joint Managing Director
c. Mr. Santosh Sharma Chief Finance Officer

3) Relatives of Key Management Personnel

- a. Mr. Dheeraj Wadhawan
b. Mrs Aruna Wadhawan

B) Nature of transactions :

(₹ in lacs)

| Nature of Transactions | Subsidiary | | Associate Companies/Others* | | Investing Party and its Group Company | | Key Management Personnel | |
|---|------------|---------|-----------------------------|---------|---------------------------------------|---------|--------------------------|---------|
| | 2017-18 | 2016-17 | 2016-17 | 2016-17 | 2017-18 | 2016-17 | 2017-18 | 2016-17 |
| 1) Investments | | | | | | | | |
| Investment Made | 120 | 10,005 | 7,736 | - | - | - | - | - |
| Investment Redeemed\Sold | - | - | - | 2 | - | - | - | - |
| 2) Loans, Advances and Deposits Paid | | | | | | | | |
| Given | 20 | 112 | 122 | 1,215 | - | - | 20 | 95 |
| Recovered | 130 | 2 | - | - | - | - | 46 | 22 |
| 3) Loans, Advances and Deposits Received | | | | | | | | |
| Received | - | - | 416 | 0.29 | - | - | - | - |
| Repaid | - | - | - | - | - | - | - | - |
| 4) Shares Issued | - | - | - | - | - | 30,000 | - | - |
| 5) Income | | | | | | | | |
| Commission Income | - | - | 5,029 | - | - | - | - | - |
| Trademark Licence Fees | - | - | 4,384 | - | - | - | - | - |
| Trustee Ship fee | - | - | - | - | - | 50 | - | - |
| Dividend | - | - | 73 | 10 | - | - | - | - |
| Interest | - | - | - | - | - | - | 22 | 23 |
| Rent | - | - | 974 | 390 | - | - | - | - |
| Other income | - | - | - | - | - | - | 0.10 | 0.25 |
| IT Support Fees | - | - | 105 | 83 | - | - | - | - |
| Internal Audit Fees | - | - | 8 | 39 | - | - | - | - |
| Technical Fees | - | - | 8 | 9 | - | - | - | - |
| Maintenance Charges | - | - | 68 | - | - | - | - | - |
| 6) Expenditure | | | | | | | | |
| Remuneration | - | - | - | - | - | - | 1,272 | 785 |
| Rent Expenses | - | - | 1,895 | 904 | - | - | - | - |
| Brokerage and Marketing Fees | - | - | 32 | 20 | - | - | - | - |
| Commission | - | - | - | 40 | - | - | - | - |
| Sponsorship | - | - | - | 100 | - | - | - | - |
| Service Charges | - | - | 1 | - | - | - | - | - |
| Canteen Expenses | - | - | 115 | 108 | - | - | - | - |

| Nature of Transactions | Subsidiary | | Associate Companies/Others* | | Investing Party and its Group Company | | Key Management Personnel | |
|--|-----------------|---------|-----------------------------|---------|---------------------------------------|---------|--------------------------|---------|
| | 2017-18 | 2016-17 | 2016-17 | 2016-17 | 2017-18 | 2016-17 | 2017-18 | 2016-17 |
| CSR Expenses | - | - | - | 579 | - | - | - | - |
| Insurance | - | - | - | 65 | - | - | - | - |
| 7) Sale of Investments | - | 200,052 | - | - | - | - | - | - |
| 8) Purchase of Loans (Securitisation) | - | - | - | 30,863 | - | - | - | - |
| 11) Closing Balances | | | | | | | | |
| Loans, Advances and Deposits given | - | 110 | 1,347 | 2,167 | - | - | 289 | 289 |
| Loans, Advances and Deposits Received | - | - | 432 | 88 | 10.00 | 10 | - | - |
| Investments | 10,125 | 10,005 | 14,529 | 6,793 | - | - | - | - |
| 12) Guarantees | Note (iv) & (v) | | | | | | Note (iv) | |

| Details of Transactions | Subsidiary | | Associate Companies | | Investing Party and | | Key Management | |
|--|------------|---------|---------------------|---------|---------------------|---------|----------------|---------|
| | 2017-18 | 2016-17 | 2016-17 | 2015-16 | 2016-17 | 2015-16 | 2017-18 | 2016-17 |
| INCOME received from | | | | | | | | |
| 1) Commission | | | | | | | | |
| DHFL General Insurance Ltd | - | - | 1,910 | - | - | - | - | - |
| DHFL Pramerica Life Insurance Co Ltd | - | - | 3,119 | - | - | - | - | - |
| 2) Trademark Licence Fees | | | | | | | | |
| DHFL General Insurance Ltd | - | - | 4,384 | - | - | - | - | - |
| 3) Dividend Income | | | | | | | | |
| Aadhar Housing Finance Limited (Formerly known as DHFL Vysya Housing Finance Limited) | - | - | 73 | 10 | - | - | - | - |
| 4) Interest | | | | | | | | |
| Mr. Harshil Mehta | - | - | - | - | - | - | 2 | 2 |
| Mr. Santosh Sharma | - | - | - | - | - | - | 20 | 21 |
| 5) Rent | | | | | | | | |
| Arthveda Fund Management Private Limited | - | - | 66 | 71 | - | - | - | - |
| Aadhar Housing Finance Limited (Erstwhile) | - | - | - | 105 | - | - | - | - |
| Aadhar Housing Finance Limited (Formerly known as DHFL Vysya Housing Finance Ltd.) | - | - | 152 | - | - | - | - | - |
| Avanse Financial Services Ltd | - | - | 273 | 6 | - | - | - | - |
| WGC Management Services Private Limited | - | - | 218 | 208 | - | - | - | - |
| DHFL General Insurance Ltd | - | - | 265 | - | - | - | - | - |
| 6) Other Income | | | | | | | | |
| Mr. Harshil Mehta | - | - | - | - | - | - | 0.05 | - |
| Mr. Santosh Sharma | - | - | - | - | - | - | 0.05 | 0.25 |
| 7) IT Support Fees | | | | | | | | |
| Aadhar Housing Finance Limited (Erstwhile) | - | - | - | 44 | - | - | - | - |
| Aadhare Housing Finance Limited (Formerly known as DHFL Vysya Housing Finance Limited) | - | - | 90 | 27 | - | - | - | - |
| Avanse Financial Services Ltd | - | - | 15 | 12 | - | - | - | - |
| 8) Internal Audit Fees | | | | | | | | |
| Aadhar Housing Finance Limited (Erstwhile) | - | - | - | 35 | - | - | - | - |
| Aadhare Housing Finance Limited (Formerly known as DHFL Vysya Housing Finance Limited) | - | - | 6 | - | - | - | - | - |
| Avanse Financial Services Pvt Ltd | - | - | 2 | 4 | - | - | - | - |
| 9) Technical Fees | | | | | | | | |
| Avanse Financial Services Pvt Ltd | - | - | 8 | 9 | - | - | - | - |
| 10) Maintenance Charges | | | | | | | | |
| Avanse Financial Services Ltd | - | - | 34 | - | - | - | - | - |
| DHFL General Insurance Ltd | - | - | 34 | - | - | - | - | - |
| 11) Trusteeship Fee | | | | | | | | |
| DHFL Pramerica Mutual Fund | - | - | - | - | - | 50 | - | - |
| 12) Sale of Investments | | | | | | | | |
| DHFL Investments Limited | - | 200,052 | - | - | - | - | - | - |

| Nature of Transactions | Subsidiary | | Associate Companies/Others* | | Investing Party and its Group Company | | Key Management Personnel | |
|---|------------|---------|-----------------------------|---------|---------------------------------------|---------|--------------------------|---------|
| | 2017-18 | 2016-17 | 2016-17 | 2016-17 | 2017-18 | 2016-17 | 2017-18 | 2016-17 |
| EXPENDITURE: | | | | | | | | |
| 1) Rent, Rates & Taxes | | | | | | | | |
| Wadhawan Holdings Private Limited | - | - | 241 | 229 | - | - | - | - |
| Essential Hospitality Private Limited | - | - | 1,654 | 675 | - | - | - | - |
| 2) Remuneration | | | | | | | | |
| Mr. Kapil Wadhawan | - | - | - | - | - | - | 399 | 325 |
| Mr. Harshil Mehta | - | - | - | - | - | - | 522 | 358 |
| Mr. Santosh Sharma | - | - | - | - | - | - | 351 | 102 |
| 3) Brokerage and Marketing Fees | | | | | | | | |
| Avanse Financial Services Ltd | - | - | 32 | 20 | - | - | - | - |
| 4) Canteen Expenses | | | | | | | | |
| Dish Hospitality Private Limited | - | - | 115 | 108 | | | | |
| 4) Service Charges | | | | | | | | |
| Aadhar Housing Finance Limited (Formerly known as DHFL Vysya Housing Finance Limited) | - | - | 1 | - | - | - | - | - |
| 5) Sponsorship | | | | | | | | |
| Wadhawan Sports Private Limited | - | - | - | 100 | - | - | - | - |
| 6) Commission | | | | | | | | |
| DHFL Vysya Housing Finance Limited | - | - | - | 40 | - | - | - | - |
| 7) CSR Expenses | | | | | | | | |
| DHFL Changing Lives Foundation | - | - | 579 | - | - | - | - | - |
| 9) Insurance | | | | | | | | |
| DHFL Pramerica Life Insurance Co Ltd | - | - | 65 | - | - | - | - | - |
| ASSETS \ LIABILITIES | | | | | | | | |
| 1) Investments made | | | | | | | | |
| DHFL Investments Limited | 120 | 10,005 | - | - | - | - | - | - |
| Avanse Financial Services Ltd | - | - | 7,736 | - | - | - | - | - |
| 2) Investments sold / redeemed | | | | | | | | |
| DHFL Venture Trustee Co. Pvt Ltd | - | - | - | 2 | - | - | - | - |
| 3) Loans, Advances and Deposit given | | | | | | | | |
| DHFL Investments Limited (For incorporation) | 20 | 112 | - | - | - | - | - | - |
| DHFL Pramerica Life Insurance Co Ltd | - | - | 964 | - | - | - | - | - |
| Essential Hospitality Private Limited (Security Dep | - | - | - | 1,215 | - | - | - | - |
| DHFL General Insurance Limited | - | - | 100 | - | - | - | - | - |
| Wadhawan Holding Private Limited | - | - | 22 | - | - | - | - | - |
| Mr. Harshil Mehta | - | - | - | - | - | - | - | 41 |
| Mr. Santosh Sharma | - | - | - | - | - | - | 20 | 54 |
| 4) Loans, Advances and Deposit Repaid | | | | | | | | |
| DHFL Investments Limited | 130 | 2 | - | - | - | - | - | - |
| Mr. Harshil Mehta | - | - | - | - | - | - | 0.003 | - |
| Mr. Santosh Sharma | - | - | - | - | - | - | 46 | 22 |
| 5) Security Deposit Received | | | | | | | | |
| Avanse Financial Services Ltd | - | - | 208 | 0.29 | - | - | - | - |
| DHFL General Insurance Limited | - | - | 208 | - | - | - | - | - |
| 6) Issue of Equity Shares | | | | | | | | |
| PGLH of Delaware, INC | - | - | - | - | - | 30,000 | - | - |
| 7) Purchase of Loans (Securitisation) | | | | | | | | |
| Aadhar Housing Finance Limited (Erstwhile) | - | - | - | 30,863 | - | - | - | - |
| CLOSING BALANCES | | | | | | | | |
| 1) Advances Recoverable from | | | | | | | | |
| DHFL Investments Limited | - | 110 | - | - | - | - | - | - |
| Aadhar Housing Finance Limited (Formerly known as DHFL Vysya Housing Finance Limited) | - | - | 105 | - | - | - | - | - |
| Arthveda Fund Management Private Limited | - | - | - | 30 | - | - | - | - |
| Essential Hospitality Private Limited | - | - | 1,215 | 1,215 | - | - | - | - |
| Aadhar Housing Finance Limited (Securitisation) | - | - | - | 922 | - | - | - | - |

| Nature of Transactions | Subsidiary | | Associate Companies/Others* | | Investing Party and its Group Company | | Key Management Personnel | |
|---|------------|---------|-----------------------------|---------|---------------------------------------|---------|--------------------------|---------|
| | 2017-18 | 2016-17 | 2016-17 | 2016-17 | 2017-18 | 2016-17 | 2017-18 | 2016-17 |
| Aadhar Housing Finance Limited (Formerly known as DHFL Vysya Housing Finance Limited) | | | 606 | | | | | |
| Wadhawan Holding Private Limited | - | - | 22 | - | - | - | - | - |
| Avanse Financial Services Ltd | - | - | 5 | - | - | - | - | - |
| DHFL General Insurance Limited | - | - | 3,220 | - | - | - | - | - |
| Mr. Harshil Mehta | - | - | - | - | - | - | 67 | 67 |
| Mr. Santosh Sharma | - | - | - | - | - | - | 222 | 248 |
| 2) Amount Payable to | | | | | | | | |
| Aadhar Housing Finance Limited (Erstwhile) | - | - | - | 17 | - | - | - | - |
| Aadhar Housing Finance Limited (Formerly known as DHFL Vysya Housing Finance Limited) | - | - | 16 | - | - | - | - | - |
| Dish Hospitality Private Limited | - | - | 1 | 10 | - | - | - | - |
| Wadhawan Holding Private Limited | - | - | - | 40 | - | - | - | - |
| Avanse Financial Services Ltd | - | - | 208 | 0.29 | - | - | - | - |
| Aadhar Housing Finance Limited (Erstwhile) (Secu | - | - | - | 21 | - | - | - | - |
| DHFL General Insurance Limited | - | - | 208 | - | - | - | - | - |
| PGLH of Delaware, INC | - | - | - | - | 10.00 | 10 | - | - |
| 3) Investments | | | | | | | | |
| DHFL Investments Limited | 10,125 | 10,005 | - | - | - | - | - | - |
| Aadhar Housing Finance Limited (Erstwhile) | - | - | - | 1,490 | - | - | - | - |
| Aadhar Housing Finance Limited (Formerly known as DHFL Vysya Housing Finance Limited) | - | - | 1,805 | 315 | - | - | - | - |
| DHFL Venture Trustee Co. Pvt. Ltd. | - | - | - | - | - | - | - | - |
| Avanse Financial Services Ltd | - | - | 12,724 | 4,988 | - | - | - | - |

Notes

- i) The remuneration to KMP is inclusive of salary & perquisites
- ii) The figures of income and expenses are net of service tax.
- iii) The transactions with the related parties are disclosed only till the relationship exists.
- iv) Term loans from banks and loans from NHB are further guaranteed by personal guarantees of Mr Kapil Wadhawan and Mr Dheeraj Wadhawan
- v) Loans from NHB are further guaranteed by personal guarantee of Mrs Aruna Wadhawan and Corporate Guarantee of Wadhawan Global Capital Limited
- vi) # Others includes enterprise over which KMP are able to exercise significant influence
- vii) * Others includes Enterprises over which KMP are able to exercise significant influence
- viii) Managerial remuneration excludes the contribution for gratuity as the incremental liability has been accounted by the Company as a whole.
- ix) There are no provisions for doubtful debts or amount written off or written back for debts due from or due to related parties.

33 Employee Benefit Plans

Both the employees and the company makes predetermined contribution to the provident fund. Amount recognised as expense amounts to Rs. 1,281 lacs (Rs, 1,033 lacs)

The Company provides for gratuity, a defined benefit plan (the Gratuity Plan), to its employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement or termination of employment, an amount based on the respective employee's last drawn salary and years of employment with the Company. The Company has employee's gratuity fund managed by the Life Insurance Corporation of India and Canara HSBC.

(₹ Lacs)

| | Gratuity (Funded) | | Long Term Service Awards (Funded) | |
|--|-------------------|--------------|-----------------------------------|----------------|
| | 2017-18 | 2016-17 | 2017-18 | 2016-17 |
| A. Reconciliation of change in the Defined Benefit Obligations: | | | | |
| Liability at the beginning of the year | 1221 | 1038 | - | 16.46 |
| Current Service Cost | 248 | 220 | - | 2.76 |
| Interest Cost | 93 | 82 | - | 1.17 |
| Past Service Cost | 80 | 0 | - | - |
| Benefits Paid | (179) | (314) | - | (0.35) |
| Benefit Paid directly by the Employer | (64) | 0 | - | - |
| Actuarial Loss/ (Gain) | 300 | 239 | - | (3.66) |
| Liability at the end of the year | 1699 | 1265 | - | 16.39 |
| B. Reconciliation of changes in Fair Value of Plan Assets : | | | | |
| Fair Value of Plan Assets at the beginning of the year | 1443 | 1462 | - | - |
| Expected Return on Plan Assets | 109 | 117 | - | - |
| Contributions | 483 | 145 | - | 0.70 |
| Benefits Paid | (179) | (216) | - | (0.70) |
| Actuarial (Loss) | (1) | (24) | - | - |
| Fair Value of Plan Assets at the end of the year | 1855 | 1485 | - | - |
| C. Actual Return on Plan Assets: | | | | |
| Expected Return on Plan Assets | 109 | 117 | - | - |
| Actuarial (Loss) | (1) | (24) | - | - |
| Actual Return on Plan Assets at the end of the year | 108 | 93 | - | - |
| D. Amount Recognised in the Balance Sheet: | | | | |
| Liability at the end of the year | 1699 | 1265 | - | 16.39 |
| Fair Value of Plan Assets at the end of the year | 1855 | 1485 | - | - |
| Net Asset recognized in the Balance Sheet | 156 | 219 | - | (16.39) |
| E. Expense Recognised in the Profit and Loss Account: | | | | |
| Current Service Cost | 248 | 220 | - | 2.76 |
| Interest Cost | 93 | 82 | - | 1.17 |
| Past Service Cost | 80 | 0 | - | - |
| Expected Return on Plan Assets | (109) | (117) | - | - |
| Net Actuarial Loss | 301 | 263 | - | (3.66) |
| Expense recognised in the Statement of Profit & Loss | 613 | 448 | - | 0.28 |
| F. Reconciliation of the Net Assets at the end of the year | | | | |
| Opening Net Liability | (222) | (425) | - | 16.46 |
| Expense Recognised | 613 | 448 | - | 0.28 |
| Contributions | (483) | (145) | - | - |
| Benefit Paid directly by the Employer | (64) | (98) | - | 0.35 |
| Liability at the end of the year | (156) | (220) | - | 16.39 |
| G. Actuarial Assumptions | | | | |
| Mortality Table (LIC) | 2006-08 | 2006-08 | | |
| Discount Rate (P. A.) | 7.87% | 7.57% | | |
| Rate of Escalation in Salary (P.A.) | 6.00% | 5.00% | | |

| | 2017-18 | 2016-17 | 2015-16 | 2014-15 | 2013-14 |
|---|---------|---------|---------|---------|---------|
| Amount Recognised in the Balance Sheet: | 156 | 220 | 424 | 361 | 56 |
| Liability at the end of the year | 1,699 | 1,308 | 1,308 | 863 | 984 |
| Fair Value of Plan Assets at the end of the year | 1,855 | 1,526 | 1,463 | 1,128 | 928 |
| Amount recognised in the Balance Sheet under | | | | | |
| Long-term Provision for Employee Benefit | - | (5) | (3) | 48 | 58 |
| Short-term Provision for Employee Benefits | 156 | 222 | 427 | 313 | (2) |
| Experience Adjustment : | 162 | 181 | 81 | (348) | 483 |
| On Plan Liabilities | (1) | (23) | 10 | 70 | 263 |
| On Plan Assets | 222 | 26 | - | - | 38 |
| Estimated Contribution for next financial year | - | - | - | 38 | 41 |

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

34. Additional Information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial statements to the Schedule III to the Companies Act, 2013

(As on / for the year ended March 31, 2017)

| Sr. No | Name of Entity | Net assets i.e. Total Assets minus total Liabilities | | Share of Profit / (Loss) | |
|--|--|--|-----------------|-------------------------------------|-----------------|
| | | As % of Consolidated bet assets | Amount (In Lac) | As % of consolidated Profit or loss | Amount (In Lac) |
| Parent | | | | | |
| 1 | Dewan Housing Finance Corporation Ltd | | 879,564 | | 117,213 |
| | less(-) Elimination | | (55,795) | | (73) |
| | Net of Eliminations | 96.24% | 823,769 | 100.49% | 117,140 |
| Subsidiaries - Indian | | | | | |
| 1 | DHFL Advisory & Investment Pvt. Ltd. | 0.37% | 3,143 | -1.90% | (2,210) |
| 2 | DHFL Investments Ltd * | 0.00% | - | 0.00% | - |
| Associates (Investment as per the equity Method) - Indian | | | | | |
| 1 | Avanse Financial Services Ltd. | 1.84% | 15,757 | 0.29% | 333 |
| 2 | DHFL Vysya Housing Finance Ltd | 0.75% | 6,401 | 0.78% | 913 |
| 3 | DHFL Venture Trustee Company Private Ltd * | 0.00% | - | 0.00% | - |
| 4 | Aadhar Housing Finance Ltd | 0.00% | - | 0.00% | - |
| Joint Venture (Investment as per Proportianate Consolidation Method) - Indian | | | | | |
| 1 | DHFL Pramerica Life Insurance Co. Ltd. * | 0.00% | - | 0.00% | - |
| 2 | DHFL Pramerica Asset Management Co. Ltd. | 0.81% | 6,908 | 0.33% | 388 |
| 3 | DHFL Pramerica Trustees Ltd | 0.00% | 6 | 0.00% | 3 |
| Total | | 100.00% | 855,984 | 100.00% | 116,565 |

* These companies are not consolidated for the reason stated in note no 2.2

35 In respect of jointly controlled entity, the Company's share of Assets, Liabilities, Income & Expenses are as follows:

(₹ lacs)

| Name of the Entity Interest in the Entity | DHFL Pramerica Life Insurance Co Ltd * | | DHFL Pramerica Asset Managers Pvt Ltd | | DHFL Pramerica Trustees Pvt Ltd | |
|--|--|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| | 50% | | 50% | | 50% | |
| | As at 31st March 2018 (Audited) | As at 31st March 2017 (Audited) | As at 31st March 2018 (Audited) | As at 31st March 2017 (Audited) | As at 31st March 2018 (Audited) | As at 31st March 2017 (Audited) |
| I) Assets | - | - | 9,231 | 7,715 | 14 | 10 |
| II) Liabilities | - | - | 2,323 | 1,195 | 8 | 7 |
| III) Income | - | 70,328 | 6,487 | 5,484 | 40 | 25 |
| IV) Expenses | - | 66,807 | 6,000 | 5,101 | 37 | 26 |

* Disposed on 31 March, 2017

36 Figures for the previous year have been regrouped, rearranged and reclassified wherever necessary. Figures in brackets represent previous year's figures.

DEWAN HOUSING FINANCE CORPORATION LIMITED

Notes forming part of the Consolidated financial statements for the year ended 31st March, 2016.

1 SIGNIFICANT ACCOUNTING POLICIES:

1.1 Basis of preparation of financial statements :

a) i. Other than Insurance Companies

These financial statements are prepared and presented in accordance with the Generally Accepted Accounting Principles (GAAP) under historical cost convention on accrual basis of accounting and comply with the Accounting Standards as prescribed under section 133 of the Companies Act, 2013 and the guidelines issued by the National Housing Bank.

ii. Insurance Companies

The financial statements are prepared under the historical cost convention on the accrual basis of accounting, in accordance with the accounting principles and framework prescribed by the Insurance Regulatory and Development Authority of India (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, the Accounting Standards specified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent applicable and the requirements of the Insurance Act 1938 as amended by Insurance (Amendment) Act, 2015, Insurance Regulatory and Development Authority Act, 1999, and various circulars issued there under and the practices prevailing within the insurance industry in India. The accounting policies have been consistently applied by the Company.

b) The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statement are prudent and reasonable. The future results could differ due to these estimates and the differences between the actual results and estimates are recognised in the periods in which the results are known / materialise.

c) Based on the nature of its activities, the Company has determined its operating cycle as 12 months for the purpose of classification of its Assets and Liabilities as current and non current.

d) Amounts in the financial statements are presented in ₹ Lacs, except for per share data and as otherwise stated.

1.2 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. In addition, the following criteria must also be met before revenue is recognised:

a) Interest on housing loans / other assets:

Repayment of housing loans is by way of Equated Monthly Installments (EMI) comprising principal and interest. Interest is calculated each period on the outstanding balance at the beginning of the Company's financial year or on monthly reducing balance in terms of financing scheme opted by the borrower. EMI generally commences once the entire loan is disbursed. Pending commencement of EMI, pre-EMI monthly interest is payable.

Interest on performing assets comprising of fixed deposits, Certificate of Deposits, Debentures etc. are recognized on accrual basis and on non-performing assets on realisation basis as per the guidelines prescribed by the National Housing Bank.

b) Premium Income form Life Insurance Business :

Premium is recognized as income when due. Premium on lapsed policies is recognized as income in the year in which they are reinstated. For linked business, premium income is recognized when the associated units are created. Top-up premiums (i.e. premium paid in excess of annual target premium as per policy contract) are recognized as single premium income when associated units are created.

Premium ceded is accounted at the time of recognition of the premium income in accordance with the treaty or in-principle arrangement with the reinsurers.

c) In case of linked policies of insurance business, charges recovered from the fund by deduction of units are recognized as income when associated units are cancelled. Fund Management charges recovered from NAV of ULIP Funds are accounted for on accrual basis.

d) Dividend income on investments is recognised when the right to receive the same is established. In term of Housing Finance Companies (NHB) Direction 2010 Dividend Income on units of Mutual Funds held by the Company are recognised on Cash Basis.

e) Processing fees and other loan related charges are recognized when it is reasonable to expect ultimate collection which is generally at the time of Login / disbursement of the loan.

f) Additional / Overdue / penal interest / charges on delayed EMI/PEMI are recognised only when it is reasonably certain that the ultimate collection will be made.

g) Income from services including trade mark license fees is recognized after the service is rendered and to the extent it is probable that the economic benefits will flow to the Company and that the revenue can be reliably measured.

h) Management and Trusteeship Fees - Mutual Fund

i. Management and Trusteeship Fees are accrued at agreed rates on the daily net assets of the Mutual Fund Schemes using proportionate completion method.

ii. Portfolio Management fees are recognised on an accrual basis in accordance with portfolio management agreement entered with respective client using proportionate completion method.

i) Amortisation of Discount/Premium

Accretion of discount or amortization of premium to the face value in respect of debt securities, for funds other than linked funds, is recognized over the remaining period to maturity/holding period on straight line basis.

In case of discounted instruments, the difference between the redemption value and book value is accreted over the life of the instrument, on straight line basis.

1.3 Interest & Ancillary Financial Cost :

Interest and other related financial charges are recognized as an expense in the period for which they relate as specified in Accounting Standard (AS 16) on "Borrowing Costs". Ancillary costs in connection with the borrowings and deposit are amortized to Statement of Profit and Loss over the tenure of loan / deposit. Brokerage on deposits taken is amortized over the period of deposit.

Share / debenture issues expenses and premium / discount on issue of debentures (net of tax) are adjusted against the Securities premium account as permissible under the Companies Act, 2013 over the tenure of securities.

Interest accrued on cumulative fixed deposits and payable at the time of maturity is clubbed with the principal amount on the date of periodical rest when interest is credited in Fixed Deposit account in accordance with the particular deposit scheme.

1.4 Claims paid and other expenses pertaining to life insurance business :

Benefits paid consist of the policy benefit amount and specific claim settlement costs, wherever applicable. Death, Surrender and other claims are recognized as expense when intimated to the Company. Withdrawals and surrenders under linked policies are accounted in the respective schemes when the associated units are cancelled /redeemed. Maturity claims are recognized when due for payment. An additional provision is made for the benefits which are incurred but not reported to the Company. Repudiated claims disputed before judicial authorities are provided for based on management prudence considering the facts and evidences available in respect of such claims. Reinsurance recoverable, where applicable, is recognized in the same period as of the claim and netted off against claim expense incurred.

Acquisition costs are those costs that vary with and are primarily related to the acquisition of new and renewal insurance contracts. The most essential test is the obligatory relationship between costs and the execution of insurance contracts (i.e. commencement of risk). Acquisition costs are expenses incurred to solicit and underwrite insurance contract including commission and are expensed in the year in which they are incurred. Claw back of first year commission paid will be accounted in the year in which it is recovered

1.5 Foreign Exchange Transactions :

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction.

Monetary Assets and liabilities in foreign currencies are converted at the rates of exchange prevailing on the date of the financial statement. The net gain or loss on account of exchange differences either on settlement or on translation are recognized in the Statement of Profit and Loss.

In respect of Forward Exchange Contracts, the premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts on reporting dates are recognized in the Statement of Profit and Loss. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as an expense in that year.

Derivative Transactions:

As a part of its risk management strategy, the Company has entered into derivatives like Interest Rate Swap, Cross Currency Swaps and Forward Contracts having the same notional amount and maturity as the underlying borrowings which are designated as fair value / cash flow hedge as applicable, as per Guidance Note on Derivatives (2015) issued by Institute of Chartered Accountants of India. All outstanding derivative contracts are marked-to-market as at the year end. The changes in fair value of hedges are recorded in income statement together with change in the fair value of underlying liability. Any profit/loss arising on cancellation/unwinding of derivative contracts are recognised as income or expenses.

1.6 Provision for Contingencies :

The Company makes provision towards Non Performing Assets and Standard Assets as per the Prudential Norms prescribed by the National Housing Bank. The Company also makes assessment of its portfolio and creates additional provision to meet unforeseen contingencies.

A loan is recognized as Sub Standard Assets or Doubtful or Loss Assets based on the period for which the repayment installment or interest has remained in arrears as prescribed under NHB Guidelines.

1.7 Investments :

i. Other than Insurance Business

Investments are accounted at cost inclusive of brokerage, fees and stamp charges and are classified into two categories, viz. Current or Long-Term based on management's intention at the time of purchase.

Current investments are carried category wise, at the lower of cost and fair value, whereas Long-Term investments are carried at cost less provision for diminution, other than temporary, in the value of such investments. Unquoted current investment in units of Mutual Funds are valued as per NAV of the Plan.

Provision for diminution in the value of investments is made in accordance with the guidelines issued by the National Housing Bank and the Accounting Standard on 'Accounting for Investments' (AS 13) and is recognised through the Provision for Contingencies Account.

ii. Insurance Business

Investments are made in accordance with the provisions of the Insurance Act, 1938, as amended by Insurance Amendment Act 2015 and the Insurance Regulatory and Development Authority (Investment) Regulations, 2000 as amended from time to time and various other circulars/notifications issued by the IRDAI in this context from time to time. Investments are recorded at cost on the date of purchase, which includes brokerage and statutory levies, however excludes interest paid (i.e. interest accrued since the previous coupon date), if any.

1.8 Property, Plant & Equipment :

Tangible Fixed Assets are stated at cost less accumulated depreciation and impaired losses, if any. All directly attributable costs including borrowing cost, net of cenvat credit, till the asset is put to use is shown as capital work in progress and is capitalised thereafter.

Depreciation on fixed assets is provided on straight-line method by considering useful lives of assets which are same as specified in part 'C' of schedule II to the Companies Act, 2013.

1.9 Intangible Assets and Amortization:

Intangible assets comprising of system software are stated at cost less accumulated amortization.

Intangible assets are amortised over their estimated useful life of 3 to 6 years on straight line method.

1.10 Impairment of Assets :

Impairment losses (if any) on Assets are recognized in accordance with the Accounting Standard 28 "Impairment of Assets". The Company assesses at each Balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the assets. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value.

1.11 Leases:

Operating Leases

Lease rentals in respect of assets taken on "Operating Leases" are charged to the Statement of Profit and Loss on straight line basis over the lease term.

Finance Leases

Finance leases, which effectively transfer to the Company substantially all the risks and rewards incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease and are accordingly disclosed. The capital element of the leasing commitments is shown as Secured liabilities. Lease payments are apportioned between the finance charges and reduction of the corresponding liability based on the implicit rate of return.

1.12 Statutory / Special Reserve :

The Company creates Statutory / Special Reserve every year out of its profits in terms of Sec 36(1) (viii) of the Income Tax Act, 1961 read with Sec 29C of the National Housing Bank Act, 1987.

1.13 Prepaid Expenses :

Financial & Other Expenses incurred during the year which relates to future accounting years and brokerage paid on long term fixed deposits has been treated as revenue expense only for the period relating to the current year and balance is treated as prepaid expenses to be adjusted on pro-rata time basis of respective instrument in the future accounting years.

1.14 Mutual Fund Expenses

i) Annual recurring expenses related to the schemes of mutual fund which are in excess of internal expense limits are borne by the Company.

ii) The Company also absorbs the expenses relating to the launch of the schemes of Pramerica Mutual Fund.

iii) Upfront brokerage on close ended fixed tenure schemes is amortised over the tenure of the respective scheme and in case of Equity Linked Saving Scheme (ELSS), upfront brokerage is amortised over three years. The unamortized portion of the brokerage is carried forward as prepaid expense. Any other brokerage is charged to Statement of Profit and Loss in the year in which it is incurred.

1.15 Employees Benefits :

a) Company's contribution in respect of Employees' Provident Fund made to Government is considered as defined contribution plan and is charged to the Statement of Profit & Loss.

b) Gratuity Fund Scheme is considered as defined benefit plan. The Company's liability is determined on the basis of an actuarial valuation using the Projected Unit Credit Method as at Balance Sheet date. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised in the Statement of Profit and Loss as Income or Expenses, as applicable in the period in which they occur.

c) Compensated Absences are accounted for on the basis of actuarial valuation at the year end using the projected Unit Credit Method. Actuarial gains / losses are recognized in the Statement of Profit & Loss in the period in which they occur.

d) Short-term employee benefits:

The undiscounted amount of short-term employee benefits expected to be paid in respect of services rendered by employees are recognised during the year when the employees render the service.

- e) Company has introduced the Employee Stock Option Scheme ('the Scheme') which provides the grant of options to acquire equity shares of the Company to its employees. The options granted to employees vest in a graded manner and these may be exercised by the employees within a specified period.

The Company follows the intrinsic value method to account for its stock-based employee compensation plans. Compensation cost is measured by the excess, if any, of the market price of the underlying stock over the exercise price as determined under the option plan. The market price is the closing price on the stock exchange where there is highest trading volume on the working day immediately preceding the date of grant. Compensation cost, if any, is amortised over the vesting period.

The Company has also approved the grant of Employee Stock Appreciation Rights (SARs) to the eligible employees of the Company. The said SARs shall carry the right to apply for number of equity shares of the Company, equivalent to Appreciation in those rights, over the grant price.

The Company follows the intrinsic value method to account for its Employee Stock Appreciation Rights (SARs). Compensation cost is measured by the excess, if any, of the market price of the underlying stock over the exercise price as determined under the option plan. The market price is the closing price on the stock exchange where there is highest trading volume on the working day immediately preceding the date of grant. Compensation cost, if any, is amortised over the vesting period.

1.16 Earnings per share :

The Basic earning per share and diluted earning per share have been computed in accordance with Accounting Standard (AS-20) on "Earnings Per Share" and is also shown in the Statement of Profit and Loss.

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit after tax relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares which are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Company also discloses EPS- both basic and diluted- for the accounting period, had the Fair value method being used for compensation cost for ESOS/SARs.

1.17 Taxes on Income:

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which during the specified period gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax arising on account of timing differences and which are capable of reversal in one or more subsequent periods is recognized using the tax rates and tax laws that have been enacted or substantially enacted as at the reporting date. Deferred tax assets are recognised for timing differences, only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. In the event of existence of carry forward of losses and unabsorbed depreciation, deferred tax assets are recognized to the extent there are virtual certainties supported by convincing evidence that they would be realized in future.

Deferred Tax liability on deduction claimed in earlier years u/s 36 (1)(viii) of the Income Tax Act 1961 has been provided in terms of National Housing Bank (NHB) policy circular.

1.18 Provisions, Contingent Liability and Contingent Assets:

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements

1.19 Housing and Other Loans :

Housing Loans include outstanding amount of Housing Loans disbursed directly or indirectly to individual, project loans for residential buildings and other borrowers. Other loans include mortgage loan, non residential property loan, plot loan for self construction where construction has not begun in last three years and loan against the lease rental income from properties in accordance with directions of National Housing Bank (NHB). Other loans also include loans granted to Small & Medium Enterprise (SME) and certain part there of are unsecured in terms of the particular scheme. EMI and PEMI installments due from borrowers against the housing loans receivable for less than equal to three months, are treated as trade receivables and are shown as current assets.

1.20 Securitised Assets :

Securitised and Assigned Assets are derecognised in the books of the Company based on the principle of transfer of ownership interest over the assets.

1.21 Cash Flow Statement :

Cash flows are reported using the indirect method set out in Accounting Standard (AS 3) on Cash Flow Statement. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

1.22 Assets repossessed under SARFAESI Act :

Assets repossessed under SARFAESI Act are part of NPA Portfolio of loans for which necessary provisions are being made and such assets are to be disposed off at the earliest, subject to legal formalities. Losses/gains, if any, are being booked at the time of sales realisation of such assets.

- 2 The consolidated financial statements relate to Dewan Housing Finance Corporation Ltd (“DHFL Ltd.” or “the Company”), its subsidiaries, jointly controlled entities and Company's share of profit/loss in its associates as on March 31, 2017 and for the year ended on that date. The consolidated financial statements have been prepared on the following basis:
- (i) The financial statements of the Company and its subsidiaries have been combined on a line-by-line basis by consolidating the book values of like items of assets, liabilities, income and expenses, after eliminating intra-group balances and intra-group transactions, resulting in unrealised profits or losses as per Accounting Standard 21 on ‘Consolidated Financial Statements’ (AS 21).
 - (ii) The Company's investments in equity shares of associates are accounted for under the equity method and its share of pre-acquisition profits/losses is reflected as goodwill/capital reserve in the carrying value of investments in accordance with the Accounting Standard 23 on ‘Accounting for Investments in Associates in Consolidated Financial Statements’ (AS 23).
 - (iii) Interest in Joint Ventures have been accounted by using the proportionate consolidation method as per Accounting Standard 27 on ‘Financial reporting of interest in Joint Ventures’ (AS 27)
 - (iv) The financial statements of the subsidiaries, Joint Ventures and the associates used in the consolidation are drawn up to the same reporting date as that of the Company, i.e. March 31, 2017.
 - (v) The difference between the cost of the investment in the subsidiary and Joint Venture and company share of net assets at the time of acquisition of shares in the subsidiary and Joint Venture is recognised in the financial statement as goodwill or capital reserve as the case may be.

The list of subsidiary company, joint venture and associates incorporated in India which are included in the consolidation and the companies holding therein as under.

| Name of company | Proportion of Ownership interest percentage (%) |
|---|---|
| Subsidiary | 2016 |
| DHFL Advisory & Investments Pvt Ltd | 100.00% |
| DHFL Investments Ltd (Refer note no 2.2) | - |
| Joint Ventures | |
| DHFL Pramerica Life Insurance Co Ltd (Refer note no 2.2) | 50.00% |
| DHFL Pramerica Asset Managers Pvt Ltd | 50.00% |
| DHFL Pramerica Trustees Pvt Ltd | 50.00% |
| Associates | |
| DHFL Vysya Housing Finance Ltd. (Refer note no 2.1) | 9.47% |
| DHFL Venture Trustee Company Private Ltd. (Refer note no 2.2) | 45.00% |
| Aadhar Housing Finance Ltd.(Refer note no 2.1) | 14.90% |
| Avanse Financial Services Ltd. | 36.78% |

2.1 Associates of DHFL on the basis of significant influence in decision making

- 2.2 During the year, company has incorporated wholly owned subsidiary DHFL Investments Limited (“DIL”). As at 31st March, 2017, Company has invested ₹ 10,005 lacs in equity shares of DIL representing 100% of the equity capital. DIL has also issued Compulsorily Convertible Debentures to Wadhawan Global Capital Pvt. Ltd., a promoter entity of the Company. Company's intention is to liquidate investments in DIL, subject to favorable market condition and therefore, in accordance with paragraph 11(a) of Accounting Standard (AS 21) - Consolidated Financial Statements, Company has not consolidated the financial statements of DIL. Management believes, this presentation reflects the substance of transaction and gives the true and fair value of state of affairs in accordance with the accounting standards. DIL also holds 50% in Joint Venture DHFL Pramerica Life Insurance Co. Ltd. and 45% in DHFL Venture Trustee Company Private Ltd. As DIL is not consolidated for reason stated above, its joint venture & associate is also not consolidated.

DEWAN HOUSING FINANCE CORPORATION LIMITED

3 SHARE CAPITAL

| Particulars | (₹ in Lacs) |
|---|---------------|
| | 31.03.2016 |
| Authorised | |
| 74,80,00,000 equity shares of ₹10/- each | 74,800 |
| 7,50,00,000 Redeemable, non convertible preference shares of ₹10/- each | 7,500 |
| 5,00,000 Redeemable, non convertible preference shares of ₹100/- each | 500 |
| | 82,800 |
| Issued, Subscribed and Paid up | |
| 29,17,97,988 equity shares of ₹10/- each fully paid | 29,180 |
| | 29,180 |

3.1 The Company has only one class of shares i.e. equity. The shareholders have voting rights in the proportion of their shareholdings. The shareholders are entitled to dividend, if declared and paid by the Company. In the event of liquidation, these shareholders are entitled to receive remaining assets of the Company after distribution of all liabilities, in the proportion of their shareholdings.

3.2 The reconciliation of the number of shares outstanding and the amount of share capital as at the beginning and at the end of the reporting period:

| Particulars | As at 31.03.2016 | |
|---|--------------------|---------------|
| | No. of shares | Amount (Lacs) |
| Equity shares at the beginning | 145,676,742 | 14,568 |
| Add: Shares issued during the year | - | - |
| Add: Bonus Shares issued (refer note 3.5) | 145,856,530 | 14,586 |
| Add: Shares issued under ESOS / ESAR | 264,716 | 26 |
| Equity shares at the end | 291,797,988 | 29,180 |

3.3 Details of shareholders holding more than five percent equity shares in the Company are as under:

| Particulars | As at 31.03.2016 | |
|--|------------------|-----------|
| | No. of shares | % holding |
| M/s. Wadhawan Global Capital Private Limited | 95,819,644 | 32.84 |

3.4 During the previous year, pursuant to the Shareholders' approvals under Section 63 and other applicable provisions of the Companies Act, 2013, the Company had issued Bonus Shares in the ratio of 1:1 (i.e. one bonus equity share of ₹ 10/- each for every one fully paid up Equity Share of ₹ 10/- each), to the shareholders on record date of 10th September, 2015, by capitalizing existing reserve by a sum of ₹ 14,586 lacs.

3.5 Company had allotted 14,58,56,530 no. of Equity Shares as fully paid up for consideration other than cash towards Bonus issue during the financial year 2015 - 16 (refer note no. 3.5). During the financial year 2012 - 13, as per the Scheme of Amalgamation, the Company had allotted 1,08,86,375 no. of Equity Shares as fully paid up for consideration other than cash.

3.6 The Allotment Committee of the Board of Directors of the Company at its meeting held on 30th September, 2016, allotted 2,12,30,070 fully paid up equity shares of ₹ 10/- each to M/s. Wadhawan Global Capital Private Limited (WGCP), promoter entity on receipt of balance payment of ₹ 37,500 lacs i.e. 75% of the total consideration amount of ₹ 50,000 lacs (including share premium of ₹ 47,877 lacs) against the equivalent number of convertible warrants issued in the past as per the provisions of Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended and applicable provisions of the Companies Act, 2013 (including the rules made thereunder). (also refer note 5.1)

3.7 Employee Stock Option Plans:

- a. Employee Stock Option Scheme 2008 (ESOS-2008) was implemented by the Company. 14,22,590 equity stock options were granted under 'ESOS-2008' in 2008-09 to the employees as approved by the remuneration and compensation committee of directors of the Company at ₹ 53.65 per share, the reconsidered price approved in the EOGM dated 31st March, 2009.

Consequent to issue of Bonus Shares in the earlier year by the Company, the adjusted exercise price is Rs. 26.83 per Equity Share and the total number of options also increased in the same ratio.

- b. Employee Stock Option Scheme 2009 (ESOS-2009) was implemented by the Company. 12,75,000 equity share options were granted under 'ESOS-2009, Plan II' in 2009-10 and additional 12,34,670 equity share options were approved to be granted under 'ESOS-2009, Plan III' in 2010-11 to the employees by the remuneration and compensation committee of directors of the Company at ₹ 141/- per share, the price approved in the remuneration and compensation committee meeting held on 25th November, 2009.

Consequent to issue of Bonus Shares in the earlier year by the Company, the adjusted exercise price is Rs. 70.50 per Equity Share and the total number of options also increased in the same ratio.

- c. The Company has approved the grant of 15,50,100 (Fifteen Lacs, Fifty Thousand And One Hundred) Employee Stock Appreciation Rights (ESARs - Grant - I) to the eligible employees of the Company, in terms of Dewan Housing Finance Corporation Limited-Employee Stock Appreciation Rights Plan 2015 ("DHFL ESAR 2015"). The said SARs shall vest over a period of five years and to be exercised within three years from the date of vesting of SARs and carry the right to apply for number of equity shares of the Company of face value of ₹ 10/- each, equivalent to Appreciation in those rights, over the grant price i.e. SAR price of ₹ 380/- per SAR (₹ 190/- per SAR Post Bonus issue), the price approved in the Nomination and Remuneration Committee meeting held on 21st March, 2015.

Consequent to the Bonus shares issued by the company to its shareholders in the ratio 1:1 during the financial year 2015-16, the total number of ESARs also increased in the same ratio.

During the year, the Company has allotted, from time to time, 124,147 number of equity shares of ₹ 10/- each on exercise of 3,47,200 number of ESAR to various eligible employees under 'ESAR Scheme 2015 (Grant - I)' at the price of ₹ 10/- per equity share.

- d. The Company has approved the grant of 20,81,545 (Twenty Lacs Eighty One Thousand Five Hundred Forty Five) Employee Stock Appreciation Rights (ESARs - Grant - II) to the eligible employees of the Company, in terms of Dewan Housing Finance Corporation Limited-Employee Stock Appreciation Rights Plan 2015 ("DHFL ESAR 2015"). The said ESARs shall vest over a period of four years and to be exercised within three years from the date of vesting of ESARs and carry the right to apply for number of equity shares of the Company of face value of ₹ 10/- each, equivalent to Appreciation in those rights, over the grant price i.e. ESAR price of ₹ 230.80 per SAR , the price approved in the Nomination and Remuneration Committee meeting held on 17th November, 2016.

e. Movement in options under (ESOS-2008), (ESOS-2009) and (ESAR 2015).

| <u>Particulars</u> | <u>ESOS-2008</u> | <u>ESOS-2009</u> <u>Plan II</u> | <u>ESOS-2009</u> <u>Plan III</u> | <u>ESAR 2015</u> |
|---|------------------|------------------------------------|-------------------------------------|------------------|
| Options granted under the schemes | 1,422,590 | 1,275,000 | 1,234,670 | 1,550,100 |
| Options exercised upto 31st March, 2015 | 1,121,696 | 1,073,395 | - | - |
| Options exercised upto Pre-Bonus issue | - | 61,678 | 118,110 | - |
| Options lapsed upto Pre-Bonus issue upto 31st March, 2015 | 256,310 | 90,305 | 1,089,560 | 94,900 |
| Options lapsed upto Pre-Bonus issue during the year | 17,380 | 9,495 | - | - |
| Total number of Options in force (exercisable options) before | 27,204 | 40,127 | 27,000 | 1,455,200 |
| Additional Options by way of bonus | 27,204 | 40,127 | 27,000 | 1,455,200 |
| Total number of Options in force with bonus effect (Ratio of | 54,408 | 80,254 | 54,000 | 2,910,400 |
| Options exercised from Post-Bonus issue | 18,048 | 12,880 | 54,000 | - |
| Options lapsed from Post-Bonus issue during the year | 800 | 67,374 | - | 88,400 |
| Re-issued under the scheme (*) | - | - | 200,000 | - |
| Options Outstanding/Exercisable options at the end | 35,560 | - | 200,000 | 2,822,000 |
| Options granted under the schemes including for Bonus | 1,449,794 | 1,315,127 | 1,261,670 | 3,005,300 |
| Options exercised upto 31st March, 2016 | 1,139,744 | 1,147,953 | 172,110 | - |
| Options lapsed upto 31st March, 2016 | 274,490 | 167,174 | 1,089,560 | 183,300 |
| Re-issued under the scheme (*) | - | - | 200,000 | - |
| Options Outstanding/Exercisable options at the end | 35,560 | - | 200,000 | 2,822,000 |
| The Weighted Average exercise price & Option price: | | | | |
| Pre Bonus | 53.65 | 141.00 | 141.00 | 380.00 |
| Post Bonus | 26.83 | 70.50 | 70.50 | 190.00 |

* On 20th January, 2016, grant of 2,00,000 stock options were reinstated for the eligible employees of the Company, as approved in the

The Weighted average share price during the period over which the option were exercise was Rs 448.80 (Pre Bonus) and Rs. 204.52 (Post Bonus) and weighted average remaining contractual life is 6.6 years.

f. The fair value has been calculated using the Black Scholes Option Pricing model, the Assumptions used in the model on a weighted average basis are as follows:

| | |
|--|--------|
| 1. Risk Free Interest Rate | 6.36% |
| 2. Expected Life | 4.50 |
| 3. Expected Volatility | 44.84% |
| 4. Dividend Yield | 3.48% |
| 5. Price of the underlying share in market at the time of the option grant (₹) | 229.80 |

g. Other Details:

- 1) Weighted Average Market Price on the date of Exercise is Rs. 299.33
- 2) Remaining Contractual life for ESAR granted and outstanding as on March 31, 2017

| Particulars | ESAR Scheme 2015 | |
|---|------------------|--------------|
| | (Grant - I) | (Grant - II) |
| Remaining Contractual life for unvested SARs outstanding at the end of the year | 4.28 | 5.64 |
| Remaining Contractual life for SARs exercisable at the end of the year | 2.72 | - |

h. Fair Value Methodology:

The Company has followed intrinsic value based method of accounting for Stock options granted based on Guidance Note issued by the Institute of Chartered Accountant of India. Had the compensation cost for the stock options granted under ESOS-2008, ESOS-2009 III and ESAR - 2015 (Grant I & II) been determined based on the fair value calculated using the Black Scholes Option Pricing model, the Company's net profit and earnings per share would have been as per the pro-forma amounts indicated below:

| Particulars | (₹ lacs) |
|--|----------|
| Net Profit (as reported) | 74,930 |
| Less: Stock-based compensation expenses determined under fair value based method, net of tax: [Gross ₹ 1,335 lacs (₹ 20 lacs)] (pro-forma) | (13) |
| Net Profit considered for computing EPS (pro-forma) | 74,943 |

| Particulars | (Amount in ₹) |
|--|---------------|
| Basic Earnings per Share (as reported) | 25.69 |
| Basic Earnings per Share (Pro-forma) | 25.69 |
| Diluted Earnings per Share (as reported) | 23.73 |
| Diluted Earnings per Share (Pro-forma) | 23.74 |

4

RESERVES & SURPLUS

| Particulars | (₹ lacs) | |
|--|------------|---------|
| | 31.03.2016 | |
| Capital Reserve | | |
| Balance as per last Balance Sheet | 12,320 | |
| Less: utilised during the year (refer Note 30) | 4,759 | |
| | | 7,561 |
| Capital Redemption Reserve | | |
| Balance as per last Balance Sheet | 775 | |
| Less : Utilised during the year towards Bonus issue (refer Note 3.5) | 775 | |
| | | - |
| Securities Premium | | |
| Balance as per last Balance Sheet | 207,235 | |
| Add : Addition during the year | 501 | |
| | 207,736 | |
| Less : Utilised during the year towards Bonus issue (refer Note 3.5) | 13,811 | |
| Less : Utilised during the year [net of tax of ₹ 5,606 lacs] (refer Note 4.2) | 10,594 | |
| | | 183,331 |
| Employees Share Options Outstanding | | |
| Balance as per last Balance Sheet | 1,718 | |
| Add : Addition during the year | 20 | |
| Less: Transferred into Statement of Profit & Loss | | |
| Less: Transferred to Share Premium Account | 222 | |
| | | 1,516 |
| General Reserve | | |
| Balance as per last Balance Sheet | 89,007 | |
| Add : Transferred from Statement of Profit & Loss | 20,000 | |
| Less : Utilisation on Deferred Tax Liability on Special Reserve (refer Note 4.4) | 4,162 | |
| | | 104,845 |

Statutory Reserve (Special Reserve)

[In terms of Section 36(1)(viii) of the Income Tax Act, 1961 read with Section 29C of the National Housing Bank Act, 1987]

(Refer note 4.3)

| | | |
|--|--------|--------|
| Balance as per last Balance Sheet | 80,399 | |
| Add: Transferred from Statement of Profit & Loss | 18,000 | 98,399 |

Debenture Redemption Reserve

Add: Transferred from Statement of Profit & Loss

(Refer note 6.8)

| | | |
|---|--|--------|
| Capital Reserve on Consolidation | | 28,458 |
|---|--|--------|

Surplus in Statement of Profit and Loss:

| | | |
|--|---------|----------------|
| As per last Balance Sheet | 63,974 | |
| Add: Net Gain on dilution of Associates | 393 | |
| Add : Profit for the year | 74,930 | |
| | 139,297 | |
| Less : Appropriations : | | |
| General Reserve | 20,000 | |
| Statutory Reserve | 18,000 | |
| Debenture Redemption Reserve | - | |
| Interim Equity Dividend | 17,507 | |
| Proposed Equity Dividend | 5,836 | |
| Dividend for earlier year | 2 | |
| Adjustment pursuant to capital reduction scheme in Joint Venture (refer note 4.5) | - | |
| Dividend Distribution Tax | 4,763 | |
| | 66,108 | |
| Surplus closing balance | | 73,189 |
| TOTAL RESERVES & SURPLUS | | 497,299 |

- 4.1 During the year, the Company has paid interim dividend on Equity Shares @ ₹ 1/- (₹ 6/-) per share.

The Board of Directors, have recommended final dividend of ₹ 3/- per equity share to the equity shareholders. The dividend will be paid after the approval of shareholders at the ensuing Annual General Meeting. During the previous year, the Company had made a provision for the dividend declared by the Board of Directors as per the requirements of pre-revised Accounting Standard 4 - 'Contingencies and Events Occurring after the Balance Sheet date' (AS 4). However, as per the requirements of revised AS 4 which is applicable w.e.f 1st April, 2016 the Company is not required to provide for dividend proposed after the Balance Sheet date. Consequently, no provision has been made in respect of the aforesaid dividend proposed by the Board of Directors for the year ended 31st March, 2017. Had the Company continued with creation of provision for proposed dividend, as at the Balance Sheet date, its Surplus in Statement of Profit and Loss would have been lower by ₹ 11,307 lacs and Short Term Provision would have been higher by ₹ 11,307 lacs (including dividend distribution tax of ₹ 1,913 lacs).

- 4.2 In accordance with Section 52 of the Companies Act, 2013, during the year the company has utilized Securities Premium Account towards premium on redemption of Zero Coupon Secured Redeemable Non-Convertible Debentures and Securities issue expenses amounting to ₹ 10,594 lacs net of tax of ₹ 5,606 lacs.

- 4.3 Statement for Disclosure on Statutory / Special Reserves, as prescribed by NHB vide its circular no NHB(ND)/DRS/Pol. Circular.61/2013-14, dated: 7th April, 2014

| Particulars | (₹ lacs) |
|---|-------------------|
| | 31.03.2016 |
| Balance at the beginning of the year | |
| a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987 | 17,424 |
| b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under, Section 29C of the NHB Act, 1987 | 62,975 |
| c) Total | 80,399 |
| Addition during the year | |
| Add: a) Amount transferred u/s 29C of the NHB Act, 1987 | 500 |
| b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987 | 17,500 |
| c) Total | 18,000 |
| Balance at the end of the year | |
| a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987 | 17,924 |
| b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under, Section 29C of the NHB Act, 1987 | 80,475 |
| c) Total | 98,399 |

- 4.4 National Housing Bank vide circular No.NHB(ND)/DRS/Policy Circular 65/2014-15 dated 22nd August, 2014 has clarified that deferred tax liability (contingent upon Company's withdrawal of Sec 36(1)(Viii) Reserves leading to tax liability) in respect of opening balance under special reserve as at 1st April, 2014 may be adjusted from free opening reserves of the Company over a period of 3 years in the ratio of 25:25:50 respectively. Accordingly, the Company has proportionately adjusted its opening reserves with an amount of ₹ 4,162 lacs as contingent deferred tax liability. Deferred Tax Liability on current year Special Reserve has been charged to Statement of Profit & Loss amounting to ₹ 6,297 lacs.
- 4.5 Pursuant to approval from the Honorable High Court of Bombay , the Joint Venture entity -DHFL Pramerica Asset Managers Private Limited Ltd. reduced and consolidated its issued and paid up equity share capital. Consequent to which the number of equity shares held by the Company (directly and through its wholly owned subsidiary i.e. DHFL Advisory & Investments Private Limited) stood reduced to 5,42,46,918 equity shares of ₹ 10 each from 45,61,36,360 equity shares of ₹ 10 each.

5 **Money Received Against Share Warrants**

| | (₹ lacs) |
|--|---------------|
| | 31.03.2016 |
| Money Received Against Share Warrants | 12,500 |
| Total Money Received Against Share Warrants | 12,500 |

- 5.1 During the financial year 2015-16, the Company had issued 21,230,070 convertible warrants being issued at a Issue Price of ₹ 235.52 per warrant, with a right exercisable by the warrant holder to convert each warrant with one equity share of the Company of face value ₹ 10/- each at a premium of ₹ 225.52 , any time before the expiry of 18 months from the date of allotment of the said convertible warrants , in one or more tranches. During the current financial year the Company has allotted 21,230,070 equity shares of face value of ₹ 10/- each to the warrant holders on exercise of the conversion right and receipt of balance payment.

6 **LONG TERM BORROWINGS**

| Particulars | (₹ lacs) | |
|---|--------------------------------------|-------------------------------|
| | Non Current Portion 31.03.2016 | Current Portion 31.03.2016 |
| Secured | | |
| Non-Convertible Debentures | 1,199,795 | 214,701 |
| Term Loan from Banks | 2,568,075 | 471,460 |
| Loan from Others | | |
| National Housing Bank | 119,324 | 28,765 |
| Foreign Financial Institutions | 215,961 | 7,605 |
| Total Secured long term borrowings | 4,103,155 | 722,531 |
| Unsecured | | |
| Non-Convertible Debentures (perpetual) | 18,570 | - |
| Non-Convertible Debentures (Subordinated issue) | 119,150 | - |
| Optionally Convertible Redeemable Debentures (OCDs) | - | - |
| Premium payable on Optionally Convertible Debentures | - | - |
| Deposit | | |
| Fixed Deposit (including Cumulative) | 262,853 | 215,403 |
| Other Deposits | 1,104 | 668 |
| Term Loan from Banks | 7,115 | 3,333 |
| | 7,115 | 7,414 |
| Total Unsecured long term borrowings | 408,792 | 226,818 |
| TOTAL LONG TERM BORROWINGS | 4,511,947 | 949,349 |
| Current Portion of above liability is disclosed under the head "other current liabilities". (Refer Note 12) | - | (949,349) |
| Net Amount | 4,511,947 | - |

6.1

Non Convertible Debentures (NCD) (current and non current portion) amounting to ₹ 1,414,496 lacs are secured by way of first charge read with Note 6.2 herein below and are redeemable at par, in one or more installments, on various periods, as below.

Secured NCDs also include amount outstanding for Zero Coupon Secured Redeemable Non-Convertible Debentures (ZCD) aggregating to ₹ 335,884 lacs , which are redeemable at premium on maturity. The accumulated premium payable on outstanding ZCD accrued till 31st March, 2016 amounting to ₹ 57,754 lacs is included above and a part of which has been provided out of the Securities Premium Account (refer Note 4.2).

Terms of repayment of Term Loans and redemption of bonds & debentures

| (₹ In Lacs) | | | | |
|---|-----------|-----------|----------|-------------|
| Particulars | 1-3 Years | 3-5 Years | >5 Years | Grand Total |
| Secured | | | | |
| Bank | | | | |
| Linked with Base Rate of respective banks | 926,343 | 793,013 | 848,719 | 2,568,075 |
| Loan from Foreign Financial Institutions | | | | |
| 7.72 -11.00 | 51,729 | 132,625 | 31,607 | 215,961 |
| Loan from National Housing Bank | | | | |
| 7.00 - 9.00 | 47,958 | 22,874 | 32,794 | 103,625 |
| 9.00 - 11.00 | 5,628 | 5,574 | 4,496 | 15,699 |
| N H B Total | 53,586 | 28,447 | 37,290 | 119,324 |
| Non-Convertible Debenture | | | | |
| 5.00 - 7.00 | - | - | 25,000 | 25,000 |
| 8.48 - 11.50 | 362,529 | 453,227 | 359,040 | 1,174,796 |
| NCD Total | 362,529 | 453,227 | 384,040 | 1,199,796 |
| Un-Secured | | | | |
| Term Loans from Bank | | | | |
| 10.00 | - | - | - | - |
| Perpetual Debt | | | | |
| 12.00 -12.75 | - | - | 18,570 | 18,570 |
| Sub - Debt | | | | |
| 9.00 - 11.50 | 37,250 | 44,600 | 37,300 | 119,150 |

- 6.2 All Secured loans (Current and Non Current portion), from the National Housing Bank, Other Banks, Foreign Financial Institution, Financial Institutions and Secured Non Convertible Debentures / ZCD are secured by way of first charge to and in favour of participating banks, Institutions, National Housing Bank and Debenture Trustees jointly ranking pari passu (read with Note 10.1), inter-se, on the Company's whole of the present and future book debts, housing loan Installments/receivables, investments including all the receivables of the Company and other movable assets, wherever situated, excluding SLR assets, read with Note 6.4 hereinafter and term loans from banks, debentures and certain ECBs are further secured on pari passu basis by constructive delivery of title deeds of certain immovable properties of the Company, to Union Bank of India, acting for itself and as an agent of other participating lenders and Debenture trustees, and are also guaranteed by the promoter directors of the Company.

Pursuant to the refinancing arrangement, the Company has provided to NHB certain standard documents such as a non-disposal undertaking from the Promoters and Promoter Group with respect to their shareholdings and corporate guarantee from Wadhawan Global Capital Private Limited (promoter entity)

- 6.3 During the year Company has availed ECB of USD 110 millions from following parties for a period of 5 years. The principal amount has been hedged by way of currency swaps to protect the foreign currency risk and converted into rupee liability of ₹ 72,182 lacs in compliance of statutory requirement.

| Name of the Party | USD (in millions) | Loan Amount (₹ in lacs) |
|-----------------------------------|-------------------|----------------------------|
| State Bank Of India, South Africa | 55 | 36,091 |
| The Korea Development Bank, Korea | 15 | 9,843 |
| Taiwan Cooperative Bank, Taiwan | 10 | 6,562 |
| Bank Of Baroda, Bahrain | 10 | 6,562 |
| Barclays Bank Plc, London | 10 | 6,562 |
| CTBC Bank Co., Ltd, Singapore | 5 | 3,281 |
| KDB Ireland Limited, Ireland | 5 | 3,281 |
| Total | 110 | 72,182 |

In the previous years, Company had availed ECB of USD 125 millions from Asian Development Bank (ADB), USD 50 millions from Deutsche Investitions U. E. aggregating to USD 175 millions and USD 70 millions from IFC Washington for a period of 7, 8 and 8 years respectively. The principal amount has been hedged by way of currency swaps to protect the foreign currency risk and converted into rupee liability aggregating to ₹ 151,384 lacs, in compliance of statutory requirement.

As a part of Assets Liability management on account of the Companies adjustable rate home loan products as well as to reduce the overall cost of borrowing, during the year, the Company has entered into Interest Rate swaps wherein it has converted its variable rate rupee liability of notional amount of USD 175 millions into fixed rate rupee liability.

As on 31st March, 2016 the Company has foreign currency borrowing of USD 355 millions equivalent to ₹ 223,566 lacs.

- 6.4 The National Housing Bank directives require all HFC's accepting public deposits to create a floating charge on the statutory liquid assets maintained in favor of depositors through the mechanism of a trust deed. The Company has accordingly appointed a SEBI approved trustee Company as trustee for the above by executing the trust deed.

Accordingly, the public deposits of the company as defined in paragraph 2(1)(y) of the Housing Finance Companies (NHB) Directions, 2010, are secured by floating charge on the Statutory Liquid Assets maintained in terms of sub-sections (1) & (2) of Section 29B of the National Housing Bank Act, 1987.

- 6.5 Unsecured Redeemable Non Convertible Subordinated Debentures aggregating ₹ 119,150 lacs, outstanding as at 31st March, 2017, are subordinated to present and future senior indebtedness of the Company. It qualifies as Tier II capital in accordance with National Housing Bank (NHB) guidelines for assessing capital adequacy based on balance term to maturity. These debentures are redeemable at par on maturity on various periods read with note no. 6.1

- 6.6 Fixed Deposits and Other Deposits, including short term fixed deposits and short term other deposits, are repayable as per individual contracted maturities ranging from 12 to 120 months from the date of deposit. The interest is payable on contracted terms depending upon the scheme opted by the depositor.

- 6.7 During the year ended 31st March, 2017, the Company has issued and allotted the following securities by way of public issue :
- 4,00,00,000 Secured Redeemable Non-Convertible Debentures ("NCDs") having face value of Rs.1,000 each aggregating to ₹4,00,000 lacs in terms of the Shelf Prospectus and Tranche 1 Prospectus dated 26th July, 2016 ("Prospectus"). The said NCDs were allotted on 16th August, 2016.
 - 10,00,00,000 Secured Redeemable Non-Convertible Debentures ("NCDs") having face value of Rs.1,000 each aggregating to ₹10,00,000 lacs in terms of the Shelf Prospectus and Tranche 1 Prospectus dated 25th August, 2016 ("Prospectus"). The said NCDs were allotted on 9th September, 2016.

As at the end of the year, funds raised by public issue of above securities has been utilised for the purposes for which it has been raised.

- 6.8 Department of Company Affairs with reference to the General Circular no. 4/2003 vide G.S.R. 413 (E) dated 18.06.2014, had clarified that, Housing Finance Companies registered with National Housing Bank are exempted from the requirement of creating Debenture Redemption Reserve (DRR) in case of privately placed debentures. However, the Company needs to create DRR in case of public issue of Debentures and accordingly, the Company has created DRR to the tune of ₹ 117,000 lacs against its public issue of Secured Redeemable Non-Convertible Debentures.

- 6.9 OCD are issued by wholly owned subsidiary for a tenure of 5 years beginning from April '16 to April '21. As per the terms, the debenture holder shall at any time during the Tenor of the OCD, have the right to exercise at its discretion either to redeem the debentures or convert the debentures into equity shares of Rs. 10 each of the company. Premium payable on redemption is @ 9% pa.

7 DEFERRED TAX LIABILITY / (ASSET)

| | | (₹ lacs) |
|--|--|-----------------|
| Particulars | | 31.03.2016 |
| A. Deferred Tax Asset | | |
| On account of provision for contingency & employee benefits | | (23,458) |
| Deferred Tax Liability | | |
| On difference between book balance and tax balance of other assets | | 10,186 |
| | | <u>(13,272)</u> |
| B. Deferred Tax Liability on Special IT Reserve | | |
| | | 19,346 |
| | | <u>19,346</u> |
| NET DEFERRED TAX LIABILITY | | <u>6,074</u> |

| | | (₹ lacs) |
|---|--|------------|
| | | 31.03.2016 |
| 8 | OTHER LONG TERM LIABILITIES | |
| | Others | 61 |
| | Total Other Long Term Liabilities | <u>61</u> |

9 PROVISIONS

| | | (₹ lacs) | |
|---------------------------------|--|------------------------|-------------------------|
| Particulars | | Long Term Provision | Short Term Provision |
| | | 31.03.2016 | 31.03.2016 |
| Provision for Contingencies | | | |
| <i>Against Standard Assets:</i> | | | |
| | As per last Balance sheet | 27,822 | |
| | Add : Provision during the year | 6,908 | |
| | Net provision on standard loan portfolio (A) | <u>34,730</u> | - |
| <i>Against NPA:</i> | | | |
| | As per last Balance sheet | 13,910 | |
| | Add : Provision during the year | 9,441 | |
| | Less : Utilised During the year | <u>2,146</u> | |
| | Net provision on NPA loan portfolio (B) | 21,205 | - |
| <i>Against Investment:</i> | | | |
| | As per last Balance sheet | - | |
| | Add : (withdrawal) / Provision during the year | 66 | |
| | | <u>66</u> | |
| | Less : Transfer to Provision for diminution in the value of investment | <u>(66)</u> | |
| | Provision on Investment (C) | - | |
| <i>Against ICDS:</i> | | | |
| | As per last Balance sheet | 964 | |
| | Provision during the year | 483 | |
| | Provision on ICDS (D) | <u>1,447</u> | |

Against Other Assets:

| | | |
|--|---------------|--------------|
| As per last Balance sheet | 319 | |
| Provision during the year | 601 | |
| Provision on Other Assets (E) | 920 | |
| Total Provision for Contingencies (A+B+C+D+E) | 58,302 | - |
| Provision for employee benefits | 170 | 297 |
| Provision for Proposed Dividend | - | 5,836 |
| Provision for Dividend Distribution Tax | - | 1,188 |
| Other Provisions | 17 | - |
| TOTAL PROVISIONS | 58,489 | 7,321 |

9.1 The Company has written off ₹ 2,146 lacs as bad debts to recover some of its old NPA and Loss Accounts by way of one time settlement or sale to Asset Reconstruction Company. The Company has withdrawn ₹ 2,146 lacs from contingency provisions created out of profits of earlier years.

9.2 Details of Housing and Property Loans and Contingency Provisions

Housing and property loans and provision in respect thereof on account of standard, sub standard, doubtful and loss assets are recorded in accordance with the guidelines on prudential norms as specified by National Housing Bank are as follows:

| Particulars | 31.03.2016 | |
|---|------------------|---------------|
| | Portfolio | Provisions |
| Standard Assets | | |
| Housing Loans | 4,875,732 | 21,549 |
| Other Property Loans | 1,244,463 | 12,464 |
| (A) | 6,120,195 | 34,013 |
| Sub Standard Assets | | |
| Housing Loans | 8,665 | 1,300 |
| Other Property Loans | 4,230 | 634 |
| (B) | 12,895 | 1,934 |
| Doubtful Assets | | |
| Housing Loans | 27,454 | 13,126 |
| Other Property Loans | 16,958 | 6,145 |
| (C) | 44,412 | 19,271 |
| Additional provision on standard assets | | 717 |
| Provisions on ICDs | | 1,447 |
| Provisions on Other Assets | | 920 |
| Total (A+B+C) | 6,177,502 | 58,302 |
| Summary: | | |
| Housing Loans | 4,911,851 | 35,975 |
| Other Property Loans | 1,265,651 | 19,243 |
| Additional provision on Standard Assets | | 717 |
| Provisions on ICDs | | 1,447 |
| Provisions on Other Assets | | 920 |
| Total | 6,177,502 | 58,302 |

9.3 Provision for Contingencies

The Company has made full provisions for Contingencies for diminution in value of investment and on standard as well as on non-performing housing loans and other property loans as per the Prudential Norms prescribed by the National Housing Bank. The Company has also maintained an additional provision amounting to ₹ 717 lacs as at year end.

10 SHORT TERM BORROWINGS

| Particulars | 31.03.2016 | |
|--|------------|----------------|
| | | (₹ lacs) |
| Secured | | |
| Loans repayable on demand | | |
| From Banks | | 174,460 |
| Secured short term borrowings A | | 174,460 |
| Unsecured | | |
| Deposits | | |
| Fixed Deposits (Refer Note 6.6) | | 3,691 |
| Other Deposits (Refer Note 6.6) | | 609 |
| Other short term loans and advances | | |
| Commercial Papers | | 464,900 |
| Others | | - |
| Unsecured short term borrowings B | | 469,200 |
| TOTAL SHORT TERM BORROWINGS (A+B) | | 643,660 |

10.1 Loans repayable on demand comprising of Cash credit facilities from banks and are secured by a first charge by way of hypothecation of book debts of specific loan assets of the company and are further secured by negative lien on the underlying specific properties and / or secured by demand promissory notes. Certain Cash credit facilities are also secured by way of a first pari passu charge along with other secured loans read with Note 6.2. All cash credit facilities are repayable as per the contracted/ roll over term.

11 **TRADE PAYABLES:**

There is no amount due and payable to micro and small suppliers registered under the Micro, Small and Medium Enterprises Development Act, 2006 at the end of the year. No interest has been paid/ is payable by the Company during/for the year to these 'Suppliers'. The above information takes into account only those suppliers who have submitted their registration details or has responded to the inquiries made by the Company for this purpose.

12 **OTHER CURRENT LIABILITIES**

| Particulars | (₹ lacs) |
|--|------------------|
| | 31.03.2016 |
| Current maturities of long-term borrowing (Refer Note 6) | 949,349 |
| Interest accrued but not due on borrowings | 52,929 |
| Unclaimed Dividends | 171 |
| Unclaimed matured deposits and interest accrued thereon | 5,410 |
| Other payables | |
| Advance from customers | 19,330 |
| Creditors for Capital Expenditure | 136 |
| Amount payable under securitisation/ joint syndication transaction | 21,605 |
| Statutory Dues | 2,813 |
| Share application money pending Allotment | 30,000 |
| Other current liabilities | 6,570 |
| TOTAL OTHER CURRENT LIABILITIES | 1,088,313 |

12.1 As required under section 124 of the Companies Act, 2013, the Company has transferred unclaimed dividend of the year 2007-08 ₹ 3 lacs and towards unclaimed Deposits and interest accrued thereon ₹ 39 lacs to Investor Education & Protection Fund (IEPF) during the year. The amounts payable for March, 2017 has been transferred to IEPF in the month of April, 2017.

13. Consolidated Fixed Assets as of 31 March, 2016

(Rs. in lacs)

| Assets | GROSS BLOCK | | | | | DEPRECIATION | | | | | NET BLOCK |
|---|---------------------|----------------------------------|---------------|--------------------|---------------------|---------------------|----------------------------------|-----------------|--------------------|--------------------|---------------------|
| | As on 01.04.2015 | Addition on Acquisition of JV | Addition | Deduction/ Sale | As on 31.03.2016 | As on 01.04.2015 | Addition on Acquisition of JV | for the year | Deduction/ Sale | Upto 31.03.2016 | As on 31.03.2016 |
| Tangible: (Property, Plant & Equipments) | | | | | | | | | | | |
| Building | 3,059 | - | 2,584 | - | 5,643 | 520 | - | 65 | - | 585 | 5,058 |
| Leasehold Premises | 9,999 | - | - | - | 9,999 | 347 | - | 163 | - | 510 | 9,489 |
| Furniture & Fixture | 2,901 | 155 | 325 | 77 | 3,304 | 870 | 154 | 364 | 53 | 1,335 | 1,969 |
| Leasehold Improvement | 3,025 | - | 369 | 256 | 3,138 | 1,454 | - | 722 | 207 | 1,969 | 1,169 |
| Office Equipments | 2,425 | 34 | 284 | 194 | 2,549 | 938 | 31 | 361 | 148 | 1,182 | 1,367 |
| Vehicles | 121 | 28 | - | 7 | 142 | 55 | 9 | 20 | 3 | 81 | 61 |
| Computer (Hardware) | 3,376 | 126 | 867 | 528 | 3,841 | 2,105 | 96 | 674 | 512 | 2,363 | 1,478 |
| Sub Total (A) | 24,906 | 343 | 4,429 | 1,062 | 28,616 | 6,289 | 290 | 2,369 | 923 | 8,025 | 20,591 |
| Intangible: | | | | | | | | | | | |
| Computer (Software) | 1,774 | 60 | 845 | - | 2,679 | 1,285 | 58 | 401 | - | 1,744 | 935 |
| Investment Management Rights # | - | - | 29,477 | - | 29,477 | - | - | 214 | - | 214 | 29,263 |
| Sub Total (B) | 1,774 | 60 | 30,322 | - | 32,156 | 1,285 | 58 | 615 | - | 1,958 | 30,198 |
| Total Fixed Assets (A+B) | 26,680 | 403 | 34,751 | 1,062 | 60,772 | 7,574 | 348 | 2,984 | 923 | 9,983 | 50,789 |
| Capital Work in Process | - | - | - | - | - | - | - | - | - | - | 55,770 |
| Intangible Assets under Development | - | - | - | - | - | - | - | - | - | - | 3,266 |
| TOTAL | 26,680 | 403 | 34,751 | 1,062 | 60,772 | 7,574 | 348 | 2,984 | 923 | 9,983 | 109,825 |

During the previous year, one of the joint venture company had acquired the business undertaking of the Deutsche entities, sponsor of Deutsche Mutual Fund which inter alia, includes right to manage the schemes of Deutsche Mutual Fund. The Company had paid consideration amounting to ₹ 29,477 lacs [consolidated portion] (₹ Nil) towards Investment Management rights and the same was capitalised as per AS 26 (Intangible Assets). The useful life of the Investment Management Rights had been determined as 10 years (120 Months). For the year ended March 31, 2016, an amount of ₹ 214 lacs [consolidated portion] (₹ Nil) had been amortized. Balance life of Investment Management Rights was 119 months.

14 NON CURRENT INVESTMENTS (AT COST)
Particulars
(Long Term Investments)
(Valued at cost less diminution in value, if any, other than temporary)

(₹ lacs)

31.03.2016

Trade Investments

Equity Investments (unquoted)

Investment in Subsidiary (Refer note no: 2.2)

Investment in Associates:

Equity Investments in Associates

6,795

Add: Goodwill on acquisition of associates (share of pre-acquisition losses)

10

6,805

Add: Adjustment of post acquisition share of profit / loss of Associates (Equity Method)

1,528

8,333

Investment in unquoted equity instruments

1

Other Investment:

Investment in unquoted optionally convertible preference share

1,271

Investment in Government securities (SLR) - quoted

29,652

Investment in Government securities (Non - SLR) - quoted

10,232

Investment in Venture Capital Fund - unquoted

2,000

Investments in Mutual Funds (Quoted)

566

Investments in Mutual Funds (Unquoted)

-

Investment in Pass Through Certificates Class B

7,640

Investment by Insurance Company:

Investment Related to Policy Holders

52,096

Investment to cover linked liabilities

9,046

Investment related to Shareholders

34,867

Total Non Current Investments

155,704

Aggregate amount of quoted investments

47,023

Market value of Quoted investments

48,164

Aggregate amount of Unquoted investments

108,681

14.1 Investment in Government and other SLR Securities aggregating to ₹ 29,652 lacs carry a floating charge created in favor of depositors in the Fixed Deposit schemes of the Company (read with Note 6.2 and Note 6.4 above).

15 HOUSING AND PROPERTY LOANS

(₹ lacs)

| | Non Current Portion 31.03.2016 | Current Portion 31.03.2016 |
|---|--------------------------------------|-------------------------------|
| Secured, considered good unless stated otherwise | | |
| Housing Loans | | |
| Standard loans | 5,305,934 | 287,708 |
| Sub-Standard loans | 8,934 | - |
| Doubtful loans | 27,653 | - |
| Loss assets | - | - |
| | <u>5,342,521</u> | <u>287,708</u> |
| Less : Securitised Housing Loans | 679,569 | 38,808 |
| A Total Housing Loans | <u>4,662,952</u> | <u>248,900</u> |
| Other Property Loans | | |
| Standard loans | 1,211,854 | 88,984 |
| Sub-Standard loans | 4,363 | - |
| Doubtful loans | 16,958 | - |
| Loss assets | - | - |
| | <u>1,233,175</u> | <u>88,984</u> |
| Less : Other Property Securitised Loans | 53,498 | 3,011 |
| B Total Other Property Loans | <u>1,179,677</u> | <u>85,973</u> |
| Total Loan book (A+B) | <u>5,842,629</u> | <u>334,873</u> |

| | | |
|--|------------------|----------------|
| Summary: | | |
| Housing Loans | 5,342,521 | 287,708 |
| Other Property Loans | 1,233,175 | 88,984 |
| Total Housing & Property Loans under Company's management | 6,575,696 | 376,692 |
| Less : Securitised and Syndicated portion | 733,067 | 41,819 |
| TOTAL HOUSING AND PROPERTY LOANS | 5,842,629 | 334,873 |

- 15.1 Other property loans include mortgage loan, non residential property loan, plot loan for self construction where construction has not began in last three years and loan against the lease rental income from properties in accordance with directions of National Housing Bank (NHB). These also include loans granted to Small & Medium Enterprise (SME) and certain part are unsecured in terms of the particular scheme of an aggregate amount of ₹ 6,327 lacs.
- 15.2 As certified by the management, loans given by the Company are secured by equitable mortgage/ registered mortgage of the property and assets financed and/or assignment of Life Insurance policies and/or personal guarantees and/or undertaking to create a security and/or hypothecation of assets and are considered appropriate and good.
- 15.3 Composite Loans sanctioned (i.e. loans allowed for purchase of plot and self construction of house) on or before 31st March, 2014, in which construction has not started till 31st March, 2017, as per information available with the Company, is excluded from Housing Loans and regrouped under Other Loans (Non Housing) in above outstanding as on 31st March, 2017 aggregating ₹ 18,106 lacs.
- 15.4 Insurance portion of Housing Loan is excluded from Housing Loan and regrouped in Other Property Loan. The insurance portion amounting to ₹ 109,612 lacs to meet the cost of the insurance premium to secure the borrower's life and thereby further secure the loan portfolio by way of risk mitigation method and to secure the Company's Housing loan portfolio against any eventuality.
- 15.5 The Company has entered into Loan Syndication arrangements with certain public and private sector banks to provide Housing loan to borrowers wherein DHFL originates the loan files and gets it processed under common credit norms. The said banks have agreed to participate upto 50% of the disbursed loan portfolio under loan syndication arrangement. Entire/partial processing fees and other charges/ income on these loans, depending upon the syndication arrangements, accrues to DHFL. The Company has derecognised the said loan portion syndicated to others in its books.
- 15.6 The Company has entered into Loan Syndication arrangements with DHFL Vysya Housing Finance Limited and Aadhar Housing Finance Limited in the earlier year to provide Housing and Property Loans to borrowers wherein DHFL originates the loan files through its branches and gets it processed under common credit norms at the Central Processing Unit. The loan syndicate participants have agreed to participate in the disbursed loan portfolio under loan syndication arrangement. During the year Company has disbursed ₹ 700 lacs under joint syndication out of which ₹ 105 lacs has been shared by syndicate partners, which has been derecognised.
- 15.7 The Company has acquired certain assets under SARFAESI Act which are retained for the purpose of sale under the rules and regulations of SARFAESI Act involving ₹ 4,756 lacs, which are part of NPA portfolio for which necessary provisions have already been made. These assets are accounted as and when they are realised as per related accounting policy.
- 15.8 The Company has securitized / assigned pool of certain housing and property loans and managed servicing of such loan accounts. The balance outstanding in the pool, as at the reporting date aggregates ₹ 774,886 lacs. These assets have been de-recognised in the books of the Company. The Company is responsible for collection and getting servicing of this loan portfolio on behalf of buyers / investors. In terms of the said securitization/assignment agreements, the Company pays to buyer/investor on monthly basis the prorata collection amount as per individual agreement terms. The Company has purchased home loan pools in two tranches aggregating amount of ₹ 30,863 lacs in compliance with RBIs norms on Securitisation, specific to Direct Assignment transactions, in terms of Minimum Holding Period (MHP) and Minimum Retention Requirement (MRR).
- 15.9 Housing and other property loans (current and non-current) includes ₹ 242 lacs given to the key managerial persons of the Company under the normal course of business.

| | | |
|----|---|----------------------------|
| | | (₹ lacs) |
| 16 | OTHER LONG TERM LOANS AND ADVANCES | Non Current Portion |
| | | 31.03.2016 |
| | Secured and considered good | |
| | Loans and advances to employees (Refer Note 16.1) | 14 |
| | Other loans and advances | 13 |
| | Unsecured, considered good unless stated otherwise | |
| | Capital advances | 519 |
| | Security deposits | 1,722 |
| | Loans and advances to employees | 23 |
| | Advances recoverable in cash or in kind | 21,460 |
| | MAT Credit Entitlement | - |
| | Advance Income Tax (Net of Provisions) | 3,417 |
| | TOTAL OTHER LONG TERM LOANS AND ADVANCES | 27,168 |

16.1 Loans to employees are secured by the hypothecation of respective assets against which these loans have been granted

| | | |
|----|---|--------------------------------------|
| 17 | CURRENT INVESTMENTS (at lower of cost and fair value unless stated otherwise) | (₹ lacs) 31.03.2016 |
| | Equity Investments | |
| | Investment in equity instruments- Quoted | 912 |
| | Other Investments | |
| | Investment in Debenture - Quoted | - |
| | Investment in Mutual Funds - Unquoted | 18,890 |
| | Investment in Certificate of Deposit - Unquoted | - |
| | Investment in Pass Through Certificates -Class B | 432 |
| | Investment by Insurance Company: | |
| | Investment Related to Policy Holders | 537 |
| | Investment to cover linked liabilities | 2,113 |
| | Investment related to Shareholders | 2,482 |
| | TOTAL CURRENT INVESTMENTS | 25,366 |
| | Aggregate amount of Quoted Investments | 978 |
| | Market Value of Quoted Investments | 912 |
| | Aggregate amount of Unquoted Investments | 24,453 |
| 18 | TRADE RECEIVABLES Secured, considered good, less than six months | (₹ lacs) 31.03.2016 |
| | Receivables due for more than six months from due date (Considered doubtful ₹ 95 lacs) (refer note 7 for Provision) | 95 |
| | Others | 3,673 |
| | TOTAL TRADE RECEIVABLES | 3,768 |
| 19 | CASH AND BANK BALANCES | (₹ lacs) 31.03.2016 |
| | Cash and Cash Equivalents | |
| | Balances with Banks | |
| | in Current Accounts | 74,618 |
| | in Deposits accounts with original maturity of less than 3 months | - |
| | Remittance in Transit * | 225,857 |
| | Cash on hand | 605 |
| | Insurance Stamps | 925 |
| | Total Cash and Cash Equivalents | 302,005 |
| | * Remittance in Transit of ₹ 225,857 lacs credited by bank on 4th April, 2016 due to banking holidays. | |
| | Other Bank Balances | |
| | Other Deposits accounts having balance maturity of less than 12 months | 47,514 |
| | Deposits having balance maturity of more than 12 months (Refer Note 21) | 20,222 |
| | Balances in unpaid dividend bank accounts | 171 |
| | Total Other Bank Balances | 67,907 |
| | Total Cash and Bank Balances | 369,912 |
| | Less : Amounts disclosed under non-current assets (Refer Note 21) | 20,222 |
| | Total Net Cash and Bank Balances | 349,690 |

| | | | |
|-----------------|--|--------------------------------|------------------------|
| Summary: | | | |
| | Total Cash and Cash Equivalents | | 302,005 |
| | Other Bank Balances | | 67,907 |
| | Amounts disclosed under non-current assets | | (20,222) |
| | Total Net Cash and Bank Balances | | 349,690 |
| 19.1 | Current portion of balances with Banks in Deposit Accounts includes deposits under lien aggregating to ₹ 21,495 lacs being earmarked for SLR requirements of NHB. ₹ 644 lacs being margin money for bank guarantees, ₹ 19,156 lacs being securitization comforts provided to various Trustees/ buyer, ₹ 1,225 lacs toward sinking fund requirement of debenture provided to Trustee of debentures and ₹ 4,145 lacs under lien against Interest rate swaps. | | |
| 20 | SHORT TERM LOANS & ADVANCES | | (₹ lacs) |
| | | | 31.03.2016 |
| | Secured and considered good | | |
| | Loans against Fixed Deposits | | 698 |
| | EMI/PEMI/other receivable (Including Interest) | | 20,092 |
| | Unsecured, considered good, otherwise stated | | |
| | Current maturities of Security deposits | | 122 |
| | Loans and advances/Recoverable - related parties (refer note 36) | | 580 |
| | Inter Corporate Deposits (Considered doubtful ₹ 1,447 lacs) (refer note 9 for Provision) | | 1,447 |
| | Advances recoverable in cash or in kind (Considered doubtful ₹ 458 lacs) (refer note 9 for Provision) | | 22,651 |
| | TOTAL SHORT TERM LOANS AND ADVANCES | | 45,589 |
| 21 | OTHER NON CURRENT & CURRENT ASSETS | | (₹ lacs) |
| | | Non Current Portion | Current Portion |
| | | 31.03.2016 | 31.03.2016 |
| | Unsecured, considered good | | |
| | Non current portion of balances with banks in deposit accounts (Refer Note 19 & 21.1) | 20,222 | - |
| | Interest accrued but not due | 3,469 | 6,152 |
| | | 23,691 | 6,152 |
| 21.1 | Non Current portion of balances with Banks in Deposit Accounts includes deposits under lien aggregating ₹ 8,082 lacs being securitization comforts provided to various Trustees/ buyer, ₹ 10,790 lacs being earmarked for SLR requirements of NHB and ₹ 1,350 lacs towards sinking fund requirement of debenture provided to Trustee of debentures. | | |
| 22 | REVENUE FROM OPERATIONS | | (₹ lacs) |
| | | | 31.03.2016 |
| | Interest on Housing and Property Loans | | 688,392 |
| | Interest on Bank Deposits | | 5,927 |
| | Interest on Long Term Investments | | 2,622 |
| | Other Interest* | | 119 |
| | Revenue from other services (Refer note 22.1) | | 16,552 |
| | Operational treasury income (Refer note 22.2) | | 17,287 |
| | Insurance Commission (Refer note 22.3) | | 684 |
| | Management and Advisory | | 767 |
| | Total Revenue from operations | | 732,350 |
| | * Includes Interest on short term CDs, ICDs and CPs | | |
| 22.1 | Revenue from other services includes | | |
| | Loan related Services | | 12,416 |
| | Advisory Services | | 4,136 |
| | Total Revenue from other services | | 16,552 |
| | Revenue from other services is net of the amount paid / payable towards Business Sourcing and related expenses ₹ 15,041 lacs | | |

| | | | |
|------|---|-----------------|-----------------------|
| 22.2 | Operational treasury income includes: | | |
| | Net Income from mutual fund & financial / commodity derivatives | | 16,669 |
| | Profit on sale of investments | | 452 |
| | Dividend Income | | 166 |
| | Total Operational treasury income | | <u>17,287</u> |
| 22.3 | Insurance commission income includes amount received from : | | |
| | DHFL Pramerica Life Insurance Co. Ltd | | 684 |
| | Cholamandalam MS General Insurance Company Ltd | | - |
| | Total Insurance commission income | | <u>684</u> |
| | Insurance Commission has been received in the capacity of Corporate Insurance Agent | | |
| 23 | OTHER INCOME | | |
| | Rent Income | | 364 |
| | Liabilities no longer required written back | | - |
| | Miscellaneous Income | | 141 |
| | Total Other Income | | <u>505</u> |
| 24 | FINANCE COST | | |
| | Interest expenses | | 516,513 |
| | Premium on redemption of Debentures | 39,051 | |
| | Less: Securities premium utilized (Refer note 4.2) | <u>(16,200)</u> | 22,851 |
| | Other Borrowing Costs | | 9,831 |
| | Total Finance cost | | <u>549,195</u> |
| 25 | EMPLOYEE BENEFITS EXPENSES | | |
| | Salaries and Bonus | | 30,391 |
| | Contribution to Provident Fund & Other Funds | | 1,534 |
| | Staff Welfare Expenses | | 641 |
| | Total Employee Benefits Expenses | | <u>32,566</u> |

26 OTHER EXPENSES

| | | |
|---|-------|---------------|
| Rent, Rates & Taxes | | 3,691 |
| Training & Conference Expenses | | 1,139 |
| Travelling & Conveyance | | 3,084 |
| Printing & Stationery | | 532 |
| Advertisement and Business Promotion expenses | | 13,868 |
| Brokerage and scheme related expenses | | 192 |
| Insurance | | 426 |
| Legal & Professional Charges | | 6,686 |
| Communication Expenses | | 1,748 |
| General Repairs & Maintenance | | 2,316 |
| Electricity | | 844 |
| Directors Sitting Fees & Commission | | 144 |
| Loss on sale of Fixed Assets (net) | | 93 |
| Managerial remuneration | | 220 |
| CSR Expenses (Refer Note 26.1) | | 716 |
| Office Maintenance | | 827 |
| Recovery Expenses | | 308 |
| Auditors' Remuneration (Refer Note 34) | | 267 |
| Bad Debts | 2,146 | |
| Less provision for Non Performing Assets utilized | 2,146 | - |
| Miscellaneous Expenses | | 721 |
| Preliminary Expenses | | 87 |
| Total Other expenses | | 37,909 |

26.1 Corporate Social Responsibility (CSR)

Company is required to spend money on Corporate Social Responsibility (CSR) activity as per CSR Rules under the Companies Act 2013. During the year Company has spent ₹ 716 lacs out of required sum of ₹ 1,519 lacs. The CSR committee is in the process of evaluating various scheme to meet the requirement as per section 135 of the Companies Act, 2013 read with Schedule VII.

Details of amount spent towards CSR given below:

| Particulars | (₹ lacs) |
|------------------------------------|------------|
| | 2015-16 |
| Art & Culture | 4 |
| Early Childhood Care and Education | 327 |
| Education | 36 |
| Environment | 12 |
| Financial Literacy | 41 |
| Health & Medicine | 18 |
| Rural Development | 128 |
| Skill Development | 107 |
| Others | 43 |
| Grand Total | 716 |

27 EARNING PER SHARE

| | |
|--|--------|
| Net Profit attributable to equity shareholders for basic and diluted EPS | 74,930 |
| Nominal value of Equity Shares (₹) | 10 |
| Earning Per Share (₹): | |
| Basic | 25.69 |
| Diluted | 23.73 |

27.1 The reconciliation between the Basic and the Diluted

Earning per Share is as follows:

| Particulars | (in ₹) | |
|--|-----------|--------|
| | 2015 - 16 | |
| Basic Earning per share | | 25.69 |
| Effect of outstanding Stock Options / Share Warrants | | (1.95) |
| Diluted Earning per share | | 23.73 |

For number of share

| Particulars | 2015 - 16 | |
|---|---|-------------|
| | Weighted average number of shares for Basic Earning per share | |
| Dilutive effect of outstanding Stock Options / Share Warrants | | 23,999,348 |
| Weighted average number of shares for Diluted Earning per share | | 315,712,092 |

28 LEASES

Operating Lease

The company has taken certain premises for office and residential use for its employees under cancellable and non cancellable operating lease agreements. Terms of the lease include terms for renewal, increase in rents in future periods and terms of cancellation. The total lease rent recognized as an expense during the year under the lease agreements amounts to ₹ 2,939 lacs.

Expected future minimum commitments during the non-cancellable period under the lease arrangements are as follows:

| | (₹ lacs) |
|---|--------------|
| | 31.03.2016 |
| Within one year | 763 |
| Later than one year but not later than five years | 914 |
| Later than five years | 250 |
| | 1,927 |

29 Company had acquired 50% stake in DHFL Pramerica Life Insurance Company Limited ("DPLI") in December, 2013. In order to unlock the value of Company's investment in DPLI and create more head room for future fund raising in the company, the Board of Directors at its meeting held on 14th February,2017 and Shareholders of the Company on 17th March,2017 approved the sale of investments in DPLI to its Wholly Owned Subsidiary i.e. DHFL Investments Limited ("DIL") at the fair market value determined by an internationally reputed actuarial consultants. Post receipt of the applicable approvals from Insurance Regulatory and Development Authority of India, Competition Commission of India and Reserve Bank of India, the equity shares in DPLI were sold to DIL at fair market value of ₹ 200,050 lacs determined by internationally reputed actuarial consultants. Gain of ₹ 1,85,545 lacs arising on sale of investments has been considered as exceptional item.

30 Two subsidiaries of the Company were amalgamated into the company pursuant to the Scheme of amalgamation (Scheme) under Section 391 to 394 of the Companies Act, 1956 approved by the Board of directors of all the three companies and sanctioned by the Hon'ble High Court of judicature at Bombay vide its order dated 27th July, 2012 and by the Hon'ble High Court of judicature at Delhi vide its order dated 4th January,2013 which were filed with the Registrar of Companies on 31st January, 2013 being the effective date for the amalgamation scheme. In terms of the above scheme, the Assets and Liabilities of the subsidiary companies were amalgamated with DHFL at their respective fair value in the earlier years. Proportionate Fair value appreciation surplus amounting to ₹ 4,759 lacs has been amortized out of the capital reserve in terms of the valuation report of the scheme.

31. As per the Accounting Standard 17 on 'Segment Reporting' (AS 17), the main segments and the relevant disclosures relating thereto are as follows:

The Company has identified three reportable segments viz. Loans, Life Insurance and Asset Management. Segments have been identified and reported taking into account nature of services,

Primary Segment Information :

(Rs. in lacs)

| Particulars | Loans | Life Insurance | Asset Management | Others | Inter Segment | Unallocated | Total |
|---|----------------|----------------|------------------|----------------|----------------|-----------------|----------------|
| | 31 March, 2016 | 31 March, 2016 | 31 March, 2016 | 31 March, 2016 | 31 March, 2016 | 31 March, 2016 | 31 March, 2016 |
| Segment Revenue | 729,510 | 52,810 | 1,167 | 505 | - | - | 783,992 |
| Segment Result | 110,243 | 2,912 | (967) | 417 | - | - | 112,605 |
| Income Tax (Current) | - | - | - | - | - | 38,890 | 38,890 |
| Deferred tax | - | - | - | - | - | (1,215) | (1,215) |
| Income Tax | - | - | - | - | - | 37,675 | 37,675 |
| Total Result | 110,243 | 2,912 | (967) | 417 | - | (37,675) | 74,930 |
| Segment Assets | | | | | | | |
| Assets | 6,761,269 | 113,884 | 33,692 | 7,501 | 87 | 8,023 | 6,924,456 |
| Liabilities | 6,274,324 | 74,299 | 30,634 | 89 | 88 | 6,043 | 6,385,477 |
| Net Assets | 486,945 | 39,585 | 3,058 | 7,412 | (1) | 1,980 | 538,979 |
| Other Information | | | | | | | |
| Capital Expenditure | 7,158 | 1,222 | 295,355 | - | - | - | 303,735 |
| Depreciation | 2,430 | 324 | 231 | - | - | - | 2,984 |
| Non-cash expenses - other than Depreciation | 17,297 | 21,458 | - | - | - | - | 38,755 |

Note:

- The Loan segment providing loans to retail customers for construction or purchase of residential property, loans against property, loans to real estate developers etc.
- Life Insurance includes life insurance business carried through joint venture "DHFL Pramerica Life Insurance Co. Ltd., which is not consolidated w.e.f 31.3.2017 (Refer note 2.2)
- Asset Management segment include mutual fund, asset management company.
- Others include advisory services and profit from Associate.
- The group does not have any material operations outside India and hence disclosure of geographic segments is not given.

DEWAN HOUSING FINANCE CORPORATION LIMITED

| | | |
|----|--|------------|
| 32 | Contingent liability : | 31.03.2016 |
| | Guarantees provided by the Company | 10,003 |
| | Claims against the Company not acknowledged as debts | 706 |
| | Income Tax Demand | - |
| | Share in jointly controlled entities | 434 |
| | Share in associates | 914 |
| 33 | Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances) is ₹ 8,380 lacs (₹ 8,451 | |
| | | (₹ lacs) |
| 34 | AUDITORS REMUNERATION : | 31.03.2016 |
| | Audit Fees | 127 |
| | Tax Audit Fees | 10 |
| | Certification and Other Matters (*) | 35 |
| | Audit Fees of Branch / Components Auditors | 72 |
| | Reimbursement of Expenses | 10 |
| | Service Tax | 14 |
| | | 268 |

36 RELATED PARTY TRANSACTIONS

As per Accounting Standard (AS 18) on "Related Party Disclosures" details of transactions with related parties as defined therein are given below:

A) List of related parties with whom transaction have taken place during the year and relationship:

1) Companies

(i) Subsidiaries

- a. DHFL Investments Limited (w.e.f. February 13, 2017) (refer Note 2.2)

(ii) Associate Companies

- a. Avanse Financial Services Limited
b. DHFL Venture Trustee Company Private Limited
c. DHFL Vysya Housing Finance Limited
d. Aadhar Housing Finance Limited

(iii) Enterprises over which KMP are able to exercise significant influence

- a. Arthveda Fund Management Private Limited
b. Dish Hospitality Private Limited
c. WGC Management Services Private Limited
d. Wadhawan Sports Private Limited
e. Essential Hospitality Private Limited

2) Key Management Personnel

- | | |
|-----------------------|------------------------------|
| a. Mr. Kapil Wadhawan | Chairman & Managing Director |
| b. Mr. Harshil Mehta | Chief Executive Officer |
| c. Mr. Santosh Sharma | Chief Finance Officer |

3) Relatives of Key Management Personnel

- a. Mr. Dheeraj Wadhawan
b. Mrs Aruna Wadhawan

B) Nature of transactions :

(₹ in lacs)

| Nature of Transactions | Subsidiary | | Associate Companies/ Others # | | Investing Party and its Group Company | | Key Management Personnel | |
|---|------------|---------|----------------------------------|---------|--|---------|-----------------------------|---------|
| | 2016-17 | 2015-16 | 2016-17 | 2015-16 | 2016-17 | 2015-16 | 2016-17 | 2015-16 |
| 1) Investments | | | | | | | | |
| Investment Made | 10,005 | - | - | - | - | - | - | - |
| Investment Redeemed\Sold | - | - | 2 | - | - | - | - | - |
| 2) Loans, Advances and Deposits Paid | | | | | | | | |
| Given | 112 | - | 1,215 | - | - | - | 95 | 55 |
| Recovered | 2 | - | - | - | - | - | 22 | 15 |
| 3) Loans, Advances and Deposits Received | | | | | | | | |
| Received | - | - | 0.29 | 6 | - | - | - | - |
| Repaid | - | - | - | - | - | - | - | - |
| 4) Shares Issued | | | | | | | | |
| | | | | | 30,000 | 1,250 | | |
| 5) Share Application Money Received | | | | | | | | |
| | | | | | - | 30,000 | | |
| 6) Income | | | | | | | | |
| Trustee Ship fee | - | - | - | - | 50 | 38 | - | - |
| Insurance | - | - | - | 15 | - | - | - | - |
| Dividend | - | - | 10 | 115 | - | - | - | - |
| Interest | - | - | - | - | - | - | 23 | 18 |
| Rent | - | - | 390 | 352 | - | - | - | - |
| Other income | - | - | 131 | 118 | - | - | 0.25 | - |
| | | | | | | | | - |
| 7) Expenditure | | | | | | | | |
| Remuneration | - | - | - | - | - | - | 785 | 604 |
| Rent Expenses | - | - | 904 | 47 | - | - | - | - |
| Brokerage and Marketing Fees | - | - | 20 | 11 | - | - | - | - |
| Commission | - | - | 40 | 18 | - | - | - | - |
| Sponsorship | - | - | 100 | 135 | - | - | - | - |
| Canteen Expenses | - | - | 108 | 86 | - | - | - | - |
| | | | | | | | | |
| 8) Sale of Investments | | | | | | | | |
| | 200,052 | - | - | - | - | - | - | - |
| 9) Loan Syndication | | | | | | | | |
| | - | - | - | 185 | - | - | - | - |

| | | | | | | | | |
|---|-----------------|---|--------|-------|---|-----|-----------|-----|
| 10) Purchase of Loans (Securitisation) | - | - | 30,863 | - | - | - | - | - |
| 11) Closing Balances | | | | | | | | |
| Loans, Advances and Deposits given | 110 | - | 2,167 | 22 | - | 808 | 315 | 242 |
| Loans, Advances and Deposits Received | - | - | 88 | 110 | 1 | 1 | - | - |
| Investments | 10,005 | - | 6,793 | 6,795 | - | - | - | - |
| 12) Guarantees | Note (iv) & (v) | | | | | | Note (iv) | |

| Details of Transactions | Subsidiary | | Associate Companies/ | | Investing Party and | | Key Management | |
|--|------------|---------|----------------------|---------|---------------------|---------|----------------|---------|
| | 2016-17 | 2015-16 | 2016-17 | 2015-16 | 2016-17 | 2015-16 | 2016-17 | 2015-16 |
| INCOME received from | | | | | | | | |
| 1) Dividend | | | | | | | | |
| DHFL Vysya Housing Finance Limited | - | - | 10 | 115 | - | - | - | - |
| 2) Interest | | | | | | | | |
| Mr. Harshil Mehta | - | - | - | - | - | - | 2 | 0.44 |
| Mr. Santosh Sharma | - | - | - | - | - | - | 21 | 18 |
| 3) Rent | | | | | | | | |
| Arthveda Fund Management Private Limited | - | - | 71 | 71 | - | - | - | - |
| Aadhar Housing Finance Limited | - | - | 105 | 79 | - | - | - | - |
| Avanse Financial Services Ltd | - | - | 6 | 3 | - | - | - | - |
| WGC Management Services Private Limited | - | - | 208 | 198 | - | - | - | - |
| DHFL Vysya Housing Finance Ltd. | - | - | - | 1 | - | - | - | - |
| 4) Other Income | | | | | | | | |
| Aadhar Housing Finance Limited | - | - | 79 | 74 | - | - | - | - |
| DHFL Vysya Housing Finance Limited | - | - | 27 | 29 | - | - | - | - |
| Avanse Financial Services Pvt Ltd | - | - | 25 | 15 | - | - | - | - |
| Mr. Santosh Sharma | - | - | - | - | - | - | 0.25 | - |
| 5) Trusteeship Fee | | | | | | | | |
| DHFL Pramerica Mutual Fund | - | - | - | - | 50 | 38 | - | - |
| 6) Insurance Premium | | | | | | | | |
| Aadhar Housing Finance Limited | - | - | - | 9 | - | - | - | - |
| DHFL Vysya Housing Finance Limited | - | - | - | 3 | - | - | - | - |
| Arthveda Fund Management Private Limited | - | - | - | 0.11 | - | - | - | - |
| Avanse Financial Services Ltd | - | - | - | 3 | - | - | - | - |
| 7) Sale of Investments | | | | | | | | |
| DHFL Investments Limited | 200,052 | - | - | - | - | - | - | - |
| EXPENDITURE: | | | | | | | | |
| 1) Rent, Rates & Taxes | | | | | | | | |
| Wadhawan Holdings Private Limited | - | - | 229 | 46 | - | - | - | - |
| Aadhar Housing Finance Limited | - | - | - | 1 | - | - | - | - |
| Essential Hospitality Private Limited | - | - | 675 | - | - | - | - | - |
| 2) Remuneration | | | | | | | | |
| Mr. Kapil Wadhawan | - | - | - | - | - | - | 325 | 239 |
| Mr. Harshil Mehta | - | - | - | - | - | - | 358 | 278 |
| Mr. Santosh Sharma | - | - | - | - | - | - | 102 | 87 |
| 3) Brokerage and Marketing Fees | | | | | | | | |
| Avanse Financial Services Ltd | - | - | 20 | 11 | - | - | - | - |
| 4) Canteen Expenses | | | | | | | | |
| Dish Hospitality Private Limited | - | - | 108 | 86 | - | - | - | - |
| 5) Sponsorship | | | | | | | | |
| Wadhawan Sports Private Limited | - | - | 100 | 135 | - | - | - | - |
| 6) Commission | | | | | | | | |
| DHFL Vysya Housing Finance Limited | - | - | 40 | 18 | - | - | - | - |
| ASSETS \ LIABILITIES | | | | | | | | |
| 1) Investments made | | | | | | | | |
| DHFL Investments Limited | 10,005 | - | - | - | - | - | - | - |
| 2) Investments sold / redeemed | | | | | | | | |
| DHFL Venture Trustee Co. Pvt Ltd | - | - | 2 | - | - | - | - | - |
| 3) Loans, Advances and Deposit given | | | | | | | | |
| DHFL Investments Limited (For incorporation) | 112 | - | - | - | - | - | - | - |
| Essential Hospitality Private Limited (Security Depo | - | - | 1,215 | - | - | - | - | - |
| Mr. Harshil Mehta | - | - | - | - | - | - | 41 | 25 |

| | | | | | | | | |
|---|--------|---|--------|-------|--------|--------|-----|-----|
| Mr. Santosh Sharma | - | - | - | - | - | - | 54 | 30 |
| 4) Loans, Advances and Deposit Repaid | | | | | | | | |
| DHFL Investments Limited | 2 | - | - | - | - | - | - | - |
| Mr. Santosh Sharma | - | - | - | - | - | - | 22 | 15 |
| 5) Security Deposit Received | | | | | | | | |
| Aadhar Housing Finance Limited | - | - | - | 6 | - | - | - | - |
| Avanse Financial Services Ltd | - | - | 0.29 | - | - | - | - | - |
| 6) Issue of Equity Shares | | | | | | | | |
| PGLH of Delaware, INC | - | - | - | - | 30,000 | 1,250 | - | - |
| 7) Share Application Money Received | | | | | | | | |
| PGLH of Delaware, INC | - | - | - | - | - | 30,000 | - | - |
| 8) Purchase of Loans (Securitisation) | | | | | | | | |
| Aadhar Housing Finance Limited | - | - | 30,863 | - | - | - | - | - |
| CLOSING BALANCES | | | | | | | | |
| 1) Advances Recoverable from | | | | | | | | |
| DHFL Investments Limited | 110 | - | - | - | - | - | - | - |
| Aadhar Housing Finance Limited | - | - | - | 0.36 | - | - | - | - |
| Arthveda Fund Management Private Limited | - | - | 30 | 22 | - | - | - | - |
| Essential Hospitality Private Limited | - | - | 1,215 | - | - | - | - | - |
| Aadhar Housing Finance Limited (Securitisation) | - | - | 922 | - | - | - | - | - |
| DHFL Pramerica Mutual Fund | - | - | - | - | - | 808 | - | - |
| Mr. Harshil Mehta | - | - | - | - | - | - | 67 | 25 |
| Mr. Santosh Sharma | - | - | - | - | - | - | 248 | 216 |
| 2) Amount Payable to | | | | | | | | |
| Aadhar Housing Finance Limited | - | - | 17 | 37 | - | - | - | - |
| DHFL Vysya Housing Finance Limited | - | - | - | 14 | - | - | - | - |
| Dish Hospitality Private Limited | - | - | 10 | 8 | - | - | - | - |
| Wadhawan Holding Private Limited | - | - | 40 | 10 | - | - | - | - |
| Avanse Financial Services Ltd | - | - | 0 | 9 | - | - | - | - |
| Aadhar Housing Finance Limited (Securitisation) | - | - | 21 | 32 | - | - | - | - |
| PGLH of Delaware, INC | - | - | - | - | 1 | 1 | - | - |
| 3) Investments | | | | | | | | |
| DHFL Investments Limited | 10,005 | - | - | - | - | - | - | - |
| Aadhar Housing Finance Limited | - | - | 1,490 | 1,490 | - | - | - | - |
| DHFL Vysya Housing Finance Limited | - | - | 315 | 315 | - | - | - | - |
| DHFL Venture Trustee Co. Pvt. Ltd. | - | - | - | 2 | - | - | - | - |
| Avanse Financial Services Ltd | - | - | 4,988 | 4,988 | - | - | - | - |
| 4) LOAN SYNDICATION | | | | | | | | |
| Aadhar Housing Finance Limited | - | - | - | 185 | - | - | - | - |

Notes

- i) The remuneration to KMP is inclusive of salary & perquisites
- ii) The figures of income and expenses are net of service tax.
- iii) The transactions with the related parties are disclosed only till the relationship exists.
- iv) Term loans from banks and loans from NHB are further guaranteed by personal guarantees of Mr Kapil Wadhawan and Mr Dheeraj Wadhawan
- v) Loans from NHB are further guaranteed by personal guarantee of Mrs Aruna Wadhawan and Corporate Guarantee of Wadhawan Global Capital Private Limited
- vi) # Others Includes enterprise over which KMP are able to exercise significant influence.

37 Employee Benefit Plans

The Company makes contributions towards provident fund for qualifying employees to Regional Provident Fund Commissioner. Contribution to Defined Contribution Plan, recognised as expense for the year are as under :

| | (₹ Lacs) | |
|--|----------|---------|
| | 2016-17 | 2015-16 |
| Employer's Contribution to Provident Fund & Pension Fund | 1,857 | 1,287 |

As required under Accounting Standard 15 [AS-15 Revised, 2005] the Company has made full provision for future gratuity liability & leave encashment liability payable at the time of retirement as on 31st March, 2015. On the basis of Gratuity and GLES report under Accounting Standard 15 [AS-15 Revised, 2005] provided by Independent Actuary, the Company has made necessary full contribution to life insurance companies including LIC of India of its own liabilities.

The details of post retirement benefits for the employees (including Key Management Personnel) as mentioned hereunder are based on the above report as provided by Independent Actuary as mentioned above and relied upon by the auditors :

| | (₹ Lacs) | | | |
|--|-------------------|--------------|--------------------------|------------|
| | Gratuity (Funded) | | Long Term Service Awards | |
| | 2016-17 | 2015-16 | 2016-17 | 2015-16 |
| A. Change in the Defined Benefit Obligations: | | | | |
| Liability at the beginning of the year | 1,038 | 863 | 16 | - |
| Amalgamation Adjustments | 0 | | - | - |
| Current Service Cost | 220 | 182 | 3 | 2 |
| Past Service Cost | 0 | 0 | - | 14 |
| Interest Cost | 82 | 68 | 1 | - |
| Benefits Paid | -314 | -154 | -0 | - |
| Actuarial Loss/ (Gain) | 239 | 78 | -4 | |
| Liability at the end of the year | 1,265 | 1,038 | 16 | 16 |
| B. Fair Value of Plan Assets : | | | | |
| Fair Value of Plan Assets at the beginning of the year | 1,462 | 1,128 | - | - |
| Amalgamation Adjustments | 0 | 0 | - | - |
| Expected Return on Plan Assets | 117 | 92 | - | - |
| Contributions | 145 | 350 | 1 | - |
| Benefits Paid | -216 | -116 | -1 | - |
| Actuarial (Loss)/Gain | -24 | 9 | - | - |
| Fair Value of Plan Assets at the end of the year | 1,485 | 1,462 | - | - |
| C. Actual Return on Plan Assets: : | 93 | 101 | - | - |
| D. Amount Recognised in the Balance Sheet: | | | | |
| Liability at the end of the year | 1,265 | 1,038 | 16 | 16 |
| Fair Value of Plan Assets at the end of the year | 1,485 | 1,462 | - | - |
| Net Asset / (Liability) recognized in the Balance Sheet | 220 | 425 | -16 | -16 |
| E. Expense Recognised in the Profit and Loss Account: | | | | |
| Current Service Cost | 220 | 182 | 3 | 2 |
| Interest Cost | 82 | 68 | 1 | - |
| Expected Return on Plan Assets | -117 | -92 | - | - |
| Net Actuarial Loss/ (Gain) | 263 | 69 | -4 | - |
| Expense recognised in the Profit & Loss Account under Employees Remuneration & Benefits | 448 | 228 | 0 | 2 |
| F. Reconciliation of the Liability at the end of the year | | | | |
| Opening Net Liability | -425 | -265 | 16 | - |

| | | | | |
|-------------------------------------|---------|---------|----|---|
| Expense Recognised | 448 | 228 | 0 | 2 |
| Benefits Paid | 243 | 388 | 0 | - |
| Liability at the end of the year | -220 | -425 | 16 | 2 |
| G. Actuarial Assumptions | | | | |
| Mortality Table (LIC) | 2006-08 | 2006-08 | | |
| Discount Rate (P. A.) | 7.57% | 8.01% | | |
| Rate of Escalation in Salary (P.A.) | 5.00% | 5.00% | | |

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

| (₹ Lacs) | | | | | |
|---|---------|---------|---------|---------|---------|
| Particulars | 2016-17 | 2015-16 | 2014-15 | 2013-14 | 2012-13 |
| Amount Recognised in the Balance Sheet: | 220 | 424 | 361 | 56 | (65) |
| Liability at the end of the year | 1,308 | 1,038 | 863 | 984 | 683 |
| Fair Value of Plan Assets at the end of the year | 1,526 | 1,463 | 1,128 | 928 | 749 |
| Amount recognised in the Balance Sheet under : | | | | | |
| Long-term Provision for Employee Benefit | (5) | (3) | 48 | 58 | 38 |
| Short-term Provision for Employee Benefits | 222 | 427 | 313 | (2) | (103) |
| Experience Adjustment : | 181 | 81 | (348) | 483 | 10 |
| On Plan Liabilities | (23) | 10 | 70 | 263 | - |
| On Plan Assets | 26 | - | - | 38 | 41 |
| Estimated Contribution for next year | - | - | 38 | 41 | - |

38. Additional Information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated

(As on / for the year ended March 31, 2017)

| Sr. No | Name of Entity | Net assets i.e. Total Assets minus total Liabilities | | Share of Profit / (Loss) | |
|--|--|--|-----------------|-------------------------------------|-----------------|
| | | As % of Consolidated bet assets | Amount (In Lac) | As % of consolidated Profit or loss | Amount (In Lac) |
| Parent | | | | | |
| 1 | Dewan Housing Finance Corporation Ltd | | 799,579 | | 289,645 |
| | less(-) Elimination | | -48,041 | | -11,398 |
| | Net of Eliminations | 97.22% | 751,538 | 99.15% | 278,247 |
| Subsidiaries - Indian | | | | | |
| 1 | DHFL Advisory & Investment Pvt. Ltd. | 0.69% | 5,352 | -0.73% | -2,061 |
| 2 | DHFL Investments Ltd * | 0.00% | - | 0.00% | - |
| Associates (Investment as per the equity Method) - Indian | | | | | |
| 1 | Avanse Financial Services Ltd. | 0.67% | 5,158 | 0.07% | 206 |
| 2 | DHFL Vysya Housing Finance Ltd | 0.21% | 1,605 | 0.08% | 220 |
| 3 | DHFL Venture Trustee Company Private Ltd * | 0.00% | - | 0.00% | 0 |
| 4 | Aadhar Housing Finance Ltd | 0.38% | 2,911 | 0.20% | 569 |
| Joint Venture (Investment as per Proportianate Consolidation Method) - Indian | | | | | |
| 1 | DHFL Pramerica Life Insurance Co. Ltd. * | 0.00% | - | 1.09% | 3,068 |
| 2 | DHFL Pramerica Asset Management Co. Ltd. | 0.84% | 6,492 | 0.14% | 382 |
| 3 | DHFL Pramerica Trustees Ltd | 0.00% | 4 | 0.00% | -1 |
| Total | | 100.00% | 773,060 | 100.00% | 280,630 |

* These companies are not consolidated for the reason stated in note no 2.2

39 Figures for the previous year have been regrouped, rearranged and reclassified wherever necessary. Figures in brackets represent previous year's figures.

REFORMATTED STANDALONE FINANCIAL INFORMATION

**The Board of Directors,
Dewan Housing Finance Corporation Limited**

TCG Financial Centre, 10th Floor,
BKC Road, Bandra Kurla Complex,
Bandra (East), Mumbai -400098
Maharashtra, India

Dear Sirs

We have examined the Reformatted Standalone Statement of Assets and Liabilities and Notes forming part thereof, the Reformatted Standalone Statement of Profit and Losses and Notes forming part thereof and the Reformatted Standalone Statement of Cash Flows (together referred to as “Reformatted Standalone Financial Information”) of Dewan Housing Finance Corporation Limited (‘DHFL’ or ‘the Company’), for the years ended 31 March 2018 , 31 March 2017 , 31 March 2016, 31 March 2015 and 31 March 2014 annexed to this report for the purpose of inclusion in the Draft Shelf Prospectus, Shelf Prospectus and relevant tranche prospectus (herein referred as “**Offer Document**”) to be filed by the Company in connection with its proposed issue of Secured Redeemable Non-Convertible Debentures (‘NCDs’) amounting up to Rs. 15,000 crores (“the **Issue**”), which has been approved by the Board of Directors of the Company by taking into consideration the requirements of:

- a) section 26(1)(b) of the Companies Act 2013 read with rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014; and
- b) the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended (‘the SEBI Regulations’) issued by Securities and Exchange Board of India (“**SEBI**”).

The preparation of such Reformatted Standalone Financial Information is the responsibility of the Company’s management. Our responsibility is to report on such information based on our procedures.

1. The Reformatted Standalone Financial Information have been extracted by management from the audited Financial Statements of the Company for the years ended 31 March 2018 and 31 March 2017, which were approved by Board of Directors of the Company and which have been audited by us and in respect of which we have issued audit opinion dated 30 April 2018 and 03 May 2017 respectively to the Members of the Company.
2. The Reformatted Standalone Financial Information have been extracted by management from the audited Financial Statements of the Company for the years ended 31 March 2016, 31 March 2015 and 31 March 2014, which were approved by Board of Directors of the Company and which have been jointly audited by T.R. Chadha & Co. LLP, Chartered Accountants and Rajendra Neeti & Associates , Chartered Accountants and in respect of which they have issued audit opinion dated 04 May 2016; 29 April 2015 and 30 April 2014 respectively to the Members of the Company.
3. We have examined the Reformatted Standalone Financial Information taking into consideration:
 - a) the terms of reference received from the Company requesting us to carry out work on such financial information, proposed to be included in the Offer Document of the Company in connection with its Issue; and
 - b) the Guidance Note on Reports in Company Prospectuses (Revised) issued by the Institute of Chartered Accountants of India (ICAI).
4. In accordance with the requirements of section 26(1)(b) of the Companies Act 2013 read with rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, the SEBI Regulations and the terms of our engagement agreed with you, we further report that:

The Reformatted Standalone Financial Information of the Company as at and for the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 examined by us are set out in Annexure I to III to this report.

5. Based on our examination as above, we further report that:
 - a) The Reformatted Standalone Financial Information have to be read in conjunction with the notes given in Annexure IV;
 - b) the figures of earlier years have been regrouped (but not restated retrospectively for changes in accounting policies), wherever necessary, to conform primarily to the requirements of the Schedule III to the Companies Act, 2013; and
 - c) in the preparation and presentation of Reformatted Standalone Financial Information based on Audited Financial Statements as referred to in paragraph 1 and 2 above, no adjustments have been made for any events occurring subsequent to dates of the audit reports specified in paragraph 1 and 2 above.
6. We have not audited any financial statements of the Company as of any date or for any period subsequent to 31 March 2018. Accordingly, we express no opinion or negative assurance on the financial position, results of operations or cash flows of the Company as of any date or for any period subsequent to 31 March 2018.

Other Financial Information

7. At the Company's request, we have also examined the following financial information proposed to be included in the Offer Document prepared by management and approved by NCD Public Issue Committee of the Company and annexed to this report relating to the Company as at and for the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014:
 - a) Statement of Accounting Ratios, as appearing in Annexure V
 - b) Statement of Capitalization, as appearing in Annexure VI
 - c) Statement of Dividend, as appearing in Annexure VII
8. In our opinion, the Reformatted Standalone Financial Information and other financial information as disclosed in the Annexures to this report read with the significant accounting policies and notes disclosed in Annexure IV has been prepared in accordance with the requirements of section 26(1)(b) of the Companies Act 2013 read with rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the SEBI Regulations.
9. This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by other auditors nor should this be construed as a new opinion on any of the financial statements referred to herein.
10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
11. This report is intended solely for your information and for inclusion in the Offer Document prepared in connection with the Issue of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For Chaturvedi & Shah

Chartered Accountants

Firm Registration Number: 101720W

Amit Chaturvedi

Partner

Membership No: 103141

Mumbai, May 03, 2018

DEWAN HOUSING FINANCE CORPORATION LIMITED
Reformatted standalone Balance Sheet

Annexure I

(₹ in Lacs)

| | | As At | | | | |
|--|------------|-------------------|------------------|------------------|------------------|------------------|
| NOTES | 31.03.2018 | 31.03.2017 | 31.03.2016 | 31.03.2015 | 31.03.2014 | |
| EQUITY AND LIABILITIES | | | | | | |
| Shareholders' Funds | | | | | | |
| Share Capital | 1 | 31,366 | 31,315 | 29,180 | 14,568 | 12,842 |
| Reserves and Surplus | 2 | 848,198 | 768,265 | 460,020 | 449,010 | 344,654 |
| Money Received Against Share Warrants | 3 | - | - | 12,500 | - | - |
| Total Shareholders' Funds | | 879,564 | 799,580 | 501,700 | 463,578 | 357,496 |
| Non Current Liabilities | | | | | | |
| Long Term Borrowings | 4 | 7,021,431 | 6,675,391 | 4,511,947 | 3,687,198 | 3,229,548 |
| Deferred Tax Liabilities (Net) | 5 | 35,796 | 30,944 | 9,149 | 6,579 | 115 |
| Other Long Term Liabilities | 6 | - | - | - | 144 | 151 |
| Long Term Provisions | 7 | 97,408 | 71,419 | 58,302 | 43,015 | 33,135 |
| Total Non-Current Liabilities | | 7,154,635 | 6,777,754 | 4,579,398 | 3,736,936 | 3,262,949 |
| Current Liabilities | | | | | | |
| Short Term Borrowings | 8 | 881,243 | 426,866 | 643,660 | 363,694 | 159,472 |
| Trade Payables | 9 | 5,082 | 1,923 | 2,874 | 2,106 | 1,933 |
| Other Current Liabilities | 10 | 1,836,094 | 1,223,608 | 1,050,550 | 891,591 | 597,041 |
| Short Term Provisions | 11 | 629 | 67 | 7,131 | 3,577 | 7,513 |
| Total Current Liabilities | | 2,723,048 | 1,652,464 | 1,704,215 | 1,260,968 | 765,959 |
| TOTAL | | 10,757,247 | 9,229,798 | 6,785,313 | 5,461,483 | 4,386,404 |
| ASSETS | | | | | | |
| Non-Current Assets | | | | | | |
| Fixed Assets | | | | | | |
| Property, Plant and Equipment | 12 | 84,228 | 20,436 | 19,802 | 18,388 | 18,465 |
| Intangible Assets | | 751 | 454 | 369 | 457 | 693 |
| Capital Work in Progress | | - | 54,615 | 54,615 | 79,615 | 79,615 |
| Intangible Assets under Development | | 12,905 | 8,762 | 3,266 | - | - |
| | | 97,884 | 84,267 | 78,052 | 98,460 | 98,773 |
| Non-Current Investments | 13 | 207,486 | 94,757 | 71,975 | 61,053 | 44,885 |
| Long term Housing and Property Loans | 14 | 8,498,211 | 6,760,170 | 5,842,629 | 4,869,470 | 3,860,131 |
| Other Long Term Loans and Advances | 15 | 95,693 | 103,611 | 26,652 | 28,279 | 23,444 |
| Other Non-Current Assets | 16 | 48,768 | 19,042 | 21,377 | 20,163 | 19,451 |
| Total Non-Current Assets | | 8,948,042 | 7,061,847 | 6,040,684 | 5,077,425 | 4,046,684 |
| Current Assets | | | | | | |
| Current Investments | 17 | 600,165 | 1,258,733 | 17,346 | 39,569 | 27,264 |
| Trade Receivables | 18 | 4,369 | 337 | 2,040 | 2,214 | 232 |
| Cash and Bank Balances | 19 | 246,814 | 342,999 | 340,834 | 67,644 | 98,318 |
| Short term portion of Housing and Property Loans | 20 | 695,021 | 449,448 | 334,873 | 234,497 | 184,973 |
| Other Short Term Loans and Advances | 21 | 254,479 | 108,322 | 43,404 | 35,824 | 26,439 |
| Other Current Assets | 22 | 8,357 | 8,112 | 6,132 | 4,310 | 2,494 |
| Total Current Assets | | 1,809,205 | 2,167,951 | 744,629 | 384,058 | 339,720 |
| TOTAL | | 10,757,247 | 9,229,798 | 6,785,313 | 5,461,483 | 4,386,404 |

DEWAN HOUSING FINANCE CORPORATION LIMITED
Reformatted standalone statement of profit and loss

Annexure II

(₹ in Lacs)

| | Notes | Year Ended | | | | |
|--|-------|------------------|----------------|----------------|----------------|----------------|
| | | 31.03.2018 | 31.03.2017 | 31.03.2016 | 31.03.2015 | 31.03.2014 |
| INCOME | | | | | | |
| Revenue from Operations | 23 | 1,045,016 | 885,176 | 731,183 | 597,896 | 496,558 |
| Other Income | 24 | 1,429 | 547 | 489 | 268 | 210 |
| TOTAL REVENUE | | 1,046,445 | 885,723 | 731,672 | 598,164 | 496,768 |
| EXPENSES | | | | | | |
| Interest & Finance Cost | 25 | 756,492 | 665,361 | 549,003 | 445,959 | 378,258 |
| Employees Remuneration & Benefits | 26 | 35,682 | 26,247 | 22,971 | 19,742 | 17,750 |
| Administrative & Other Expenses | 27 | 33,866 | 29,746 | 29,551 | 25,107 | 19,158 |
| Depreciation & Amortisation | 12 | 2,763 | 2,330 | 2,430 | 2,552 | 1,091 |
| Provision for Contingencies | 7 | 41,980 | 21,800 | 17,500 | 10,500 | 7,000 |
| TOTAL EXPENSES | | 870,783 | 745,484 | 621,455 | 503,860 | 423,257 |
| PROFIT BEFORE TAX AND BEFORE EXCEPTIONAL ITEM | | 175,662 | 140,239 | 110,217 | 94,304 | 73,511 |
| EXCEPTIONAL ITEMS (Refer note 32) | | - | 196,943 | - | - | - |
| PROFIT BEFORE TAX AND AFTER EXCEPTIONAL ITEM | | 175,662 | 337,182 | 110,217 | 94,304 | 73,511 |
| Less: Tax Expense | | | | | | |
| - Current Tax | | 53,597 | 80,136 | 39,142 | 29,244 | 20,295 |
| - Related to earlier years | | - | - | (255) | 629 | - |
| - MAT Credit utilised | | - | (46,072) | - | - | - |
| - Deferred Tax Charge/ (Credit) | | 4,852 | 13,473 | (1,590) | 2,302 | 316 |
| PROFIT FOR THE YEAR | | 117,213 | 289,645 | 72,920 | 62,129 | 52,900 |
| Earnings per Equity share (Face Value ₹ 10/-) # | | | | | | |
| Basic (₹) | | 37.39 | 95.76 | 25.00 | 23.91 | 20.61 |
| Diluted (₹) | | 37.09 | 95.44 | 23.10 | 23.59 | 20.56 |

The Earnings Per Share (EPS) have been calculated on enhanced capital post bonus issue in FY 2015-16 and accordingly EPS is adjusted for previous periods also, based on enhanced capital to make the numbers comparable.

(₹ in Lacs)

| Particulars | Year ended | | | | |
|---|--------------------|--------------------|--------------------|--------------------|------------------|
| | 31.03.2018 | 31.03.2017 | 31.03.2016 | 31.03.2015 | 31.03.2014 |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | | | |
| Net Profit Before Tax | 175,662 | 337,182 | 110,217 | 94,304 | 73,510 |
| Adjustments for: | | | | | |
| Depreciation and Amortisation | 2,763 | 2,330 | 2,430 | 2,552 | 1,091 |
| Employees Stock Option Expenses | 412 | (612) | (202) | 90 | 273 |
| (Gain)/Loss on hedged items and hedging derivative | - | - | - | - | (25) |
| Loss on sale of Fixed Assets | 62 | 23 | 93 | 92 | 197 |
| Provision for Contingencies | 25,989 | 13,117 | 15,288 | 10,500 | 7,000 |
| Share Premium Utilised | (9,891) | (11,465) | (10,594) | (19,127) | (3,470) |
| Bad Debts | 15,991 | 8,749 | 2,146 | 620 | 355 |
| Exceptional Items | - | (196,943) | - | - | - |
| Liabilities Written back | - | - | - | - | (115) |
| Other Operational Treasury Income | (54,708) | (47,088) | (16,888) | (7,694) | (6,730) |
| Operating Profit before Working Capital changes | 156,280 | 105,293 | 102,490 | 81,337 | 72,086 |
| Adjustments for: | | | | | |
| Current & Non Current Assets | (165,767) | (98,595) | (14,097) | (15,332) | (9,150) |
| Current & Non Current Liabilities | 278,713 | 94,988 | 45,913 | 12,695 | 18,301 |
| Cash Generated from Operations During the Year | 269,226 | 101,686 | 134,306 | 78,700 | 81,237 |
| Tax Paid | (46,398) | (85,282) | (35,197) | (25,566) | (19,818) |
| Net Cash from Operations | 222,828 | 16,404 | 99,109 | 53,134 | 61,419 |
| Housing and Other Property Loans Disbursed (Net) | (3,138,410) | (1,591,000) | (1,413,052) | (1,317,950) | (952,834) |
| Net Cash Flow from Operating Activities | (2,915,582) | (1,574,596) | (1,313,943) | (1,264,816) | (891,415) |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | | | |
| Net Income from Treasury Investments | 54,708 | 47,088 | 16,888 | 7,694 | 9,066 |
| Net movement in Other Investments | 552,286 | (1,254,536) | 8,765 | (25,726) | (29,552) |
| Investment in Subsidiary | (120) | (10,005) | (7,501) | - | - |
| Investment in Associates | (7,736) | - | - | (1,378) | (1,449) |
| Sale of Investment in Joint Venture | - | 200,050 | (3,775) | (1,684) | (1,423) |
| Class 'B' PTC movement | 1,409 | (2,736) | 13,865 | (7,380) | - |
| Investment In Bank Fixed Deposits | (78,378) | (14,824) | 4,329 | (19,499) | (20,511) |
| Capital Expenditure on Fixed Assets | (15,435) | (9,269) | 17,885 | (2,625) | (56,269) |
| Proceeds from Sale of Fixed Assets | 21 | 24 | - | - | - |
| Net Cash generated from / (used in) Investing Activities | 506,755 | (1,044,208) | 50,456 | (50,598) | (100,138) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | | | | |
| Issue of Equity Shares at Premium | 172 | 37,512 | 13,007 | 81,377 | 213 |
| Proceeds from Loan Securitised | 1,149,519 | 553,773 | 334,756 | 254,634 | 283,343 |
| Cash Credits (Net) | 112,727 | (63,446) | 166,809 | 2,249 | (6,480) |
| Proceeds form Long Term Borrowings | 1,309,927 | 2,931,419 | 1,497,783 | 1,086,720 | 1,060,615 |
| Repayment of Long Term Borrowings | (991,321) | (905,409) | (691,137) | (463,479) | (481,110) |
| Issue of Perpetual Debts | 50,000 | 47,500 | - | - | 3,550 |
| Other Short Term Borrowings | 3,142 | 6,496 | - | 298 | - |
| Other Short term Liabilities repaid | - | - | - | - | (3,160) |
| Proceeds from / (Repayment) issue of Commercial Paper | 305,500 | (165,400) | 113,400 | 204,500 | 94,500 |
| Public / Other Deposits received (net) | 347,446 | 172,598 | 131,435 | 113,285 | 67,174 |
| Dividend & Dividend Distribution Tax Paid | (22,618) | (10,820) | (24,499) | (13,690) | (8,705) |
| Net Cash from Financing Activities | 2,264,494 | 2,604,223 | 1,541,554 | 1,265,894 | 1,009,939 |
| Net Increase in Cash & Cash Equivalents | (144,333) | (14,581) | 278,068 | (49,520) | 18,386 |
| Cash & cash equivalents at the beginning of the year | 278,569 | 293,150 | 15,082 | 64,602 | 46,217 |
| Cash & Cash Equivalents at the Close of the Year | 134,236 | 278,569 | 293,150 | 15,082 | 64,602 |

| | | (₹ in Lacs) | | | | |
|----------|--|----------------|----------------|----------------|----------------|----------------|
| | | 31.03.2018 | 31.03.2017 | 31.03.2016 | 31.03.2015 | 31.03.2014 |
| 1 | SHARE CAPITAL | | | | | |
| | Authorised | | | | | |
| | Equity shares Capital of ₹10/- each | 57,800 | 57,800 | 74,800 | 74,800 | 74,800 |
| | Redeemable, non convertible preference shares of ₹10/- each | - | - | 7,500 | 7,500 | 7,500 |
| | Redeemable, non convertible preference shares of ₹100/- each | - | - | 500 | 500 | 500 |
| | Redeemable, non convertible preference shares of ₹1000/- each | 25,000 | 25,000 | - | - | - |
| | TOTAL | 57,800 | 57,800 | 82,800 | 82,800 | 82,800 |
| | Issued, Subscribed and Paid up | | | | | |
| | Equity shares Capital of ₹10/- each fully paid-up | 31,366 | 31,315 | 29,180 | 14,568 | 12,842 |
| | TOTAL | 31,366 | 31,315 | 29,180 | 14,568 | 12,842 |
| 2 | RESERVES & SURPLUS | | | | | |
| | Capital Reserve | | | | | |
| | Balance as per last Balance Sheet | 2,451 | 7,561 | 12,320 | 16,775 | 20,937 |
| | Less: utilised during the year | 2,451 | 5,110 | 4,759 | 4,455 | 4,162 |
| | | - | 2,451 | 7,561 | 12,320 | 16,775 |
| | Capital Redemption Reserve | | | | | |
| | Balance as per last Balance Sheet | - | - | 775 | 775 | 775 |
| | Less : Utilised during the year towards Bonus issue | - | - | 775 | - | - |
| | | - | - | - | 775 | 775 |
| | Securities Premium | | | | | |
| | Balance as per last Balance Sheet | 219,909 | 183,331 | 207,235 | 146,606 | 149,830 |
| | Add : Addition during the year | 463 | 48,043 | 501 | 79,772 | 246 |
| | Less : Utilised during the year towards Bonus issue | - | - | 13,811 | - | - |
| | Less : Utilised during the year [net of tax] | 9,891 | 11,465 | 10,594 | 19,143 | 3,470 |
| | | 210,481 | 219,909 | 183,331 | 207,235 | 146,606 |
| | Employees Share Options Outstanding | | | | | |
| | Balance as per last Balance Sheet | 738 | 1,516 | 1,718 | 1,628 | 1,355 |
| | Add : Addition during the year | 412 | - | 20 | 211 | 273 |
| | Less: Transferred to Statement of Profit & Loss | - | 612 | - | - | - |
| | Less: Transferred to Securities Premium Account | 342 | 166 | 222 | 121 | - |
| | | 808 | 738 | 1,516 | 1,718 | 1,628 |
| | General Reserve | | | | | |
| | Balance as per last Balance Sheet | 116,522 | 104,845 | 89,007 | 73,363 | 53,363 |
| | Add : Transferred from Surplus in Statement of Profit and Loss | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| | Less: Utilisation on Depreciations | - | - | - | 194 | - |
| | Less: utilised during the year | 2,826 | - | - | - | - |
| | Less : Utilisation on Deferred Tax Liability on Special Reserve | - | 8,323 | 4,162 | 4,162 | - |
| | | 133,696 | 116,522 | 104,845 | 89,007 | 73,363 |
| | Statutory Reserve (Special Reserve) | | | | | |
| | [In terms of Section 36(1)(viii) of the Income Tax Act, 1961 read with Section 29C of the National Housing Bank Act, 1987] | | | | | |
| | Balance as per last Balance Sheet | 156,399 | 98,399 | 80,399 | 64,399 | 48,399 |
| | Add : Transferred from Surplus in Statement of Profit and Loss | 27,500 | 58,000 | 18,000 | 16,000 | 16,000 |
| | | 183,899 | 156,399 | 98,399 | 80,399 | 64,399 |
| | Debenture Redemption Reserve | | | | | |
| | Balance as per last Balance Sheet | 117,000 | - | - | - | - |
| | Add : Transferred from Surplus in Statement of Profit and Loss | - | 117,000 | - | - | - |
| | | 117,000 | 117,000 | - | - | - |
| | Surplus in Statement of Profit and Loss: | | | | | |
| | As per last Balance Sheet | 155,246 | 64,368 | 57,556 | 41,108 | 36,228 |
| | Add : Profit for the year | 117,213 | 289,645 | 72,920 | 62,129 | 52,900 |
| | Less : Appropriations : | | | | | |
| | General Reserve | 20,000 | 20,000 | 20,000 | 20,000 | 20,000 |
| | Statutory Reserve | 27,500 | 58,000 | 18,000 | 15,999.80 | 16,000 |
| | Debenture Redemption Reserve | - | 117,000 | - | - | - |
| | Interim Equity Dividend | 9,408 | 3,130 | 17,507 | 5,146.00 | 3,850 |
| | Equity Dividend Paid | 9,407 | - | 5,836 | 2,914.00 | 2,569 |
| | Proposed Equity Dividend | - | - | - | - | 3,853 |
| | Dividend for earlier year | - | - | 2 | 9 | 3 |
| | Dividend Distribution Tax | 3,830 | 637 | 4,763 | 1,612 | 1,745 |
| | Surplus closing balance | 202,314 | 155,246 | 64,368 | 57,556 | 41,108 |
| | TOTAL | 848,198 | 768,265 | 460,020 | 449,010 | 344,654 |

| | 31.03.2018 | 31.03.2017 | 31.03.2016 | 31.03.2015 | 31.03.2014 |
|--|------------|------------|------------------|------------|------------|
| 3 MONEY RECEIVED AGAINST SHARE WARRANTS | | | | | |
| Money Received Against Share Warrants | - | - | 12,500.00 | - | - |
| TOTAL | - | - | 12,500.00 | - | - |

| | 31.03.2018 | 31.03.2017 | 31.03.2016 | 31.03.2015 | 31.03.2014 |
|---|------------------|------------------|------------------|------------------|------------------|
| 4 LONG TERM BORROWINGS | | | | | |
| Secured | | | | | |
| Non-Convertible Debentures | 2,595,710 | 2,731,873 | 1,199,795 | 719,284 | 443,656 |
| Term Loan from Banks | 3,120,530 | 2,779,247 | 2,568,075 | 2,403,075 | 2,307,143 |
| Loan from Others | | | | | |
| National Housing Bank | 253,816 | 295,575 | 119,324 | 109,733 | 160,009 |
| Foreign Financial Institutions / ECBs | 266,888 | 296,481 | 215,961 | 151,384 | 41,959 |
| Total Secured long term borrowings | 6,236,944 | 6,103,176 | 4,103,155 | 3,383,477 | 2,952,767 |
| Unsecured | | | | | |
| Non-Convertible Debentures (perpetual) | 116,070 | 66,070 | 18,570 | 18,570 | 18,570 |
| Non-Convertible Debentures (Subordinated issue) | 121,900 | 133,180 | 119,150 | 119,150 | 119,150 |
| Deposit | | | | | |
| Fixed Deposit (including Cumulative) | 530,622 | 360,821 | 262,853 | 159,008 | 136,995 |
| Other Deposits | 1,445 | 1,365 | 1,104 | 848 | 836 |
| Other Borrowings | 14,450 | 10,779 | 7,115 | 2,813 | 1,230 |
| Term Loan from Banks | - | - | - | 3,333 | - |
| Total Unsecured long term borrowings | 784,487 | 572,215 | 408,792 | 303,721 | 276,781 |
| TOTAL | 7,021,431 | 6,675,391 | 4,511,947 | 3,687,198 | 3,229,548 |

| | 31.03.2018 | 31.03.2017 | 31.03.2016 | 31.03.2015 | 31.03.2014 |
|--|----------------|---------------|-----------------|----------------|------------|
| 5 DEFERRED TAX LIABILITY / (ASSET) | | | | | |
| A. Deferred Tax Asset | | | | | |
| On account of provision for contingency & employee benefits | (33,910) | (24,448) | (20,383) | (10,354) | (6,721) |
| Deferred Tax Liability | | | | | |
| On difference between book balance and tax balance of other assets | 28,306 | 23,777 | 10,186 | 8,045 | 6,836 |
| | (5,604) | (671) | (10,197) | (2,309) | 115 |
| B. Deferred Tax Liability on Special IT Reserve | 41,400 | 31,615 | 19,346 | 8,888 | - |
| | 41,400 | 31,615 | 19,346 | 8,888 | - |
| TOTAL | 35,796 | 30,944 | 9,149 | 6,579 | 115 |

| | 31.03.2018 | 31.03.2017 | 31.03.2016 | 31.03.2015 | 31.03.2014 |
|--------------------------------------|------------|------------|------------|---------------|---------------|
| 6 OTHER LONG TERM LIABILITIES | | | | | |
| Advance from customers | - | - | - | 56.00 | 53.00 |
| Others | - | - | - | 88.00 | 98.00 |
| TOTAL | - | - | - | 144.00 | 151.00 |

7 LONG TERM PROVISIONS

| | 31.03.2018 | 31.03.2017 | 31.03.2016 | 31.03.2015 | 31.03.2014 |
|--|---------------|---------------|---------------|---------------|---------------|
| Against Standard Assets: | | | | | |
| As per last Balance sheet | 42,825 | 34,730 | 27,822 | 21,570 | 17,931 |
| Add : Provision during the year | 14,289 | 8,095 | 6,908 | 6,252 | 3,639 |
| Net provision on standard loan portfolio (A) | 57,114 | 42,825 | 34,730 | 27,822 | 21,570 |
| Against NPA: | | | | | |
| As per last Balance sheet | 25,902 | 21,205 | 13,910 | 10,765 | 8,336 |
| Add : Provision during the year | 27,151 | 13,446 | 9,441 | 3,765 | 2,784 |
| Less : Utilised During the year | 15,991 | 8,749 | 2,146 | 620 | 355 |
| Net provision on NPA loan portfolio (B) | 37,062 | 25,902 | 21,205 | 13,910 | 10,765 |
| Against Investment: | | | | | |
| As per last Balance sheet | - | 66 | - | - | 130 |
| Add : Provision (withdrawal) during the year | - | (66) | 66 | - | (130) |
| Less : Transfer to Provision for diminution in the value of investment | - | - | 66 | - | - |
| | - | - | - | - | - |
| Against ICDs: | | | | | |
| As per last Balance sheet | 1,459 | 1,447 | 964 | 605 | - |
| Provision during the year | 584 | 12 | 483 | 359 | 605 |
| Net provision on Other Assets (C) | 2,043 | 1,459 | 1,447 | 964 | 605 |
| Against Other Assets: | | | | | |
| As per last Balance sheet | 1,233 | 920 | 319 | 195 | - |
| Add : (withdrawal)/ Provision during the year | (44) | 313 | 601 | 124 | 102 |
| Transfer from Other Provision/Liability | - | - | - | - | 93 |
| Net provision on Other Assets (C) | 1,189 | 1,233 | 920 | 319 | 195 |
| TOTAL | 97,408 | 71,419 | 58,302 | 43,015 | 33,135 |

8 SHORT TERM BORROWINGS

| | 31.03.2018 | 31.03.2017 | 31.03.2016 | 31.03.2015 | 31.03.2014 |
|-------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Secured | | | | | |
| Loans repayable on demand | | | | | |
| From Banks | 223,741 | 111,014 | 174,460 | 7,651 | - |
| Other short term loans and advances | | | | | |
| From Banks | - | - | - | - | 5,402 |
| | 223,741 | 111,014 | 174,460 | 7,651 | 5,402 |
| Unsecured | | | | | |
| Deposits | | | | | |
| Fixed Deposits | 42,416 | 8,988 | 3,691 | 3,988 | 6,249 |
| Other Deposits | 448 | 868 | 609 | 555 | 821 |
| Other short term loans and advances | | | | | |
| Commercial Papers | 605,000 | 299,500 | 464,900 | 351,500 | 147,000 |
| Others | 9,638 | 6,496 | - | - | - |
| | 657,502 | 315,852 | 469,200 | 356,043 | 154,070 |
| TOTAL | 881,243 | 426,866 | 643,660 | 363,694 | 159,472 |

9 TRADE PAYABLES:

| | 31.03.2018 | 31.03.2017 | 31.03.2016 | 31.03.2015 | 31.03.2014 |
|---------------|--------------|--------------|--------------|--------------|--------------|
| MSME | - | - | - | - | - |
| Trade Payable | 5,082 | 1,923 | 2,874 | 2,106 | 1,933 |
| TOTAL | 5,082 | 1,923 | 2,874 | 2,106 | 1,933 |

| 10 OTHER CURRENT LIABILITIES | 31.03.2018 | 31.03.2017 | 31.03.2016 | 31.03.2015 | 31.03.2014 |
|--|------------------|------------------|------------------|----------------|----------------|
| Current maturities of long-term borrowing | 1,358,530 | 1,024,193 | 949,349 | 837,185 | 556,704 |
| Interest accrued but not due on borrowings | 152,923 | 136,734 | 52,929 | 26,335 | 5,560 |
| Unclaimed Dividends | 169 | 142 | 171 | 89 | 80 |
| Unclaimed matured deposits and interest accrued thereon | 10,341 | 7,674 | 5,410 | 3,998 | 2,965 |
| Other payables | | | | | |
| Advance from customers | 13,196 | 8,228 | 15,762 | 3,276 | 3,398 |
| Temporary Overdrawn Balances as per books | 217,184 | - | - | - | - |
| Creditors for Capital Expenditure | 1,725 | 1,262 | 136 | 163 | 362 |
| Amount payable under securitisation/ joint syndication t | 60,855 | 35,644 | 21,605 | 15,128 | 13,596 |
| Statutory Dues | 3,327 | 2,651 | 2,105 | 1,352 | 1,188 |
| Other current liabilities | 17,844 | 7,080 | 3,083 | 4,065 | 13,188 |
| TOTAL | 1,836,094 | 1,223,608 | 1,050,550 | 891,591 | 597,041 |

| 11 SHORT TERM PROVISIONS | 31.03.2018 | 31.03.2017 | 31.03.2016 | 31.03.2015 | 31.03.2014 |
|---|------------|------------|--------------|--------------|--------------|
| Provision for employee benefits | 629 | 67 | 107 | 80 | - |
| Provision for Proposed Dividend | - | - | 5,836 | 2,914 | 6,422 |
| Provision for Dividend Distribution Tax | - | - | 1,188 | 583 | 1,091 |
| TOTAL | 629 | 67 | 7,131 | 3,577 | 7,513 |

12 FIXED ASSETS NET BLOCK

| Particulars | As at | | | | |
|--|---------------|---------------|---------------|---------------|---------------|
| | 31.03.2018 | 31.03.2017 | 31.03.2016 | 31.03.2015 | 31.03.2014 |
| Property, Plant and Equipment: | | | | | |
| Building | 56,730 | 5,507 | 5,058 | 2,539 | 2,589 |
| Leasehold Premises | 9,163 | 9,326 | 9,489 | 9,652 | 9,816 |
| Leasehold Improvements | 5,415 | 861 | 1,166 | 1,571 | - |
| Furniture & Fixture | 2,730 | 1,464 | 1,649 | 1,897 | 2,981 |
| Office Equipments | 5,014 | 2,233 | 1,322 | 1,476 | 1,955 |
| Vehicles | 263 | 44 | 44 | 66 | 131 |
| Computer (Hardware) | 4,913 | 1,001 | 1,074 | 1,187 | 994 |
| Sub Total | 84,228 | 20,436 | 19,802 | 18,388 | 18,465 |
| Intangible Assets (Other than Internally generated): | | | | | |
| Computer (Software) | 751 | 454 | 369 | 457 | 693 |
| Fixed Assets | 751 | 454 | 369 | 457 | 693 |
| Capital Work in Progress | - | 54,615 | 54,615 | 79,615 | 79,615 |
| Intangible Assets under Development | 12,905 | 8,762 | 3,266 | - | - |
| TOTAL | 97,884 | 84,267 | 78,052 | 98,460 | 98,773 |

| | 31.03.2018 | 31.03.2017 | 31.03.2016 | 31.03.2015 | 31.03.2014 |
|--|----------------|---------------|---------------|---------------|---------------|
| 13 NON CURRENT INVESTMENTS (AT COST) | | | | | |
| Trade Investments | | | | | |
| <i>Investment in unquoted equity instruments (Face value of ₹ 10 each)</i> | 35,932 | 28,075 | 21,179 | 9,903 | 6,841 |
| <i>Investment in quoted Non-cumulative, Non convertible and redeemable preference share.</i> | 11,961 | - | - | - | - |
| <i>Investment in unquoted optionally convertible preference share</i> | 3,427 | 1,271 | 1,271 | 1,271 | 1,271 |
| Other Investments | | | | | |
| <i>Investment in Mutual Funds/Venture Capital Fund - unquoted</i> | 1,895 | 1,948 | 2,000 | 3,100 | 3,183 |
| <i>Investment in Pass Through Certificates/Security Receipts</i> | 75,404 | 10,221 | 7,641 | 20,845 | 14,215 |
| <i>Investment in Government securities (SLR) - quoted</i> | 66,526 | 42,530 | 29,652 | 21,646 | 15,087 |
| <i>Investment in Government securities (Non - SLR) - quoted</i> | 12,341 | 10,712 | 10,232 | 4,289 | 4,289 |
| TOTAL | 207,486 | 94,757 | 71,975 | 61,053 | 44,885 |
| Aggregate amount of quoted investments | 90,828 | 53,242 | 39,884 | 25,935 | 22,559 |
| Market value of Quoted investments | 96,026 | 54,224 | 41,025 | 26,326 | 18,327 |
| Aggregate amount of Unquoted investments | 116,658 | 41,515 | 32,091 | 35,118 | 22,326 |

| | 31.03.2018 | 31.03.2017 | 31.03.2016 | 31.03.2015 | 31.03.2014 |
|--|------------------|------------------|------------------|------------------|------------------|
| 14 LONG TERM HOUSING AND PROPERTY LOANS | | | | | |
| Housing Loans | | | | | |
| Standard loans | 7,762,507 | 6,252,066 | 5,305,934 | 4,290,717 | 3,561,360 |
| Sub-Standard loans | 23,037 | 6,768 | 8,934 | 15,099 | 11,949 |
| Doubtful loans | 40,115 | 27,890 | 27,653 | 16,682 | 14,540 |
| Loss assets | - | - | - | - | 140 |
| | 7,825,659 | 6,286,724 | 5,342,521 | 4,322,498 | 3,587,989 |
| Less : Securitised Housing Loans | 1,526,338 | 940,836 | 679,569 | 535,825 | 387,345 |
| Total Housing Loans - A | 6,299,321 | 5,345,888 | 4,662,952 | 3,786,673 | 3,200,644 |
| Other Property Loans | | | | | |
| Standard loans | 2,441,051 | 1,520,766 | 1,211,854 | 1,085,380 | 670,990 |
| Sub-Standard loans | 9,745 | 2,854 | 4,363 | 7,255 | 3,105 |
| Doubtful loans | 19,942 | 32,801 | 16,958 | 10,171 | 2,319 |
| Loss assets | - | - | - | - | 61 |
| | 2,470,738 | 1,556,421 | 1,233,175 | 1,102,806 | 676,475 |
| Less : Other Property Securitised Loans | 271,848 | 142,139 | 53,498 | 20,009 | 16,988 |
| Total Other Property Loans - B | 2,198,890 | 1,414,282 | 1,179,677 | 1,082,797 | 659,487 |
| TOTAL (A + B) | 8,498,211 | 6,760,170 | 5,842,629 | 4,869,470 | 3,860,131 |

| | 31.03.2018 | 31.03.2017 | 31.03.2016 | 31.03.2015 | 31.03.2014 |
|---|---------------|----------------|---------------|---------------|---------------|
| 15 OTHER LONG TERM LOANS AND ADVANCES | | | | | |
| Unsecured, considered good unless stated otherwise | | | | | |
| Loans and advances to employees | 3 | 4 | 14 | 18 | 94 |
| Other loans and advances | 13 | 13 | 13 | 13 | 13 |
| Capital advances | 593 | 1,158 | 481 | 1,228 | 176 |
| Security deposits | 1,625 | 1,461 | 1,378 | 1,176 | 1,285 |
| Loans and advances to employees | 890 | 20 | 23 | 20 | 40 |
| Advances recoverable in cash or in kind | 45,235 | 46,422 | 21,428 | 18,819 | 18,460 |
| MAT Credit Entitlement | 38,016 | 46,072 | - | - | - |
| Advance Income Tax (Net of Provisions) | 9,318 | 8,461 | 3,315 | 7,005 | 3,376 |
| TOTAL | 95,693 | 103,611 | 26,652 | 28,279 | 23,444 |

| | 31.03.2018 | 31.03.2017 | 31.03.2016 | 31.03.2015 | 31.03.2014 |
|---|---------------|---------------|---------------|---------------|---------------|
| 16 OTHER NON-CURRENT ASSETS | | | | | |
| Non current portion of balances with banks in deposit accounts | 48,530 | 18,300 | 20,222 | 19,673 | 19,020 |
| Interest accrued but not due | 238 | 742 | 1,155 | 490 | 431 |
| TOTAL | 48,768 | 19,042 | 21,377 | 20,163 | 19,451 |

| 17 CURRENT INVESTMENTS (at lower of cost and fair value unless stated otherwise) | | 31.03.2018 | 31.03.2017 | 31.03.2016 | 31.03.2015 | 31.03.2014 |
|---|--|----------------|------------------|----------------|----------------|----------------|
| Trade Investments | | | | | | |
| <i>Investment in equity instruments- quoted</i> | | 3 | 3 | 912 | 975 | - |
| Other Investments | | | | | | |
| <i>Investment in Mutual Funds/Venture Capital Fund - unquoted</i> | | 406,880 | 268,883 | 16,002 | 37,500 | 26,920 |
| <i>Debentures</i> | | 192,659 | 200,992 | - | - | - |
| <i>In Certificate of Deposits - Unquoted</i> | | - | 788,267 | - | - | - |
| <i>Investment in Pass Through Certificates</i> | | 623 | 588 | 432 | 1,094 | 344 |
| TOTAL | | 600,165 | 1,258,733 | 17,346 | 39,569 | 27,264 |
| 18 TRADE RECEIVABLES | | 31.03.2018 | 31.03.2017 | 31.03.2016 | 31.03.2015 | 31.03.2014 |
| Unsecured, considered good, otherwise stated | | | | | | |
| Receivables due for more than six months from due date (Considered doubtful ₹ 95 lacs (₹ 95 lacs)) | | 95 | 95 | 95 | 95 | 95 |
| Others | | 4,274 | 242 | 1,945 | 2,119 | 137 |
| TOTAL | | 4,369 | 337 | 2,040 | 2,214 | 232 |
| 19 CASH AND BANK BALANCES | | 31.03.2018 | 31.03.2017 | 31.03.2016 | 31.03.2015 | 31.03.2014 |
| Cash and Cash Equivalents | | | | | | |
| Balances with Banks | | | | | | |
| in Current Accounts | | 133,610 | 90,595 | 66,688 | 13,159 | 2,578 |
| in Deposits accounts with original maturity of less than 3 months | | - | 187,500 | - | 1,500 | 500 |
| Cheques/ Drafts in hand / Remittances in Transit | | 23 | - | 225,857 | - | 61,000 |
| Cash on hand | | 603 | 474 | 605 | 423 | 551 |
| Total Cash and Cash Equivalents A | | 134,236 | 278,569 | 293,150 | 15,082 | 64,629 |
| Other Bank Balances | | | | | | |
| Other Deposits accounts having balance maturity of less than 12 months | | 112,409 | 64,288 | 47,513 | 52,473 | 33,636 |
| Deposits having balance maturity of more than 12 months | | 48,530 | 18,300 | 20,222 | 19,673 | 19,020 |
| Balances in unpaid dividend bank accounts | | 169 | 142 | 171 | 89 | 53 |
| Total Other Bank Balances B | | 161,108 | 82,730 | 67,906 | 72,235 | 52,709 |
| Total Cash and Bank Balances C = (A + B) | | 295,344 | 361,299 | 361,056 | 87,317 | 117,338 |
| Less : Amounts disclosed under non-current assets | | 48,530 | 18,300 | 20,222 | 19,673 | 19,020 |
| TOTAL | | 246,814 | 342,999 | 340,834 | 67,644 | 98,318 |
| 20 SHORT TERM PORTION OF HOUSING AND PROPERTY LOANS | | 31.03.2018 | 31.03.2017 | 31.03.2016 | 31.03.2015 | 31.03.2014 |
| Housing Loans | | 489,465 | 376,365 | 287,708 | 178,170 | 141,893 |
| Less : Securitised Housing Loans | | 94,478 | 55,302 | 38,808 | 27,264 | 17,051 |
| | | 394,987 | 321,063 | 248,900 | 150,906 | 124,842 |
| Other Property Loans | | 322,721 | 136,482 | 88,984 | 84,969 | 61,291 |
| Less : Other Property Securitised Loans | | 22,687 | 8,097 | 3,011 | 1,378 | 1,160 |
| | | 300,034 | 128,385 | 85,973 | 83,591 | 60,131 |
| TOTAL | | 695,021 | 449,448 | 334,873 | 234,497 | 184,973 |

| | | | | | | |
|------|---|------------------|----------------|----------------|----------------|----------------|
| 21 | SHORT TERM LOANS & ADVANCES | | | | | |
| | Secured and considered good | | | | | |
| | Current maturities of other long term loans and advances | 1,912 | 1,002 | 698 | 392 | 237 |
| | EMI/PEMI/other receivable (Including Interest) | 144,316 | 37,910 | 20,092 | 19,192 | 7,745 |
| | Unsecured, considered good | | | | | |
| | Current maturities of other long term loans and advances | - | 600 | 4 | 211 | 37 |
| | Loans and advances to related parties | 2,107 | 2,416 | 391 | 821 | 1,559 |
| | Inter Corporate Deposits | 61,067 | 2,647 | 1,447 | 2,323 | 2,621 |
| | Advances recoverable in cash or in kind | 45,077 | 63,747 | 20,772 | 12,885 | 14,240 |
| | TOTAL | 254,479 | 108,322 | 43,404 | 35,824 | 26,439 |
| 22 | OTHER CURRENT ASSETS | | | | | |
| | Interest accrued but not due | 8,357 | 8,112 | 6,132 | 4,310 | 2,494 |
| | TOTAL | 8,357 | 8,112 | 6,132 | 4,310 | 2,494 |
| 23 | REVENUE FROM OPERATIONS | | | | | |
| | Interest on Housing and Property Loans | 904,532 | 792,247 | 688,392 | 563,151 | 461,368 |
| | Interest on Bank Deposits | 7,656 | 7,764 | 5,926 | 6,056 | 3,826 |
| | Interest on Long Term Investments | 4,414 | 4,126 | 2,622 | 2,498 | 1,395 |
| | Other Interest | 29,255 | 11,887 | 119 | (102) | 460 |
| | Revenue from other services (refer note 23.1) | 37,787 | 20,912 | 16,552 | 17,583 | 22,670 |
| | Operational treasury income (refer note 23.2) | 54,708 | 47,088 | 16,888 | 7,694 | 6,707 |
| | Insurance Commission (Refer note 23.3) | 6,664 | 1,152 | 684 | 1,016 | 132 |
| | TOTAL | 1,045,016 | 885,176 | 731,183 | 597,896 | 496,558 |
| 23.1 | Revenue from other services includes | | | | | |
| | Loan related Services | 30,751 | 16,922 | 12,416 | 14,115 | 14,355 |
| | Advisory Services | 7,036 | 3,990 | 4,136 | 3,468 | 8,315 |
| | TOTAL | 37,787 | 20,912 | 16,552 | 17,583 | 22,670 |
| 23.2 | Operational treasury income includes: | | | | | |
| | Net Income from mutual fund & financial / commodity derivatives | 38,693 | 42,855 | 16,669 | 7,416 | 6,352 |
| | Profit on sale of investments | 2,110 | 1,926 | 53 | 240 | 263 |
| | Dividend Income | 13,731 | 2,307 | 166 | 38 | 92 |
| | Others | 174 | - | - | - | - |
| | TOTAL | 54,708 | 47,088 | 16,888 | 7,694 | 6,707 |
| 23.3 | Insurance commission income includes amount received from : | | | | | |
| | DHFL Pramerica Life Insurance Co. Ltd | 3,119 | 710 | 684 | 1,016 | 132 |
| | Cholamandalam MS General Insurance Company Ltd | 1,635 | 442 | - | - | - |
| | DHFL General Insurance Co. Ltd | 1,910 | - | - | - | - |
| | TOTAL | 6,664 | 1,152 | 684 | 1,016 | 132 |
| 24 | OTHER INCOME | | | | | |
| | Rent Income | 1,050 | 405 | 364 | 146 | 95 |
| | Miscellaneous Income | 379 | 142 | 125 | 122 | 115 |
| | TOTAL | 1,429 | 547 | 489 | 268 | 210 |
| 25 | INTEREST AND FINANCE COST | | | | | |
| | Interest expenses | 724,110 | 635,967 | 516,321 | 440,426 | 373,857 |
| | Premium on redemption of Debentures | 32,031 | 35,266 | 39,051 | 23,341 | 2,841 |
| | Less: Securities premium utilized | (15,126) | (17,533) | (16,200) | (23,341) | (2,841) |
| | Other Borrowing Costs | 15,477 | 11,661 | 9,831 | 5,533 | 4,401 |
| | TOTAL | 756,492 | 665,361 | 549,003 | 445,959 | 378,258 |
| 26 | EMPLOYEES REMUNERATION AND BENEFITS | | | | | |
| | Salaries and Bonus | 32,639 | 23,967 | 21,184 | 18,564 | 16,349 |
| | Contribution to Provident Fund & Other Funds | 2,011 | 1,562 | 1,195 | 666 | 1,034 |
| | Staff Welfare Expenses | 1,032 | 718 | 592 | 512 | 367 |
| | TOTAL | 35,682 | 26,247 | 22,971 | 19,742 | 17,750 |
| 27 | ADMINISTRATIVE AND OTHER EXPENSES | | | | | |
| | | | | | | |

| | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|
| Rent, Rates & Taxes | 5,552 | 4,203 | 3,013 | 2,511 | 2,438 |
| Training & Conference Expenses | 298 | 725 | 710 | 337 | 97 |
| Travelling & Conveyance | 3,910 | 3,693 | 2,701 | 2,594 | 1,489 |
| Printing & Stationery | 704 | 523 | 488 | 608 | 552 |
| Advertisement and Business Promotion expenses | 8,053 | 9,104 | 9,836 | 7,393 | 4,514 |
| Insurance | 594 | 495 | 423 | 342 | 412 |
| Legal & Professional Charges | 3,661 | 3,156 | 5,671 | 5,424 | 5,681 |
| Communication Expenses | 1,519 | 1,445 | 1,420 | 1,362 | 1,061 |
| General Repairs & Maintenance | 2,661 | 1,846 | 1,905 | 2,056 | 881 |
| Electricity | 911 | 747 | 731 | 652 | 521 |
| Directors Sitting Fees and Commission | 95 | 107 | 127 | 125 | 105 |
| Loss on sale of Fixed Assets (net) | 62 | 23 | 93 | 92 | 197 |
| CSR Expenses | 2,381 | 883 | 703 | 45 | - |
| Office Maintenance | 1,431 | 883 | 827 | 866 | 571 |
| Recovery Expenses | 942 | 934 | 308 | 90 | 48 |
| Auditors' Remuneration | 334 | 289 | 237 | 209 | 164 |
| Bad Debts [Net of Provisions] | 15,991 | 8,749 | 2,146 | 620 | 355 |
| Less provision for Non Performing Assets utilized | (15,991) | (8,749) | (2,146) | (620) | (355) |
| Miscellaneous Expenses | 758 | 690 | 357 | 401 | 427 |
| TOTAL | 33,866 | 29,746 | 29,551 | 25,107 | 19,158 |

Accounting Ratio Statement on Standalone Basis:

| Particulars | Fiscal 2018* | Fiscal 2017* | Fiscal 2016* | Fiscal 2015* | Fiscal 2014* |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|
| Earnings Per Share : (In Rs.)* | | | | | |
| - Basic | 37.38 | 95.76** | 25.00 | 23.91 | 20.61 |
| - Diluted | 37.09 | 95.44** | 23.10 | 23.59 | 20.56 |
| Return on Equity (In %) | 13.96 | 43.13** | 18.73 | 17.69 | 17.59 |
| Book Value Per Equity Share (In Rs.)* | 280.4 | 255.3 | 171.93 | 159.11 | 139.38 |
| Debt/Equity Ratio (In Times) | 10.21 | 9.72 | 11.46 | 10.36 | 10.26 |

**The Earnings per share and Book Value per equity share have been restated for earlier years after considering the issue of bonus shares in Fiscal 2016, to make them comparable*

***It includes Exceptional item of Rs. 1,96,943 lacs.*

Notes :

1. Earnings per share = Profit after tax/ Equity Share outstanding at the end of year
2. Return on Equity = (Profit after tax + Provision for Contingencies) / Average Net worth
3. Book Value Per Equity Share = Net worth/Number of Equity Shares outstanding at the end of year
4. Debt/Equity Ratio = (Total Debt outstanding at the end of year – Total Cash & Bank Balances)/ Net worth

Annexure VI

Capitalisation Statement on Standalone Basis as at March 31, 2018:

(In Rs. lakhs)

| Particulars | Prior to the Issue (as of March 31, 2018) | Increase pursuant to the Issue | Post-Issue ¹ |
|---|---|-----------------------------------|-------------------------|
| Debt | | | |
| Short term debt ² | 8,91,584 | - | 8,91,584 |
| Long term debt ³ | 83,79,961 | 15,00,000 | 98,79,961 |
| Total debt | 92,71,545 | 15,00,000 | 10,771,545 |
| Shareholders Fund | | | |
| Share capital | 31,366 | - | 31,366 |
| Reserves and surplus excluding revaluation reserve | 8,48,198 | - | 8,48,198 |
| | | | |
| Total shareholders' funds | 879,564 | - | 879,564 |
| Long term debt/ equity (In times) ⁴ | 9.19 | | 10.90 |
| Total debt/ equity (In times) ⁵ | 10.21 | | 11.91 |

Notes :

1. The debt-equity ratio post the Issue is indicative on account of the assumed inflow of Rs. 15,00,000 lakhs from the proposed Issue in the secured debt category as on March 31, 2018 only. The actual debt-equity ratio post the Issue would depend on the actual position of debt and equity on the Deemed Date of Allotment.
2. Short term debt = Short term borrowings + Unclaimed Matured Deposits and Interest Accrued thereon
3. Long term debt = Long term borrowings + Current Maturities of Long term borrowings
4. Long term debt/equity = (Total Long Term Debt outstanding at the end of year-Total Cash & Bank Balances)/Networth
5. Total debt/equity = (Total Debt outstanding at the end of year-Total Cash & Bank Balances)/Networth
6. Figures are rounded off to nearest Rs. In Lakhs

Annexure VII

Statement of Dividend

(in Rs. lakhs, except per share data)

| Particulars (Standalone) | Fiscal 2018* | Fiscal 2017* | Fiscal 2016* | Fiscal 2015* | Fiscal 2014* |
|-------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Equity Share Capital | 31,366 | 31,315 | 29,180 | 14,568 | 12,842 |
| Face Value Per Share | 10 | 10 | 10 | 10 | 10 |
| Interim Dividend on Equity Shares | 9,408 | 3,130 | 17,507 | 5,146 | 3,850 |
| Final Dividend on Equity Shares** | 7,842**** | 9,406 | 5,836 | 2,923 | 6,425*** |
| Total Dividend on Equity Shares | 17,250 | 12,536 | 23,343 | 8,069 | 10,275 |
| Dividend Declared Rate (In %) | 55 | 40 | 80 | 60 | 80 |
| Dividend Rate (In %) **** | 55 | 40 | 80 | 55.39 | 80 |
| Dividend Distribution Tax | 3,527***** | 2,552 | 4,763 | 1,612 | 1,745 |

*Figures are rounded off to nearest Rs. In Lakhs

** Final Dividend also includes dividend for earlier years

*** (Total Dividend/Equity Share Capital as at year end)*100

**** Proposed Final Dividend Rs. 3/- in Board Meeting held on April 30, 2018, subject to shareholders approval in ensuing AGM

***** Dividend Distribution Tax of Rs. 1,611.66 lacs on Proposed Final Dividend will be paid post approval of dividend in ensuing AGM of financial year 2017-18

DEWAN HOUSING FINANCE CORPORATION LIMITED

Notes forming part of the financial statement for the year ended 31st March, 2018.

1 CORPORATE INFORMATION

Dewan Housing Finance Corporation Limited ('DHFL'), 'the Company' was incorporated in India on 11th April, 1984 and has been carrying on, as its main business of providing loans to Retail customers for construction or purchase of residential property, loans against property, loans to real estate developers and loans to SMEs. The company is registered with National Housing Bank (NHB) under section 29A of the National Housing Bank Act, 1987.

2 SIGNIFICANT ACCOUNTING POLICIES:

2.1 Basis of preparation of financial statements :

- a) These financial statements are prepared and presented in accordance with the Generally Accepted Accounting Principles (GAAP) under historical cost convention on accrual basis of accounting, unless otherwise stated, and comply with the Accounting Standards as prescribed under section 133 of the Companies Act, 2013 and the guidelines issued by the National Housing Bank to the extent applicable.
- b) The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statement are prudent and reasonable. The future results could differ due to these estimates and the differences between the actual results and estimates are recognised in the periods in which the results are known / materialise.
- c) Based on the nature of its activities, the Company has determined its operating cycle as 12 months for the purpose of classification of its Assets and Liabilities as current and non current.
- d) Amounts in the financial statements are presented in ₹ Lacs, except for per share data and as otherwise stated. All exact amounts are stated with suffix "/-".

2.2 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. In addition, the following criterias must also be met before revenue is recognised:

a) Interest on housing loans and other assets:

Repayment of housing loans is by way of Equated Monthly Installments (EMI) comprising principal and interest. Interest is calculated each period on the outstanding balance at the beginning of the Company's financial year or on monthly reducing balance in terms of financing scheme opted by the borrower. EMI generally commences once the entire loan is disbursed. Pending commencement of EMI, pre-EMI monthly interest is payable.

Interest on performing assets is recognized on accrual basis and on non-performing assets on realisation basis as per the guidelines prescribed by the National Housing Bank. The interest income (payment) is adjusted for gain (loss) on corresponding hedge contracts / interest swap derivatives, wherever executed.

- b) Dividend income on investments is recognised when the right to receive the same is established. In term of Housing Finance Companies (NHB) Direction 2010 Dividend Income on units of Mutual Funds held by the Company are recognised on Cash Basis.
- c) Processing fees and other loan related charges are recognized when it is reasonable to expect ultimate collection which is generally at the time of Login / disbursement of the loan.
- d) Additional / Overdue / penal interest / charges on delayed EMI/PEMI are recognised only when it is reasonably certain that the ultimate collection will be made.
- e) Income from services including trade mark license fees is recognized after the service is rendered and to the extent it is probable that the economic benefits will flow to the company and that the revenue can be reliably measured.

2.3 Interest & Ancillary Financial Cost :

Interest and other related financial charges are recognized as an expense in the period for which they relate as specified in Accounting Standard (AS 16) on "Borrowing Costs". Ancillary costs in connection with the borrowings and deposit are amortized to statement of profit and loss over the tenure of loan / deposit. Brokerage on deposits taken is amortized over the period of deposit.

Share / debenture issues expenses and certain part of premium / discount on issue of debentures (net of tax) are adjusted against the Securities premium account as permissible under the Companies Act, 2013.

Interest accrued on cumulative fixed deposits and payable at the time of maturity is clubbed with the principal amount on the date of periodical rest when interest is credited in Fixed Deposit account in accordance with the particular deposit scheme.

2.4 Foreign Exchange Transactions :

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction.

Monetary Assets and liabilities in foreign currencies are converted at the rates of exchange prevailing on the date of the financial statement. The net gain or loss on account of exchange differences either on settlement or on translation are recognized in the Statement of Profit and Loss.

In respect of Forward Exchange Contracts, the premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts on reporting dates are recognized in the Statement of Profit and Loss. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as an expense in that year.

Derivative Transactions:

As a part of its risk management strategy, the Company has entered into derivatives like Interest Rate Swap, Cross Currency Swaps and Forward Contracts having the same notional amount and maturity as the underlying borrowings which are designated as fair value / cash flow hedge as applicable, as per Guidance Note on Derivatives (2015) issued by Institute of Chartered Accountants of India. All outstanding derivative contracts are marked-to-market as at the year end. The changes in fair value of hedges are recorded in income statement together with change in the fair value of underlying liability. Any profit/loss arising on cancellation/unwinding of derivative contracts are recognised as income or expenses.

2.5 Provision for Contingencies :

The Company makes provision towards Non Performing Assets and Standard Assets as per the Prudential Norms prescribed by the National Housing Bank. The Company also makes assessment of its portfolio and creates additional provision to meet unforeseen contingencies.

A loan is recognized as Sub Standard Assets or Doubtful or Loss Assets based on the period for which the repayment installment or interest has remained in arrears as prescribed under NHB Guidelines.

2.6 Investments :

Investments are accounted at cost inclusive of brokerage, fees and stamp charges and are classified into two categories, viz. Current or Long-Term based on management's intention at the time of purchase.

Current investments are carried category wise, at the lower of cost and fair value, whereas Long-Term investments are carried at cost less provision for diminution, other than temporary, in the value of such investments. Unquoted current investment in units of Mutual Funds are valued as per NAV of the Plan.

Provision for diminution in the value of investments is made in accordance with the guidelines issued by the National Housing Bank and the Accounting Standard on 'Accounting for Investments' (AS 13) and is recognised through the Provision for Contingencies Account.

2.7 Property, Plant and Equipment :

Property, Plant and Equipmen (PPE) are stated at cost less accumulated depreciation and impaired losses, if any. All directly attributable costs including borrowing cost, net of cenvat /GST credit, till the asset is put to use is shown as capital work in progress and is capitalised thereafter.

Depreciation on PPE is provided on straight-line method by considering useful lives of assets which are same as specified in part 'C' of schedule II to the Companies Act, 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively.

2.8 Intangible Assets and Amortization:

Intangible assets comprising of system software are stated at cost less accumulated amortization.

Intangible assets are amortised over their estimated useful life of 3 to 6 years on straight line method.

The amortisation period and the amortisation method for intangible assets with a finite useful life are reviewed at each reporting date

2.9 Impairment of Assets :

Impairment losses (if any) on Assets are recognized in accordance with the Accounting Standard 28 "Impairment of Assets". The Company assesses at each Balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the assets. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value.

2.10 Leases:

Operating Leases

Lease rentals in respect of assets taken on "Operating Leases" are charged to the Statement of Profit and Loss on straight line basis over the lease term.

Finance Leases

Finance leases, which effectively transfer to the Company substantially all the risks and rewards incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease and are accordingly disclosed. The capital element of the leasing commitments is shown as Secured liabilities. Lease payments are apportioned between the finance charges and reduction of the corresponding liability based on the implicit rate of return.

2.11 Statutory / Special Reserve :

The Company creates Statutory / Special Reserve every year out of its profits in terms of Sec 36(1) (viii) of the Income Tax Act, 1961 read with Sec 29C of the National Housing Bank Act, 1987.

2.12 Prepaid Expenses :

Financial & Other Expenses incurred during the year which relates to future accounting years and brokerage paid on long term fixed deposits has been treated as revenue expense only for the period relating to the current year and balance is treated as prepaid expenses to be adjusted on pro-rata time basis of respective instrument in the future accounting years.

2.13 Employees Benefits :

- a) Company's contribution in respect of Employees' Provident Fund made to Government is considered as defined contribution plan and is charged to the Statement of Profit & Loss.
- b) Gratuity Fund Scheme is considered as defined benefit plan. The Company's liability is determined on the basis of an actuarial valuation using the Projected Unit Credit Method as at Balance Sheet date. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised in the Statement of Profit and Loss as Income or Expenses, as applicable in the period in which they occur.
- c) Compensated Absences are accounted for on the basis of actuarial valuation at the year end using the projected Unit Credit Method. Actuarial gains / losses are recognized in the Statement of Profit & Loss in the period in which they occur.
- d) **Short-term employee benefits:**
The undiscounted amount of short-term employee benefits expected to be paid in respect of services rendered by employees are recognised during the year when the employees render the service.
- e) Company has introduced the Employee Stock Option Scheme ('the Scheme') which provides the grant of options to acquire equity shares of the Company to its employees. The options granted to employees vest in a graded manner and these may be exercised by the employees within a specified period.

The Company follows the intrinsic value method to account for its stock-based employee compensation plans. Compensation cost is measured by the excess, if any, of the market price of the underlying stock over the exercise price as determined under the option plan. The market price is the closing price on the stock exchange where there is highest trading volume on the working day immediately preceding the date of grant. Compensation cost, if any, is amortised over the vesting period.

The Company has also approved the grant of Employee Stock Appreciation Rights (SARs) to the eligible employees of the Company. The said SARs shall carry the right to apply for number of equity shares of the Company, equivalent to Appreciation in those rights, over the grant price.

The Company follows the intrinsic value method to account for its Employee Stock Appreciation Rights (SARs). Compensation cost is measured by the excess, if any, of the market price of the underlying stock over the exercise price as determined under the option plan. The market price is the closing price on the stock exchange where there is highest trading volume on the working day immediately preceding the date of grant. Compensation cost, if any, is amortised over the vesting period.

2.14 Earnings per share :

The Basic earning per share and diluted earning per share have been computed in accordance with Accounting Standard (AS-20) on "Earnings Per Share" and is also shown in the Statement of Profit and Loss.

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit after tax relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares which are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Company also discloses EPS- both basic and diluted- for the accounting period, had the Fair value method being used for compensation cost for ESOS/SARs.

2.15 Taxes on Income :

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which during the specified period gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Deferred tax arising on account of timing differences and which are capable of reversal in one or more subsequent periods is recognized using the tax rates and tax laws that have been enacted or substantially enacted as at the reporting date. Deferred tax assets are recognised for timing differences, only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets arising from the timing differences on account of carry forward of losses and unabsorbed depreciation are recognized to the extent there are virtual certainties that they would be realized in future.

Deferred Tax liability on deduction claimed in earlier years u/s 36 (1)(viii) of the Income Tax Act 1961 has been provided in terms of National Housing Bank (NHB) policy circular.

2.16 Provisions, Contingent Liability and Contingent Assets:

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements

2.17 Housing and Other Loans :

Housing Loans include outstanding amount of Housing Loans disbursed directly or indirectly to individual, project loans for residential buildings and other borrowers. Other loans include mortgage loan, non residential property loan, plot loan for self construction where construction has not begun in last three years and loan against the lease rental income from properties in accordance with directions of National Housing Bank (NHB). Other loans also include loans granted to Small & Medium Enterprise (SME) and certain part thereof are unsecured in terms of the particular scheme.

2.18 Securitised Assets :

Securitised and Assigned Assets are derecognised in the books of the Company based on the principle of transfer of ownership interest over the assets.

2.19 Cash Flow Statement :

Cash flows are reported using the indirect method set out in Accounting Standard (AS 3) on Cash Flow Statement. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

2.20 Assets repossessed under SARFAESI Act :

Assets repossessed under SARFAESI Act are part of NPA Portfolio of loans for which necessary provisions are being made and such assets are to be disposed off at the earliest, subject to legal formalities. Losses/gains, if any, are being booked at the time of sales realisation of such assets.

3 SHARE CAPITAL

| Particulars | (₹ in Lacs) | |
|--|---------------------|---------------------|
| | As at 31-03-2018 | As at 31-03-2017 |
| Authorised | | |
| 57,80,00,000 equity shares of ₹10/- each | 57,800 | 57,800 |
| 25,00,00,000 Redeemable, non convertible preference shares of ₹1000/- each | 25,000 | 25,000 |
| | <u>82,800</u> | <u>82,800</u> |
| Issued, Subscribed and Paid up | | |
| 31,36,58,847 (31,31,52,205) equity shares of ₹10/- each fully paid | 31,366 | 31,315 |
| | <u>31,366</u> | <u>31,315</u> |

3.1 The Company has only one class of shares i.e. equity. The shareholders have voting rights in the proportion of their shareholdings. The shareholders are entitled to dividend, if declared and paid by the Company. In the event of liquidation, these shareholders are entitled to receive remaining assets of the Company after distribution of all liabilities, in the proportion of their shareholdings.

3.2 The reconciliation of the number of shares outstanding and the amount of share capital as at the beginning and at the end of the year :

| Particulars | 2017 - 18 | | 2016 - 17 | |
|---|--------------------|---------------|--------------------|---------------|
| | No. of shares | Amount (Lakh) | No. of shares | Amount (Lakh) |
| Equity shares at the beginning | 313,152,205 | 31,315 | 291,797,988 | 29,180 |
| Add: Shares issued during the year | - | - | 21,230,070 | 2,123 |
| Add: Shares issued during the year under ESOS/ ESAR | 506,642 | 51 | 124,147 | 12 |
| Equity shares at the end | <u>313,658,847</u> | <u>31,366</u> | <u>313,152,205</u> | <u>31,315</u> |

3.3 Details of shareholders holding more than five percent equity shares in the Company are as under:

| Particulars | As at 31.03.2018 | | As at 31.03.2017 | |
|--------------------------------------|------------------|-----------|------------------|-----------|
| | No. of shares | % holding | No. of shares | % holding |
| M/s. Wadhawan Global Capital Limited | 117,049,714 | 37.32 | 117,049,714 | 37.38 |

3.4 Shares issued for consideration other than cash:

a. Company has allotted 14,58,56,530 no. of Equity Shares as fully paid up for consideration other than cash towards Bonus issue in financial year 2015 - 16.

b. As per the Scheme of Amalgamation, the Company has allotted 1,08,86,375 no. of Equity Shares as fully paid up for consideration other than cash in financial year 2012 - 13.

3.5 Employee Stock Option Plans:

- a. Employee Stock Option Scheme 2008 (ESOS-2008) was implemented by the Company. 14,22,590 equity share options were granted under 'ESOS-2008' in 2008-09 to the employees as approved by the remuneration and compensation committee of directors of the Company at ₹ 53.65 per share, the reconsidered price approved in the EOGM dated 31st March, 2009.

Consequent to issue of Bonus Shares by the Company in earlier years, the adjusted exercise price is Rs. 26.83 per Equity Share and the total number of options also increased in the same ratio.

- b. Employee Stock Option Scheme 2009 (ESOS-2009) was implemented by the Company. 12,75,000 equity share options were granted under 'ESOS-2009, Plan II' in 2009-10 and additional 12,34,670 equity share options were approved to be granted under 'ESOS-2009, Plan III' in 2010-11 to the employees by the remuneration and compensation committee of directors of the Company at ₹ 141/- per share, the price approved in the remuneration and compensation committee meeting held on 25th November, 2009. The ESOP 2009 Plan II lapsed on November 25, 2015 and the ESOP 2009 Plan III was completed on 30th June, 2017 upon allotment of the balance equity shares under the said plan.

Consequent to issue of Bonus Shares by the Company in earlier years, the adjusted exercise price is Rs. 70.50 per Equity Share and the total number of options also increased in the same ratio.

- c. Pursuant to the resolution passed by the Board of Directors of the Company, at its meeting held on 16th January, 2015 and the special resolution passed by the Members of the Company on 23rd February, 2015 through Postal Ballot, the DHFL Employee Stock Appreciation Rights Plan 2015 ("DHFL ESAR Plan 2015" / "the Plan") was approved in accordance with the provisions of SEBI (SBEB) Regulations, exercisable into not more than 51,46,023 fully paid-up equity shares in aggregate, having face value of Rs. 10/- each. Consequent to the bonus shares issued by the Company to its Members in the ratio 1:1 during the financial year 2015-16, the total number of employee Stock Appreciation Rights (SARs) also increased in the same ratio i.e. exercisable into not more than 1,02,92,046 fully paid up equity shares. During the financial year, the Members of the Company, approved amendment to the DHFL ESAR Plan 2015, inter-alia, for increasing the number of equity shares that can be allotted thereunder to 2,67,82,046 equity shares. ESARs granted are as under:

| Particulars | Approval Date | No of ESARs | SAR Price (₹) |
|-------------|---------------|-------------|---|
| Grant I | 21-Mar-15 | 1,550,100 | 380.00 (₹ 190/- per SAR Post Bonus issue) |
| Grant II | 17-Nov-16 | 2,081,545 | 230.80 |
| Grant III | 13-Jul-17 | 3,247,100 | 434.90 |
| Grant IV | 13-Jul-17 | 550,000 | 300.08 |
| Grant V | 16-Oct-17 | 150,800 | 434.90 |
| Grant VI | 22-Jan-18 | 71,900 | 434.02 |
| Grant VII | 22-Mar-18 | 11,735,600 | 520.20 |

d. Movement in options:

| <u>Particulars</u> | <u>ESOS-2008</u> | <u>ESOS-2009</u> | <u>ESAR 2015</u> <u>Grant I to VII</u> |
|---|------------------|------------------|---|
| Number of options / ESAR's outstanding at the beginning of the year | 32,380 | 200,000 | 3,969,552 |
| Number of options / ESAR's granted during the year | - | - | 15,755,400 |
| Number of options / ESAR's forfeited / lapsed during the year | 2,000 | - | 1,167,224 |
| Number of options / ESAR's Vested during the year | - | - | 491,004 |
| Number of options / ESAR's Exercised during the year | - | 200,000 | 525,400 |
| Number of shares arising as a result of exercise of options | - | 200,000 | 306,642 |
| Money realized by exercise of options (in ₹) | - | 14,100,000 | 3,066,420 |
| Number of options outstanding at the end of the year | 30,380 | - | 18,032,328 |
| Number of options exercisable at the end of the year | 30,380 | - | 583,304 |

Weighted Average exercise price & Option price (in ₹):

| | | |
|------------|-------|-----------------|
| Pre Bonus | 53.65 | 380.00 |
| Post Bonus | 26.83 | 190.00 - 520.20 |

e The fair value has been calculated using the Black Scholes Option Pricing model, the Assumptions used in the model on a weighted average basis are as follows:

| | |
|--|--------|
| 1. Risk Free Interest Rate | 7.05% |
| 2. Expected Life | 4.13 |
| 3. Expected Volatility | 40.91% |
| 4. Dividend Yield | 36.60% |
| 5. Price of the underlying share in market at the time of the option grant (₹) | 502.46 |

4

RESERVES & SURPLUS

| Particulars | | | (₹ lacs) | |
|---|------------------|------------------|----------|---------|
| | As at 31-03-2018 | As at 31-03-2017 | | |
| Capital Reserve | | | | |
| Balance as per last Balance Sheet | 2,451 | | 7,561 | |
| Less: utilised during the year (refer Note 27) | 2,451 | | 5,110 | |
| | | - | | 2,451 |
| Securities Premium | | | | |
| Balance as per last Balance Sheet | 219,909 | | 183,331 | |
| Add : Addition during the year | 463 | | 48,043 | |
| | 220,372 | | 231,374 | |
| Less : Utilised during the year [net of tax of ₹ 5,235 lacs (₹ 6,068 lacs)] (refer Note 4.2) | 9,891 | 210,481 | 11,465 | 219,909 |
| Employees Share Options Outstanding | | | | |
| Balance as per last Balance Sheet | 738 | | 1,516 | |
| Add : Addition during the year | 412 | | - | |
| Less: Transferred to Statement of Profit & Loss | - | | 612 | |
| Less: Transferred to Securities Premium Account | 342 | 808 | 166 | 738 |
| General Reserve | | | | |
| Balance as per last Balance Sheet | 116,522 | | 104,845 | |
| Add : Transferred from Surplus in Statement of Profit and Loss | 20,000 | | 20,000 | |
| Less: utilised during the year (refer Note 27) | 2,826 | | - | |
| Less : Utilisation on Deferred Tax Liability on Special Reserve (refer Note 4.4) | - | 133,696 | 8,323 | 116,522 |
| Statutory Reserve (Special Reserve) | | | | |
| [In terms of Section 36(1)(viii) of the Income Tax Act, 1961 read with Section 29C of the National Housing Bank Act, 1987] (Refer note 4.3) | | | | |
| Balance as per last Balance Sheet | 156,399 | | 98,399 | |
| Add : Transferred from Surplus in Statement of Profit and Loss | 27,500 | 183,899 | 58,000 | 156,399 |
| Debenture Redemption Reserve | | | | |
| Balance as per last Balance Sheet | 117,000 | | - | |
| Add : Transferred from Surplus in Statement of Profit and Loss (refer not 5.7) | - | 117,000 | 117,000 | 117,000 |
| Surplus in Statement of Profit and Loss: | | | | |
| As per last Balance Sheet | 155,246 | | 64,368 | |
| Add : Profit for the year | 117,213 | | 289,645 | |
| | 231 | 272,459 | 354,013 | |

| | | | | |
|--------------------------------------|---------------|----------------|----------------|---------|
| Less : Appropriations : | | | | |
| General Reserve | 20,000 | | 20,000 | |
| Statutory Reserve | 27,500 | | 58,000 | |
| Debenture Redemption Reserve | - | | 117,000 | |
| Interim Equity Dividend (FY 2017-18) | 9,408 | | 3,130 | |
| Final Equity Dividend (FY 2016-17) | 9,407 | | - | |
| Dividend Distribution Tax | 3,830 | | 637 | |
| | <u>70,145</u> | 202,314 | <u>198,767</u> | 155,246 |
| TOTAL RESERVES & SURPLUS | | 848,198 | 768,265 | |

- 4.1 During the year, the Company has paid interim dividend on Equity Shares @ ₹ 3/- (₹ 1/-) per share. The Board of Directors of the Company has recommended final dividend of ₹ 2.50 per share for the financial year 2017-18 which is subject to approval of the members at the ensuing Annual General Meeting of the Company.
- 4.2 In accordance with Section 52 of the Companies Act, 2013, during the year the company has utilized Securities Premium Account towards premium on redemption of Zero Coupon Secured Redeemable Non-Convertible Debentures and Securities issue expenses amounting to ₹ 9,891 lacs (₹ 11,465 lacs) net of tax of ₹ 5,235 lacs (₹ 6,068 lacs).
- 4.3 Statement for Disclosure on Statutory / Special Reserves, as prescribed by NHB vide its circular no NHB(ND)/DRS/Pol. Circular.61/2013-14, dated: 7th April, 2014 and NHB.HFC.CG-DIR.1/MD&CEO/2016 dated February 9, 2017:

| Particulars | (₹ lacs) | |
|---|----------------|----------------|
| | 2017 - 18 | 2016 - 17 |
| Balance at the beginning of the year | | |
| a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987 | 64,924 | 17,924 |
| b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under, Section 29C of the NHB Act, 1987 | 91,475 | 80,475 |
| c) Total | 156,399 | 98,399 |
| Addition during the year | | |
| Add: a) Amount transferred u/s 29C of the NHB Act, 1987 | 400 | 47,000 |
| b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987 | 27,100 | 11,000 |
| c) Total | 27,500 | 58,000 |
| Balance at the end of the year | | |
| a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987 | 65,324 | 64,924 |
| b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under, Section 29C of the NHB Act, 1987 | 118,575 | 91,475 |
| c) Total | 183,899 | 156,399 |

- 4.4 National Housing Bank vide circular No.NHB(ND)/DRS/Policy Circular 65/2014-15 dated 22nd August, 2014 has clarified that deferred tax liability (contingent upon Company's withdrawal of Sec 36(1)(Viii) Reserves leading to tax liability) in respect of opening balance under special reserve as at 1st April, 2014 may be adjusted from free opening reserves of the Company over a period of 3 years in the ratio of 25:25:50 respectively. Accordingly, the Company has proportionately adjusted its opening reserves with an amount of ₹ Nil lacs (₹ 8,323 lacs) as contingent deferred tax liability. Deferred Tax Liability on current year Special Reserve has been charged to Statement of Profit & Loss amounting to ₹ 9,785 lacs (₹ 3,946 lacs).

5 LONG TERM BORROWINGS

| Particulars | (₹ lacs) | | | |
|----------------------------|---------------------|---------------------|---------------------|---------------------|
| | Non Current Portion | | Current Portion | |
| | As at 31-03-2018 | As at 31-03-2017 | As at 31-03-2018 | As at 31-03-2017 |
| Secured | | | | |
| Non-Convertible Debentures | 232 | 2,595,710 | 2,731,873 | 286,266 |
| | | | | 151,078 |

| | | | | |
|---|------------------|------------------|------------------|------------------|
| Term Loan from Banks | 3,120,530 | 2,779,247 | 575,803 | 515,096 |
| Loan from Others | | | | |
| National Housing Bank | 253,816 | 295,575 | 31,004 | 33,275 |
| External Commercial Borrowings | 266,888 | 296,481 | 29,588 | 20,874 |
| Total Secured long term borrowings | 6,236,944 | 6,103,176 | 922,661 | 720,323 |
| Unsecured | | | | |
| Non-Convertible Debentures (perpetual) | 116,070 | 66,070 | - | - |
| Non-Convertible Debentures (Subordinated issue) | 121,900 | 133,180 | 11,280 | 17,500 |
| Public Deposit | | | | |
| Fixed Deposit (including Cumulative) | 530,622 | 360,821 | 389,343 | 269,963 |
| Other Deposits | 1,445 | 1,365 | 1,117 | 1,081 |
| Other Borrowings | 14,450 | 10,779 | 34,129 | 15,326 |
| Total Unsecured long term borrowings | 784,487 | 572,215 | 435,869 | 303,870 |
| TOTAL LONG TERM BORROWINGS | 7,021,431 | 6,675,391 | 1,358,530 | 1,024,193 |
| Current Portion of above liability is disclosed under the head "other current liabilities". (Refer Note 10) | - | - | (1,358,530) | (1,024,193) |
| Net Amount | 7,021,431 | 6,675,391 | - | - |

5.1

Non Convertible Debentures (NCD) (current and non current portion) amounting to ₹ 2,881,976 lacs (₹ 2,882,951 lacs) are secured by way of first charge read with Note 5.2 herein below and are redeemable at par, in one or more installments, on various periods, as below.

Secured NCDs also include amount outstanding for Zero Coupon Secured Redeemable Non-Convertible Debentures (ZCD) aggregating ₹ 247,206 lacs (₹ 290,565 lacs), which are redeemable at premium on maturity. The accumulated premium payable on outstanding ZCD accrued till 31st March, 2018 amounting to ₹ 83,716 lacs (₹ 73,275 lacs) is included above and a part of which has been provided out of the Securities Premium Account (refer Note 4.2).

Terms of repayment of Loans and redemption of bonds & debentures

| Particulars | (₹ In Lacs) | | | |
|---|--------------------|------------------|------------------|--------------------|
| | >5 Years | 3-5 Years | 1-3 Years | Grand Total |
| Secured | | | | |
| Bank | | | | |
| Linked with Base Rate of respective banks | 746,758 | 1,032,357 | 1,341,415 | 3,120,530 |
| | (720,078) | (940,756) | (1,118,413) | (2,779,247) |
| Loan from ECBs | | | | |
| 8.41 -11.00 | - | 135,531 | 131,357 | 266,888 |
| | (5,189) | (232,117) | (59,175) | (296,481) |
| Loan from National Housing Bank (NHB) | | | | |
| 6.12 - 9.00 | 145,101 | 47,069 | 60,340 | 252,510 |
| | (165,668) | (48,111) | (70,158) | (283,937) |
| 9.01 - 11.00 | - | 86 | 1,220 | 1,306 |
| | (2,968) | (3,274) | (5,396) | (11,638) |
| N H B Total | 145,101 | 47,155 | 61,559 | 253,816 |
| | (168,636) | (51,385) | (75,554) | (295,575) |
| Non-Convertible Debenture | | | | |
| 5.00 - 7.00 | 35,157 | | | 35,157 |
| | (32,909) | - | - | (32,909) |
| 7.25 - 11.55 | 1,209,059 | 287,844 | 1,063,650 | 2,560,553 |
| | (1,243,349) | (530,554) | (925,061) | (2,698,964) |
| NCD Total | 1,244,216 | 287,844 | 1,063,650 | 2,595,710 |
| | (1,276,258) | (530,554) | (925,061) | (2,731,873) |
| Perpetual Debt | | | | |
| 9.85 - 12.75 | 116,070 | - | - | 116,070 |
| | (66,070) | - | - | (66,070) |
| Sub - Debt | | | | |
| 9.40 - 11.35 | 49,530 | 27,770 | 44,600 | 121,900 |
| | (69,800) | (45,000) | (18,380) | (133,180) |

5.2 All Secured loans (Current and Non Current portion), from the National Housing Bank (NHB), Other Banks, Foreign Financial Institution, Financial Institutions and Secured Non Convertible Debentures / ZCD are secured by way of first charge to and in favor of participating banks, Institutions, National Housing Bank and Debenture Trustees jointly ranking pari passu (read with Note 8.1), inter-se, on the Company's whole of the present and future book debts, housing loan Installments/receivables, investments including all the receivables of the Company and other movable assets, wherever situated, excluding SLR assets, read with Note 5.4 hereinafter. They are further secured on pari passu basis by constructive delivery of various title deeds of certain immovable properties of the Company, to Union Bank of India, acting for itself and as an agent of other participating lenders and Debenture trustees, and are also guaranteed by the promoter directors of the Company.

Pursuant to the refinancing arrangement with NHB, the Company has provided a non-disposal undertaking from the Promoters and Promoter Group with respect to their shareholdings in the Company and corporate guarantee from Wadhawan Global Capital Limited (promoter entity).

5.3 During the year Company availed ECB of USD 125 million under the ECB Refinance facility. The ECB was raised under the RBI Refinance Guidelines for Low Cost Affordable Housing Scheme of the Reserve Bank of India (RBI) under the approval route. The principal amount has been hedged by way of currency swaps to protect the foreign currency risk and converted into rupee liability of ₹ 78,425 lacs in compliance of statutory requirement.

In the previous year, Company had availed ECB of total USD 150 million under two ECB facilities, both for a period of 5 years, respectively. The principal amount has been hedged by way of currency swaps to protect the foreign currency risk and converted into rupee liability, in compliance of statutory requirement.

As a part of Assets Liability management on account of the Companies adjustable rate home loan products as well as to reduce the overall cost of borrowing, during the year, the Company has entered into Interest Rate swaps wherein it has converted its variable rate rupee liability of notional amount of USD 145 million into fixed rate rupee liability.

As on 31st March, 2018 the Company has an outstanding foreign currency borrowing of USD 459 million (USD 493 million) equivalent to ₹ 296,476 lacs (₹ 317,355 lacs).

5.4 The National Housing Bank directives require all HFC's accepting public deposits to create a floating charge on the statutory liquid assets maintained in favor of depositors through the mechanism of a trust deed. The Company has accordingly appointed a SEBI approved trustee Company as trustee for the above by executing the trust deed.

Accordingly, the public deposits of the company as defined in paragraph 2(1)(y) of the Housing Finance Companies (NHB) Directions, 2010, are secured by floating charge on the Statutory Liquid Assets maintained in terms of sub-sections (1) & (2) of Section 29B of the National Housing Bank Act, 1987.

5.5 Unsecured Redeemable Non Convertible Subordinated Debentures aggregating to ₹ 1,33,180 lacs (₹ 1,50,680 lacs), outstanding as at 31st March, 2018, are subordinated to present and future senior indebtedness of the company. It qualifies as Tier II capital in accordance with National Housing Bank (NHB) guidelines for assessing capital adequacy based on balance term to maturity. These debentures are redeemable at par on maturity on various periods read with note no. 5.1

5.6 Fixed Deposits, Other Deposits and Other Borrowings, including short term fixed deposits and short term other deposits, are repayable as per individual contracted maturities ranging from 12 to 120 months from the date of deposit. The interest is payable on contracted terms depending upon the scheme opted by the depositor.

5.7 Department of Company Affairs with reference to the General Circular no. 4/2003 vide G.S.R. 413 (E) dated 18.06.2014, had clarified that, Housing Finance Companies registered with National Housing Bank are exempted from the requirement of creating Debenture Redemption Reserve (DRR) in case of privately placed debentures. However, the Company needs to create DRR in case of public issue of Debentures and accordingly, the Company has created DRR as at year end 31st March, 2017 to the tune of ₹ 117,000 lacs against its public issue of Secured Redeemable Non-Convertible Debentures.

5.8 Rating assigned by Credit Rating Agencies and migration of rating:

| Rating Agency | Type | 2017 - 18 | 2016 - 17 |
|---------------|--------------------|------------------|------------------|
| CARE | NCD | CARE AAA; Stable | CARE AAA; Stable |
| | NCD (Public Issue) | CARE AAA; Stable | CARE AAA; Stable |
| | Commercial Paper | CARE A1+ | - |

| | | | |
|-----------|-------------------------|---------------------------|---------------------------|
| | Public (Fixed) Deposits | CARE AAA (FD); Stable | CARE AAA (FD); Stable |
| | Long Term Bank Loans | CARE AAA; Stable | CARE AAA; Stable |
| | Structured Obligations | CARE AAA (SO) | CARE AAA (SO) |
| | Subordinated Debt | CARE AA+; Stable | CARE AA+; Stable |
| | Preference Shares | CARE AA+ (RPS); Stable | CARE AA+ (RPS); Stable |
| | IPDI | CARE AA; Stable | CARE AA; Stable |
| Brickwork | NCD | BWR AAA; Stable | BWR AAA; Stable |
| | NCD (Public Issue) | BWR AAA; Stable | BWR AAA; Stable |
| | Public (Fixed) Deposits | BWR FAAA; Stable | BWR FAAA; Stable |
| | Subordinated Debt | BWR AAA; Stable | BWR AAA; Stable |
| | IPDI | BWR AA+; Stable | BWR AA+; Stable |
| CRISIL | Commercial Paper | CRISIL A1+ | CRISIL A1+ |
| | Short Term Deposits | CRISIL A1+ | CRISIL A1+ |
| | Structured Obligations | CRISIL AAA (SO) | CRISIL AAA (SO) |
| ICRA | Commercial Paper | ICRA A1+ | ICRA A1+ |
| | Structured Obligations | ICRA AAA(SO) | ICRA AAA(SO) |

5.9 Concentration of Public Deposits (For Public Deposit taking /holding HFCs)

| Particulars | (₹ lacs) | |
|--|---------------------|---------------------|
| | As at 31-03-2018 | As at 31-03-2017 |
| Total Deposits to twenty largest Depositors | 386,171 | 71,800 |
| Percentage of Deposits of twenty largest borrowers /Customers to total Exposure of the HFC on Borrowers /Customers | 37.7% | 10.61% |

6 DEFERRED TAX LIABILITY / (ASSET)

| Particulars | (₹ lacs) | |
|--|------------------|------------------|
| | As at 31-03-2018 | As at 31-03-2017 |
| A. Net Deferred Tax Liability | | |
| Deferred Tax Asset | | |
| On account of provision for contingency & employee benefits | | |
| On account of others | (33,910) | (24,448) |
| Deferred Tax Liability | | |
| On difference between book balance and tax balance of other assets | 28,306 | 23,777 |
| | (A) | (671) |
| | <u>(5,604)</u> | <u>(671)</u> |
| B. Deferred Tax Liability on Special Reserve | | |
| | 41,400 | 31,615 |
| | (A) | 31,615 |
| | <u>41,400</u> | <u>31,615</u> |
| DEFERRED TAX LIABILITY (NET) | (A + B) | 30,944 |
| | <u>35,796</u> | <u>30,944</u> |

| Particulars | (₹ lacs) | | | |
|---|---------------------|---------------------|----------------------|---------------------|
| | Long Term Provision | | Short Term Provision | |
| | As at 31-03-2018 | As at 31-03-2017 | As at 31-03-2018 | As at 31-03-2017 |
| Provision for Contingencies | | | | |
| <i>Against Standard Assets:</i> | | | | |
| As per last Balance sheet | 42,825 | 34,730 | | |
| Add : Provision during the year | 14,289 | 8,095 | | |
| Provision on standard loan portfolio (A) | 57,114 | 42,825 | - | - |
| <i>Against NPA:</i> | | | | |
| As per last Balance sheet | 25,902 | 21,205 | | |
| Add : Provision during the year | 27,151 | 13,446 | | |
| Less : Utilised during the year | 15,991 | 8,749 | | |
| Provision on NPA loan portfolio (B) | 37,062 | 25,902 | - | - |
| <i>Against Investment:</i> | | | | |
| As per last Balance sheet | - | 66 | | |
| Add : (withdrawal) during the year | - | (66) | | |
| Provision on Investment (C) | - | - | - | - |
| <i>Against ICDS:</i> | | | | |
| As per last Balance sheet | 1,459 | 1,447 | | |
| Provision during the year | 584 | 12 | | |
| Provision on ICDS (D) | 2,043 | 1,459 | - | - |
| <i>Against Other Assets:</i> | | | | |
| As per last Balance sheet | 1,233 | 920 | | |
| Add : (withdrawal)/ Provision during the year | (44) | 313 | | |
| Provision on Other Assets (E) | 1,189 | 1,233 | - | - |
| Total Provision for Contingencies (A+B+C+D+E) | 97,408 | 71,419 | - | - |
| Provision for employee benefits | - | - | 629 | 67 |
| TOTAL PROVISIONS | 97,408 | 71,419 | 629 | 67 |

7.1 The Company has written off ₹ 15,991 lacs (₹ 8,749 lacs) as bad debts to recover some of its old NPA and Loss Accounts by way of one time settlement or sale to Asset Reconstruction Companies. The Company has withdrawn ₹ 15,991 lacs (₹ 8,749 lacs) from contingency provisions created out of profits of earlier years.

7.2 Provisions and contingencies

| Particulars | (₹ lacs) | |
|--|-----------|-----------|
| | 2017 - 18 | 2016 - 17 |
| i) Provisions for depreciation on Investment | - | (66) |
| ii) Provisions made towards Income Tax | 58,449 | 47,537 |
| iii) Provisions towards NPA | 27,151 | 13,446 |
| iv) Provisions for Standard Assets | 14,289 | 8,096 |
| v) Other Provision and Contingencies | 540 | 325 |

7.3 Details of Housing and Property Loans and Contingency Provisions

Housing and property loans and provision in respect thereof on account of standard, sub standard, doubtful and loss assets are recorded in accordance with the guidelines on prudential norms as specified by National Housing Bank are as follows:

| Particulars | (₹ lacs) | | | |
|-------------|------------------|------------|------------------|------------|
| | As at 31-03-2018 | | As at 31-03-2017 | |
| | Portfolio | Provisions | Portfolio | Provisions |
| | | | | |

| | | | | | |
|-------------------------------------|----------------|-------------------------|----------------------|-------------------------|----------------------|
| Standard Assets | | | | | |
| Housing Loans | | 6,634,555 | 31,593 | 5,634,177 | 26,889 |
| Other Property Loans | | 2,470,583 | 24,521 | 1,507,596 | 15,093 |
| | (A) | <u>9,105,138</u> | <u>56,114</u> | <u>7,141,773</u> | <u>41,982</u> |
| Sub Standard Assets | | | | | |
| Housing Loans | | 21,084 | 3,163 | 5,624 | 844 |
| Other Property Loans | | 8,981 | 1,347 | 2,644 | 397 |
| | (B) | <u>30,065</u> | <u>4,510</u> | <u>8,268</u> | <u>1,241</u> |
| Doubtful Assets | | | | | |
| Housing Loans | | 38,669 | 20,419 | 27,150 | 12,398 |
| Other Property Loans | | 19,360 | 11,700 | 32,427 | 12,263 |
| | (C) | <u>58,029</u> | <u>32,119</u> | <u>59,577</u> | <u>24,661</u> |
| Loss Assets | | | | | |
| Additional provision on Loan Assets | | | 1,433 | | 843 |
| Provisions on ICDS | | | 2,043 | | 1,459 |
| Provisions on Other Assets | | | 1,189 | | 1,233 |
| Total | (A+B+C) | <u><u>9,193,232</u></u> | <u><u>97,408</u></u> | <u><u>7,209,618</u></u> | <u><u>71,419</u></u> |
| Summary: | | | | | |
| Housing Loans | | 6,694,308 | 55,175 | 5,666,951 | 40,131 |
| Other Property Loans | | 2,498,924 | 37,568 | 1,542,667 | 27,753 |
| Additional provision on Loan Assets | | | 1,433 | | 843 |
| Provisions on ICDS | | | 2,043 | | 1,459 |
| Provisions on Other Assets | | | 1,189 | | 1,233 |
| Total | | <u><u>9,193,232</u></u> | <u><u>97,408</u></u> | <u><u>7,209,618</u></u> | <u><u>71,419</u></u> |

7.4 Provision for Contingencies

The Company has made full provisions for Contingencies for diminution in investment value and on standard as well as on non-performing housing loans and other property loans as per the Prudential Norms prescribed by the National Housing Bank. The Company has maintained additional provision amounting to ₹ 1,433 lacs (₹ 843 lacs) as at year end.

7.5 Break up of Provision and contingencies shown under the head expenditure in profit and loss account

| Particulars | Housing Loan | | Non-Housing Loan | |
|---------------------------------------|---------------------|---------------------|---------------------|---------------------|
| | As at 31-03-2018 | As at 31-03-2017 | As at 31-03-2018 | As at 31-03-2017 |
| Standard Assets | | | | |
| a) Total Outstanding Amount | 6,634,555 | 5,634,178 | 2,470,583 | 1,507,596 |
| b) Provisions made | 31,593 | 26,889 | 24,521 | 15,093 |
| Sub-Standard Assets | | | | |
| a) Total Outstanding Amount | 21,084 | 5,624 | 8,981 | 2,644 |
| b) Provisions made | 3,163 | 844 | 1,347 | 397 |
| Doubtful Assets- Category -I | | | | |
| a) Total Outstanding Amount | 8,918 | 12,622 | 4,197 | 6,932 |
| b) Provisions made | 2,229 | 3,155 | 1,049 | 1,733 |
| Doubtful Assets- Category -II | | | | |
| a) Total Outstanding Amount | 19,270 | 8,809 | 7,541 | 24,942 |
| b) Provisions made | 7,709 | 3,524 | 3,029 | 9,976 |
| Doubtful Assets- Category -III | | | | |
| a) Total Outstanding Amount | 10,481 | 5,719 | 7,622 | 554 |
| b) Provisions made | 10,481 | 5,719 | 7,622 | 554 |
| Loss Assets | | | | |
| a) Total Outstanding Amount | - | - | - | - |
| b) Provisions made | - | - | - | - |
| Total | | | | |
| a) Total Outstanding Amount | 238 6,694,308 | 5,666,952 | 2,498,924 | 1,542,668 |

| | | | | |
|--------------------|--------|--------|--------|--------|
| b) Provisions made | 55,175 | 40,131 | 37,568 | 27,753 |
|--------------------|--------|--------|--------|--------|

7.6 Concentration of NPAs:

(₹ lacs)

| Particulars | As at 31-03-2018 | As at 31-03-2017 |
|--|---------------------|---------------------|
| Total Exposure to top ten NPA accounts | 17,646 | 24,689 |

7.7 Sector wise NPAs:

| Sector | Percentage to total Advances |
|------------------------------|---------------------------------|
| A. Housing Loans: | |
| 1. Individuals | 0.81% |
| 2. Builders/Project Loans | 1.14% |
| 3. Corporates | 0.00% |
| 4. Others Loans | 0.00% |
| B. Non-Housing Loans: | |
| 1. Individuals | 0.00% |
| 2. Builders/Project Loans | 0.60% |
| 3. Corporates | 0.00% |
| 4. Others Loans | 1.15% |

7.8 Movement of NPAs:

| Particulars | 31.03.2018 | 31.03.2017 |
|---|------------|------------|
| I). Net NPAs to Net Advances (%) | 0.56% | 0.58% |
| II). Movement of NPAs (Gross) | | |
| a) Opening balance | 67,844 | 57,306 |
| b) Additions during the year | 48,285 | 32,174 |
| c) Reduction during the year | 28,034 | 21,636 |
| d) Closing balance | 88,094 | 67,844 |
| III). Movement of NPAs (Net) | | |
| a) Opening balance | 41,942 | 36,101 |
| b) Additions during the year | 21,134 | 18,728 |
| c) Reduction during the year | 12,043 | 12,887 |
| d) Closing balance | 51,032 | 41,942 |
| IV). Movement of Provisions for NPAs (Excluding provisions on Standard assets) | | |
| a) Opening balance | 25,902 | 21,205 |
| b) Additions during the year | 27,151 | 13,446 |
| c) Reduction during the year | 15,991 | 8,749 |
| d) Closing balance | 37,062 | 25,902 |

8 SHORT TERM BORROWINGS

| Particulars | | (₹ lacs) | |
|---------------------------------|-----|---------------------|---------------------|
| | | As at 31-03-2018 | As at 31-03-2017 |
| <u>Secured</u> | | | |
| Loans repayable on demand | | | |
| From Banks | | 223,741 | 111,014 |
| Secured short term borrowings | (A) | 223,741 | 111,014 |
| <u>Unsecured</u> | | | |
| Deposits | | | |
| Fixed Deposits (Refer Note 5.6) | 239 | 42,416 | 8,988 |

| | | | |
|--|--------------|-----------------------|-----------------------|
| Other Deposits (Refer Note 5.6) | | 448 | 868 |
| Other short term loans and advances | | | |
| Commercial Papers | | 605,000 | 299,500 |
| Others | | 9,638 | 6,496 |
| Unsecured short term borrowings | (B) | <u>657,502</u> | <u>315,852</u> |
| TOTAL SHORT TERM BORROWINGS | (A+B) | <u><u>881,243</u></u> | <u><u>426,866</u></u> |

- 8.1 Loans repayable on demand and other short term loans comprising of Cash credit facilities from banks and are secured by a first charge by way of hypothecation of book debts of specific loan assets of the company and are further secured by negative lien on the underlying specific properties and / or secured by demand promissory notes. Certain Cash credit facilities are also secured by way of a first pari passu charge along with other secured loans read with Note 5.2. All cash credit facilities are repayable as per the contracted/ roll over term.

9 TRADE PAYABLES:

There is no amount due and payable to 'Suppliers' registered under the Micro, Small and Medium Enterprises Development Act, 2006 at the end of the year. No interest has been paid/ is payable by the Company during/for the year to these 'Suppliers'. The above information takes into account only those suppliers who have submitted their registration details or has responded to the inquiries made by the Company for this purpose.

10 OTHER CURRENT LIABILITIES

| Particulars | (₹ lacs) | |
|---|-------------------------|-------------------------|
| | As at 31-03-2018 | As at 31-03-2017 |
| Current maturities of long-term borrowing (Refer Note 5) | 1,358,530 | 1,024,193 |
| Interest accrued but not due on borrowings | 152,923 | 136,734 |
| Unclaimed Dividends ^{10.1} | 169 | 142 |
| Unclaimed matured deposits and interest accrued thereon ^{10.1} | 10,341 | 7,674 |
| Other payables | | |
| Advance from customers | 13,196 | 8,228 |
| Temporary Overdrawn Balances as per books | 217,184 | - |
| Creditors for Capital Expenditure | 1,725 | 1,262 |
| Amount payable under securitisation/ joint syndication transaction | 60,855 | 35,644 |
| Statutory Dues | 3,327 | 2,651 |
| Other current liabilities | 17,844 | 7,080 |
| TOTAL OTHER CURRENT LIABILITIES | <u><u>1,836,094</u></u> | <u><u>1,223,608</u></u> |

- 10.1 As required under section 124 of the Companies Act, 2013, the Company has transferred unclaimed dividend of the year 2009-10 ₹ 7 lacs (₹ 6 lacs) and towards unclaimed Deposits and interest accrued thereon ₹ 17 lacs (₹ 12 lacs) to Investor Education & Protection Fund (IEPF) during the year. There are no amounts due for payment to the Investor Education and Protection Fund under section 125 of the Companies Act, 2013 as at the year end in respect of Unclaimed Matured Deposits and Unpaid Dividends.

DEWAN HOUSING FINANCE CORPORATION LIMITED

**Note 11
FIXED ASSETS**

Fixed Assets as of 31 March, 2018

(₹ lacs)

| Assets | GROSS BLOCK | | | | DEPRECIATION/ AMORTISATION | | | | NET BLOCK |
|-------------------------------------|---------------------|---------------|--------------------|---------------------|----------------------------|-----------------|--------------------|--------------------|---------------------|
| | As at 01.04.2017 | Addition | Deduction/ Sale | As at 31.03.2018 | As at 01.04.2017 | for the year | Deduction/ Sale | Upto 31.03.2018 | As at 31.03.2018 |
| Tangible (PPE): | | | | | | | | | |
| Building | 6,180 | 51,531 | - | 57,711 | 673 | 308 | - | 981 | 56,730 |
| Leasehold Premises | 9,999 | - | - | 9,999 | 673 | 163 | - | 836 | 9,163 |
| Leasehold Improvements | 3,353 | 4,986 | 197 | 8,142 | 2,490 | 431 | 194 | 2,727 | 5,415 |
| Furniture & Fixture | 2,629 | 1,580 | 26 | 4,183 | 1,167 | 310 | 24 | 1,453 | 2,730 |
| Office Equipments | 3,597 | 3,448 | 145 | 6,900 | 1,364 | 594 | 72 | 1,886 | 5,014 |
| Vehicles | 125 | 267 | 9 | 383 | 81 | 45 | 6 | 120 | 263 |
| Computer (Hardware) | 3,295 | 4,515 | 92 | 7,718 | 2,294 | 601 | 90 | 2,805 | 4,913 |
| Sub Total | 29,178 | 66,327 | 469 | 95,036 | 8,742 | 2,452 | 386 | 10,808 | 84,228 |
| Intangible: * | | | | | | | | | |
| Computer (Software) | 1,990 | 608 | - | 2,598 | 1,536 | 311 | - | 1,847 | 751 |
| Fixed Assets | 31,168 | 66,935 | 469 | 97,634 | 10,278 | 2,763 | 386 | 12,655 | 84,979 |
| Intangible Assets under Development | - | - | - | - | - | - | - | - | 12,905 |
| TOTAL | 31,168 | 66,935 | 469 | 97,634 | 10,278 | 2,763 | 386 | 12,655 | 97,884 |

Fixed Assets as of 31 March, 2017

(₹ lacs)

| Assets | GROSS BLOCK | | | | DEPRECIATION/ AMORTISATION | | | | NET BLOCK |
|-------------------------------------|---------------------|--------------|--------------------|---------------------|----------------------------|-----------------|--------------------|--------------------|---------------------|
| | As at 01.04.2016 | Addition | Deduction/ Sale | As at 31.03.2017 | As at 01.04.2016 | for the year | Deduction/ Sale | Upto 31.03.2017 | As at 31.03.2017 |
| Tangible (PPE): | | | | | | | | | |
| Building | 5,643 | 537 | - | 6,180 | 585 | 88 | - | 673 | 5,507 |
| Leasehold Premises | 9,999 | - | - | 9,999 | 510 | 163 | - | 673 | 9,326 |
| Leasehold Improvements | 3,138 | 362 | 148 | 3,352 | 1,969 | 653 | 131 | 2,491 | 861 |
| Furniture & Fixture | 2,573 | 77 | 20 | 2,630 | 927 | 259 | 20 | 1,166 | 1,464 |
| Office Equipments | 2,381 | 1,313 | 97 | 3,597 | 1,059 | 374 | 69 | 1,364 | 2,233 |
| Vehicles | 114 | 20 | 9 | 125 | 70 | 16 | 5 | 81 | 44 |
| Computer (Hardware) | 2,984 | 432 | 121 | 3,295 | 1,910 | 507 | 123 | 2,294 | 1,001 |
| Sub Total | 26,832 | 2,741 | 395 | 29,178 | 7,030 | 2,060 | 348 | 8,742 | 20,436 |
| Intangible:* | | | | | | | | | |
| Computer (Software) | 1,635 | 355 | - | 1,990 | 1,266 | 270 | - | 1,536 | 454 |
| Fixed Assets | 28,467 | 3,096 | 395 | 31,168 | 8,296 | 2,330 | 348 | 10,278 | 20,890 |
| Capital Work in Process | - | - | - | - | - | - | - | - | 54,615 |
| Intangible Assets under Development | - | - | - | - | - | - | - | - | 8,762 |
| TOTAL | 28,467 | 3,096 | 395 | 31,168 | 8,296 | 2,330 | 348 | 10,278 | 84,267 |

* Other than internally generated

NON CURRENT INVESTMENTS

| Particulars | As at 31-03-2018 | | As at 31-03-2017 | | (₹ lacs) |
|---|------------------|---------------|------------------|---------------|----------|
| | Nos | Amount | Nos | Amount | |
| (Long Term Investments) | | | | | |
| (Valued at cost less dimution in value, if any otherthan temporary) | | | | | |
| Trade Investments | | | | | |
| <i>Investment in unquoted equity instruments</i> | | | | | |
| <i>(Face value of ₹ 10 each)</i> | | | | | |
| Investment in Subsidiary Companies | | | | | |
| DHFL Advisory & Investments Pvt Ltd | 75,010,000 | 7,501 | 75,010,000 | 7,501 | |
| DHFL Investment Ltd. | 101,250,000 | 10,125 | 100,050,000 | 10,005 | |
| Investment in Associates: | | | | | |
| Aadhar Housing Finance Ltd (erswhile) ^(12.3) | - | - | 14,900,000 | 1,490 | |
| DHFL Vysya Housing Finance Ltd. ^(12.3) | - | - | 1,048,989 | 315 | |
| Aadhar Housing Finance Ltd (Formerly known as DHFL Vysya Housing Finance Ltd.) ^(12.3) | 2,301,090 | 1,805 | | | |
| Avanse Financial Services Ltd. | 19,250,719 | 12,724 | 12,197,522 | 4,988 | |
| Investment in Joint Venture: | | | | | |
| DHFL Pramerica Asset Managers Pvt Ltd | 18,568,825 | 3,770 | 18,568,825 | 3,770 | |
| DHFL Pramerica Trustees Pvt Ltd | 50,000 | 5 | 50,000 | 5 | |
| Investment in others: | | | | | |
| The Kalyan Janta Sahakari Bank Limited | 10,000 | 1 | 10,000 | 1 | |
| Social Worth Technology Pvt.Ltd | 10 | 1 | | - | |
| (A) | | 35,932 | | 28,075 | |
| Investment in Preference Share | | | | | |
| (Quoted) | | | | | |
| 7.5% Vedanta Limited Pref Shares 2018 (Non-cumulative, Non convertible and redeemable). | 120,000,000 | 11,961 | - | - | |
| (Unquoted) | | | | | |
| Sunborne Energy Services India Private Ltd. (Optionally Convertible) | 31,775 | 1,271 | 31,775 | 1,271 | |
| Social Worth Technology Pvt.Ltd-Series A Non-cumulative, compulsorily and fully convertible (FV 100) | 13,706 | 1,340 | - | - | |
| Social Worth Technology Pvt.Ltd-Series B1 Non-cumulative, compulsorily and fully convertible (FV 100) | 6,235 | 816 | - | - | |
| (B) | | 15,388 | | 1,271 | |
| Investment in Government securities (SLR) - quoted | | | | | |
| 0.00% Punjab Infra. Develop. Board 2022 Bonds | - | - | 10 | 25 | |
| 8.56% Kerala SDL 2020 | 242 | 200,000 | 203 | 200,000 | 203 |

| | | | | |
|---|-----------|-------|-----------|-------|
| 8.52% Tamilnadu SDL 2020 | 200,000 | 206 | 200,000 | 206 |
| 8.42% Andhra Pradesh SDL 2020 | 425,000 | 430 | 425,000 | 430 |
| 8.40% Gujarat SDL 2020 | 250,000 | 252 | 250,000 | 252 |
| 8.08% GS 2022 | 100,000 | 98 | 100,000 | 98 |
| 8.28% GS 2032 | 100,000 | 98 | 100,000 | 98 |
| 9.23% Gujarat SDL 2021 | 250,000 | 257 | 250,000 | 257 |
| 9.51% Rajasthan Rajya Vidyut P. N. Ltd 2024 | 10 | 500 | 10 | 500 |
| 9.30% RRVPNL Bonds 2025 | 150 | 1,491 | 150 | 1,491 |
| 8.97% Bihar SDL 2022 | 570,000 | 584 | 570,000 | 584 |
| 5.87% GOI 2022 | 3,000 | 3 | 3,000 | 3 |
| 6.05% GOI 2019 | 14,000 | 14 | 14,000 | 14 |
| 6.13% GOI 2028 | 5,000 | 5 | 5,000 | 5 |
| 5.69% GOI 2018 | 41,800 | 39 | 41,800 | 39 |
| 7.99% GOI 2017 | - | - | 30,000 | 30 |
| 8.71% WSPF Bonds 09/05/2023 | 1,900 | 1,920 | 1,900 | 1,920 |
| 9.85% TIIC Bonds (TIIC Bonds_2014-I) 07/03/2024 | 83 | 828 | 83 | 828 |
| 9.00% RRVUNL Bonds 24/12/2026 | 210 | 2,127 | 210 | 2,127 |
| 9.20% Tangedco 2024 18/12/2014 | 200 | 2,025 | 200 | 2,025 |
| 8.75% Krishna Bhagya Jala Nigam Limited SR -C LOA 31DC24 | 110 | 1,095 | 110 | 1,095 |
| 8.74% RRVUNL 2027 | 150 | 1,497 | 150 | 1,497 |
| 9.95% FCI 2022 | 100 | 1,084 | 100 | 1,084 |
| 8.72% Chhattisgarh State Power Distribution Company Limited BD 27MR 2035 | 210 | 2,100 | 210 | 2,100 |
| 7.88% GS 2030 | 5,500,000 | 5,665 | 5,500,000 | 5,665 |
| 8.60% GOI 2028 | 2,500,000 | 2,763 | 2,500,000 | 2,763 |
| 8.40% GS 2024 | 5,000,000 | 5,387 | 5,000,000 | 5,387 |
| 8.80% Tamilnadu 2022 | 2,500,000 | 2,686 | 2,500,000 | 2,686 |
| 8.90% Andhra Pradesh 2022 | 1,000,000 | 1,077 | 1,000,000 | 1,077 |
| 8.86% Punjab 2022 | 1,000,000 | 1,077 | 1,000,000 | 1,077 |
| 8.81% Haryana 2042 | 1,300,000 | 1,397 | 1,300,000 | 1,397 |
| 8.60% GOI 2028 | 2,500,000 | 2,793 | 2,500,000 | 2,793 |
| 8.24% GOI 2033 | 3,700,000 | 4,111 | 2,500,000 | 2,774 |
| 7.19% NHB Tax Free Bonds 14/12/2022 | 10 | 100 | - | - |
| 6.82% NHB Tax Free Bonds 28/05/2023 | 5,000 | 500 | - | - |
| 8.01% NHB Tax Free Bonds | 50 | 500 | - | - |
| 8.26% NHB Tax Free Bonds | 3,610 | 181 | - | - |
| 9.75% Ajmer Vidyut Vitran Nigam Ltd NCD 30MR31 | 4,000 | 3,912 | - | - |
| 9.8% Jaipur Vidyut Vitran Nigam Ltd NCD 30MR31 | 4,000 | 3,920 | - | - |
| 9.7% U.P. Power Corporation Limited BD 26SP31 | 6,000 | 5,832 | - | - |
| 9.7% Jodhpur Vidyut VitranNigam Ltd NCD 30MR31 | 3,000 | 2,919 | - | - |
| 9.7% U.P.Power Corporation Limited 04JL31 | 5,000 | 4,850 | - | - |

(C)

66,526

42,530

Investment in Government securities - quoted

| | | | | |
|---|---------|-------|---------|-------|
| 7.22% REC Bonds 19/12/2022 | 10,000 | 100 | 10,000 | 100 |
| 7.19% NHB Tax Free Bonds 14/12/2022 | - | - | 10 | 100 |
| 6.82% NHB Tax Free Bonds 28/05/2023 | - | - | 5,000 | 500 |
| 8.01% NHB Tax Free Bonds | - | - | 50 | 500 |
| 8.26% NHB Tax Free Bonds | - | - | 3,610 | 181 |
| 8.41% NTPC Tax free Bonds - Series 1A | 15,832 | 158 | 15,832 | 158 |
| 8.51% HUDCO Secured Non-Convertible Tax Free Bonds. Tranche II.Series 1A | 50,000 | 500 | 50,000 | 500 |
| 8.23% Indian Railway Finance Corporation 18/02/2024 (Tax Free) | 50,000 | 500 | 50,000 | 500 |
| 8.41% IIFCL Bonds 22/01/2014 | 100,000 | 1,000 | 100,000 | 1,000 |
| 7.49% IREDAL Tax Free Bonds 21.01.2031 | 102,181 | 1,022 | 102,181 | 1,022 |
| 7.39% HUDCO Tax Free Bonds 08.02.2031 | 28,028 | 280 | 28,028 | 280 |
| 7.39% NHAI Tax Free Bonds 09/03/2031 | 61,674 | 617 | 61,674 | 617 |
| 7.39% HUDCO Tax Free Bonds 15.03.2031 | 75,291 | 754 | 75,291 | 754 |
| 7.75% RJ SPL SDL 2018 | 500,000 | 500 | 500,000 | 500 |

243

| | | | | |
|--|---------|-------|---------|-----|
| 7.86% RJ SPL SDL 2019 | 500,000 | 500 | 500,000 | 500 |
| 8.01% RJ SPL SDL 2020 | 500,000 | 500 | 500,000 | 500 |
| 8.15% RJ SPL SDL 2021 | 500,000 | 500 | 500,000 | 500 |
| 8.27% RJ SPL SDL 2022 | 500,000 | 500 | 500,000 | 500 |
| 8.27% RJ SPL SDL 2023 | 500,000 | 500 | 500,000 | 500 |
| 8.29% RJ SPL SDL 2024 | 500,000 | 500 | 500,000 | 500 |
| 8.33% RJ SPL SDL 2025 | 500,000 | 500 | 500,000 | 500 |
| 8.19% RJ SPL SDL 2026 | 500,000 | 500 | 500,000 | 500 |
| 9.7% U.P. Power Corporation Limited 04JL31 | 3,000 | 2,910 | - | - |

* (D) 12,341 10,712

Other Investments

Investment in Venture Capital Fund - unquoted

| | | | | |
|---|--------------|-------|--------------|-------|
| DHFL Venture Capital Fund (100% Trust Corpus - Settlement Money) (₹ 10,000/- only) | 1 | - | 1 | - |
| Arthveda Star Fund | 187,836 | 1,895 | 192,532 | 1,948 |
| (E) | 1,895 | | 1,948 | |

Investment in Pass Through Certificates and Security Receipts

| | | | | |
|------------------------------------|---------------|--------|---------------|--------|
| Pass Through certificates -Class B | | 8,776 | | 10,221 |
| Security Receipts | | 66,628 | | - |
| (F) | 75,404 | | 10,221 | |

TOTAL NON CURRENT INVESTMENTS (A+B+C+D+E+F) **207,486** - **94,757**

| | | |
|--|---------|--------|
| Aggregate amount of quoted investments | 90,828 | 53,242 |
| Market value of Quoted investments | 96,026 | 54,224 |
| Aggregate amount of Unquoted investments | 116,658 | 41,515 |

12.1 Investment in Government and other SLR Securities aggregating to ₹ 66,526 lacs (₹ 42,530 lacs) carry a floating charge created in favor of depositors in the Fixed Deposit schemes of the Company (read with Note 5.4 above).

12.2 Value of Non Current Investments

(₹ lacs)

| Particulars | As at 31-03-2018 | As at 31-03-2017 |
|--|---------------------|---------------------|
| (i) Gross Value of Investments | 207,486 | 94,757 |
| (a) In India | 207,486 | 94,757 |
| (b) Outside India | | |
| (ii) Provision for Depreciation | - | - |
| (a) In India | - | - |
| (b) Outside India | - | - |
| (iii) Net value of Investments | 207,486 | 94,757 |
| (a) In India | 207,486 | 94,757 |
| (b) Outside India | - | - |
| 3.5.2 Movement of provisions held towards depreciation on Investments | - | - |
| (1) opening balance | - | - |
| (ii) Add: Provisions made during the year | - | - |
| (ii) Less : write-off/written bank of excess provisions during the year | - | - |
| (iv) Closing Balance | - | - |

- 12.3 In terms of Scheme of Amalgamation, approved by National Company Law Tribunal on October 27, 2017, Erstwhile Aadhar Housing Finance Limited has been merged with the DHFL Vysya Housing Finance Limited. Company has received 12,52,101 equity shares of DHFL Vysya Housing Finance Limited on merger in lieu of the shares held in erstwhile Aadhar Housing Finance Limited. Name of DHFL Vysya Housing Finance Limited has been changed to Aadhar Housing Finance Limited after merger.

13 HOUSING AND PROPERTY LOANS

| Particulars | (₹ lacs) | | | |
|--|---------------------|---------------------|---------------------|---------------------|
| | Non Current Portion | | Current Portion | |
| | As at 31-03-2018 | As at 31-03-2017 | As at 31-03-2018 | As at 31-03-2017 |
| Secured, considered good unless stated otherwise | | | | |
| Housing Loans | | | | |
| Standard loans | 7,762,507 | 6,252,066 | 489,465 | 376,365 |
| Sub-Standard loans | 23,037 | 6,768 | - | - |
| Doubtful loans | 40,115 | 27,890 | - | - |
| | <u>7,825,659</u> | <u>6,286,724</u> | <u>489,465</u> | <u>376,365</u> |
| Less : Securitised Housing Loans | 1,526,338 | 940,836 | 94,478 | 55,302 |
| A Total Housing Loans | 6,299,321 | 5,345,888 | 394,987 | 321,063 |
| Other Property Loans | | | | |
| Standard loans | 2,441,051 | 1,520,766 | 322,721 | 136,482 |
| Sub-Standard loans | 9,745 | 2,854 | - | - |
| Doubtful loans | 19,942 | 32,801 | - | - |
| | <u>2,470,738</u> | <u>1,556,421</u> | <u>322,721</u> | <u>136,482</u> |
| Less : Other Property Securitised Loans | 271,848 | 142,139 | 22,687 | 8,097 |
| B Total Other Property Loans | 2,198,890 | 1,414,282 | 300,034 | 128,385 |
| Total Loan book (A+B) | 8,498,211 | 6,760,170 | 695,021 | 449,448 |
| Summary: | | | | |
| Housing Loans | 7,825,659 | 6,286,724 | 489,465 | 376,365 |
| Other Property Loans | 2,470,738 | 1,556,421 | 322,721 | 136,482 |
| Total Housing & Property Loans under Company's management | 10,296,397 | 7,843,145 | 812,186 | 512,847 |
| Less : Securitised and Syndicated portion | 1,798,186 | 1,082,975 | 117,165 | 63,399 |
| TOTAL HOUSING AND PROPERTY LOANS | 8,498,211 | 6,760,170 | 695,021 | 449,448 |

- 13.1 Other property loans include mortgage loan, non residential property loan, plot loan for self construction where construction has not began in last three years and loan against the lease rental income from properties in accordance with directions of National Housing Bank (NHB). These also include loans granted to Small & Medium Enterprise (SME) and certain part are unsecured in terms of the particular scheme of an aggregate amount of ₹ 12,490 lacs (₹ 9,265 lacs).

- 13.2 The Company has not exceeded the prudential exposure limits during the year with reference to Single Borrower Limit (SGL) / Group Borrower Limit (GBL) and also does not finance any projects (including infrastructure projects) where the collateral being an intangible security i.e. rights, licenses, authorisations.

- 13.3 As certified by the management, loans given by the Company are secured by equitable mortgage/ registered mortgage of the property and assets financed and/or assignment of Life Insurance policies and/or personal guarantees and/or undertaking to create a security and/or hypothecation of assets and are considered appropriate and good.

- 13.4** Composite Loans sanctioned (i.e. loans allowed for purchase of plot and self construction of house) on or before 31st March, 2015, in which construction has not started till 31st March, 2018, as per information available with the Company, is excluded from Housing Loans and regrouped under Other Loans (Non Housing) in above outstanding as on 31st March, 2018 aggregating to ₹ 35,234 lacs (₹ 19,111 lacs).
- 13.5** Insurance portion of Housing Loan is excluded from Housing Loan and regrouped in Other Property Loan. The insurance portion amounting to ₹ 160,334 lacs (₹ 136,668 lacs) to meet the cost of the insurance premium to secure the borrower's life and thereby further secure the loan portfolio by way of risk mitigation method and to secure the Company's Housing loan portfolio against any eventuality.
- 13.6** The Company has entered into Loan Syndication arrangements with certain public and private sector banks to provide Housing loan to borrowers wherein DHFL originates the loan files and gets it processed under common credit norms. The said banks have agreed to participate upto 50% of the disbursed loan portfolio under loan syndication arrangement. Entire/partial processing fees and other charges/ income on these loans, depending upon the syndication arrangements, accrues to DHFL. The Company has derecognised the said loan portion syndicated to others in its books.
- 13.7** The Company has repossessed certain assets under SARFAESI Act which are retained for the purpose of sale under the rules and regulations of SARFAESI Act involving ₹ 7,890 lacs (₹ 7,890 lacs), which are part of NPA portfolio for which necessary provisions have already been made. These assets are accounted as and when they are realised as per related accounting policy.
- 13.8** The Company has securitized / assigned pool of certain housing and property loans and managed servicing of such loan accounts. The balance outstanding in the pool, as at the reporting date aggregates ₹ 19,15,351 lacs (₹ 1,146,373 lacs). These assets have been de-recognised in the books of the Company. The Company is responsible for collection and getting servicing of this loan portfolio on behalf of buyers / investors. In terms of the said securitization/assignment agreements, the Company pays to buyer/investor on monthly basis the prorata collection amount as per individual agreement terms. The Company has purchased home loan pools in two tranches for a cumulative amount of ₹ Nil (₹ 30,863 lacs) in compliance with RBIs norms on Securitisation, specific to Direct Assignment transactions, in terms of Minimum Holding Period (MHP) and Minimum Retention Requirement (MRR).
- 13.9** Details of outstanding amount of securitised assets as per books of the SPVs sponsored by the Company and total amount of exposures retained by the Company as on 31st March, 2018 towards the Minimum Retention Requirements (MRR):

| Particulars | (₹ lacs) |
|---|---------------------|
| | As at 31-03-2018 |
| 1. No. of SPVs sponsored / with Transaction on securitisation | 15 |
| 2. Total amount of securitised assets as per books of the SPVs sponsored | 165,801 |
| 3. Total amount of exposures retained towards the MRR as on the date of balance sheet | 22,611 |
| (I) Off-balance sheet exposures towards Credit Concentration | |
| a) Cash Collateral | 22,611 |
| b) Investment in Class 'B' PTCs | - |
| (II) On-balance sheet exposures towards Credit Concentration | 10,758 |
| a) Cash Collateral | 1,359 |
| b) Investment in Class 'B' PTCs | 9,399 |
| 4. Amount of exposures to securitisation transactions other than MRR | |
| (I) Off-balance sheet exposures towards Credit Concentration | NIL |
| a) Exposure to own Securitization | - |
| i) | - |
| ii) | - |
| b) Exposure to third party securitization | NIL |
| i) | - |
| ii) | - |
| (II) On-balance sheet exposures towards Credit Concentration | NIL |
| a) Exposure to own Securitization | - |
| i) | - |
| ii) | - |
| b) Exposure to third party securitization | NIL |
| i) | - |
| ii) | - |

- 13.10** Details of Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction

(₹ lacs)

| Particulars | 2017-18 | 2016-17 |
|---|---------|---------|
| i) No. of accounts | 809 | 201 |
| ii) Aggregate value (net of provisions) of accounts sold to SC / RC | 90,014 | 2,219 |
| iii) Aggregate consideration | 82,434 | 1,661 |
| iv) Additional consideration realized in respect of accounts transferred in earlier years | - | - |
| v) Aggregate (gain) /loss over net book value | 7,580 | 558 |

13.11 Detail of Assignment transactions undertaken:

(₹ lacs)

| Particulars | 2017-18 | 2016-17 |
|---|-----------|---------|
| i) No. of accounts | 24 | 25 |
| ii) Aggregate value of accounts assigned | 1,149,519 | 499,798 |
| iii) Aggregate consideration | 1,149,519 | 499,798 |
| iv) Additional consideration realized in respect of accounts transferred in earlier years | - | - |
| v) Aggregate (gain)/loss over net book value for the year | - | - |

13.12 Details of non-performing financial assets purchased / sold
Not Applicable

A. Detail of non-performing financial assets purchased

(₹ lacs)

| Particulars | 2017-18 | 2016-17 |
|---|---------|---------|
| 1 (a) No of accounts purchases during the year | Nil | Nil |
| (b) Aggregate Outstanding | Nil | Nil |
| 2 (a) of these ,number of accounts restructured during the year | Nil | Nil |
| (b) Aggregate Outstanding | Nil | Nil |

B.Detail of Non-performing Financial Assets Sold :

(₹ lacs)

| Particulars | 2017-18 | 2016-17 |
|------------------------------------|---------|---------|
| 1 No of accounts Sold | Nil | Nil |
| 2 Aggregate Outstanding | Nil | Nil |
| 3 Aggregate Consideration received | Nil | Nil |

13.13 Concentration of Loans & Advances

(₹ lacs)

| Particulars | As at 31-03-2018 | As at 31-03-2017 |
|--|---------------------|---------------------|
| Total Exposure to twenty largest borrowers/customers | 1,233,282 | 1,050,962 |
| Percentage of Exposures to twenty largest borrowers /Customers to total Exposure on Borrowers /Customers | 13.42% | 14.58% |

13.14 Concentration of all Exposure (Including off-balance sheet exposure)

(₹ lacs)

| Particulars | As at 31-03-2018 | As at 31-03-2017 |
|--|---------------------|---------------------|
| Total Exposure to twenty largest borrowers/customers | 1,334,980 | 1,071,000 |
| Percentage of Exposures to twenty largest borrowers /Customers to total Exposure on Borrowers /Customers | 13.83% | 14.47% |

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

13.16 Housing and other property loans (current and non-current) includes ₹ 269 lacs (₹ 315 lacs) given to the key managerial persons of the Company under the normal course of business.

14 OTHER LONG TERM LOANS AND ADVANCES

| Particulars | (₹ lacs) | |
|---|---------------------|---------------------|
| | Non Current Portion | |
| | As at 31-03-2018 | As at 31-03-2017 |
| Secured and considered good | | |
| Loans and advances to employees (Refer Note 14.1) | 3 | 4 |
| Other loans and advances | 13 | 13 |
| | 16 | 17 |
| Unsecured, considered good unless stated otherwise | | |
| Capital advances | 593 | 1,158 |
| Security deposits | 1,625 | 1,461 |
| Loans and advances to employees | 890 | 20 |
| Advances recoverable in cash or in kind | 45,235 | 46,422 |
| MAT Credit Entitlement | 38,016 | 46,072 |
| Advance Income Tax (Net of Provisions) | 9,318 | 8,461 |
| | 95,677 | 103,594 |
| TOTAL OTHER LONG TERM LOANS AND ADVANCES | 95,693 | 103,611 |

14.1 Loans to employees are secured by the hypothecation of respective assets against which these loans have been granted

15 CURRENT INVESTMENTS

(at lower of cost and fair value unless stated otherwise)

| | (₹ lacs) | | | |
|---|------------------|--------|------------------|--------|
| | As at 31-03-2018 | | As at 31-03-2017 | |
| | Nos | Amount | Nos | Amount |
| Trade Investments | | | | |
| <i>Investment in equity instruments- quoted</i> | | | | |
| ICICI Bank Ltd (F.V. per Share ₹ 2/-) | 3,740 | 3 | 3,400 | 3 |
| Larsen & Toubro Ltd (F.V. per Share ₹ 2/-) | 1,800 | - | 1,650 | - |
| Nagarjuna Fertilizer (F.V. per Share ₹ 1/-) | 440 | - | 440 | - |
| Ultratech Cement Ltd (F.V. per Share ₹ 10/-) | 160 | - | 160 | - |
| Gujarat Ambuja Exports Ltd (F.V. per Share ₹ 1/-) | - | - | 21,750 | - |
| Dhampur Sugar Mills Ltd. (F.V. per Share ₹ 1/-) | - | - | 2 | - |
| J K Tyre & Industries Ltd (F.V. per Share ₹ 1/-) | - | - | 270 | - |
| | | 3 | | 3 |
| <i>Debentures - quoted</i> | | | | |
| 8.70% Reliance Home Finance Limited SR-I CAT I & II NCD 03JN20 | 500,000 | 5,000 | 750,000 | 7,500 |
| 8.97% UPPCL (Series III-A) NCD 15/02/2021 | - | - | 500 | 5,175 |
| 8.97% UPPCL (Series III-B) NCD 15/02/2022 | - | - | 500 | 5,175 |
| 8.97% UPPCL (Series III-C) NCD 15/02/2023 | - | - | 500 | 5,175 |
| 8.97% UPPCL (Series III-D) NCD 15/02/2024 | - | - | 500 | 5,175 |
| 8.97% UPPCL (Series III-E) NCD 15/02/2025 | - | - | 500 | 5,175 |
| 8.97% UPPCL (Series III-F) NCD 15/02/2026 | 248 | - | 500 | 5,175 |

| | | | | |
|---|--------|--------|---------|---------|
| 8.97% UPPCL (Series III-G) NCD 15/02/2022 | - | - | 500 | 5,175 |
| 9.75% Ajmer Vidyut Vitran Nigam Ltd NCD 30MR31 | 9,640 | 9,428 | 13,640 | 13,340 |
| 9.20% ICICI Bank Limited Sr- DMR17AT Perpetual | 250 | 2,500 | 2,250 | 22,500 |
| 9.50% Indusind Bank Limited BD Perpetual | - | - | 950 | 9,476 |
| 9.80% Jaipur Vidyut Vitran Nigam Ltd NCD 30MR31 | 16,220 | 15,896 | 20,220 | 19,816 |
| 9.70% Jodhpur Vidyut Vitran Nigam Ltd NCD 30MR31 | 11,807 | 11,488 | 14,807 | 14,407 |
| 9.21% Punjab National Bank Sr-IX Perpetual Bonds 27APR17 | 500 | 5,008 | - | - |
| 8.95% Punjab National Bank Sr-VIII Perpetual | 100 | 998 | 1,000 | 9,997 |
| 9.21% Punjab National Bank Sr-X Perpetual 01MAY17 | 1,070 | 10,714 | - | - |
| 9.70% U.P. Power Corporation Limited 04JL31 | 8,452 | 8,198 | 16,452 | 15,957 |
| 9.70% U.P. Power Corporation Limited 26SP31 | 6,113 | 5,942 | 12,113 | 11,773 |
| 9.10% Union Bank of India Sr-XXIII TR-2 BD Perpetual | 1,000 | 9,991 | - | - |
| 9.10% Union Bank of India Sr-XXIII TR-3 BD Perpetual | 500 | 4,996 | - | - |
| 9.50% YES Bank Limited Perpetual | 2,500 | 25,000 | 4,000 | 40,000 |
| 7.80% Power Finance Corporation Ltd.Sr-174 07JU19 | 3,000 | 30,000 | - | - |
| 9.00% YES Bank Limited Perpetual | 2,500 | 25,000 | - | - |
| 7.59% National Housing Bank12MR21 | 2,250 | 22,500 | - | - |
| | | | 192,659 | 200,991 |

In Certificate of Deposits - Unquoted

| | | | | |
|--|---|---|---------|--------|
| IDFC Bank Limited CD 05APR17 | - | - | 43,000 | 42,854 |
| IDFC Bank Limited CD 13APR17 | - | - | 25,000 | 24,885 |
| The South Indian Bank Ltd. CD 28APR17 | - | - | 5,000 | 4,966 |
| IDFC Bank Limited CD 27APR17 | - | - | 10,000 | 9,937 |
| Andhra Bank CD 03MAY17 | - | - | 15,000 | 14,893 |
| HDFC Bank Limited CD 20JUN17 | - | - | 100,000 | 98,501 |
| Indusind Bank Limited CD 20APR17 | - | - | 75,000 | 74,691 |
| Punjab & Sind Bank CD 03APR17 | - | - | 10,000 | 9,991 |
| IDBI Bank Limited CD 05APR17 | - | - | 77,500 | 77,306 |
| ICICI Bank Limited CD 25SEP17 | - | - | 5,000 | 4,847 |
| The Federal Bank Limited CD 09JUN17 | - | - | 25,000 | 24,702 |
| The Federal Bank Limited CD 23MAY17 | - | - | 15,000 | 14,864 |
| IDFC Bank Limited CD 04DEC17 | - | - | 2,500 | 2,393 |
| Indusind Bank Limited CD 20FEB18 | - | - | 2,500 | 2,357 |
| RBL Bank Limited CD 17APR17 | - | - | 10,000 | 9,970 |
| Axis Bank Limited CD 31MAY17 | - | - | 17,500 | 17,318 |
| Axis Bank Limited CD 01JUN17 | - | - | 10,000 | 9,894 |
| IDBI Bank Limited CD 23MAY17 | - | - | 20,000 | 19,821 |
| Andhra Bank CD 02MAY17 | - | - | 13,500 | 13,425 |
| Indusind Bank Limited CD 19MAY17 | - | - | 7,500 | 7,437 |
| Abu Dhabi Commercial Bank Limited CD 05JUN17 | - | - | 10,000 | 9,875 |
| DCB Bank Limited CD 22MAY17 | - | - | 5,000 | 4,955 |
| IDFC Bank Limited CD 29MAY17 | - | - | 5,000 | 4,950 |
| DCB Bank Limited CD 31MAY17 | - | - | 10,000 | 9,893 |
| DCB Bank Limited CD 29MAY17 | - | - | 10,000 | 9,896 |
| HDFC Bank Limited CD 17MAY17 | - | - | 5,000 | 4,960 |
| Oriental Bank of Commerce CD 01JUN17 | - | - | 30,000 | 29,682 |
| YES Bank Limited CD 08MAY17 | - | - | 7,000 | 6,951 |
| RBL Bank Limited CD 28APR17 | - | - | 10,000 | 9,950 |
| IDFC Bank Limited CD 26APR17 | - | - | 15,000 | 14,926 |
| Abu Dhabi Commercial Bank Limited CD 21APR17 | - | - | 7,500 | 7,469 |
| Abu Dhabi Commercial Bank Limited CD 27APR17 | - | - | 2,500 | 2,487 |
| IDFC Bank Limited CD 16MAY17 | - | - | 9,500 | 9,418 |
| YES Bank Limited CD 29MAY17 | - | - | 10,000 | 9,896 |
| Axis Bank Limited CD 29DEC17 | - | - | 10,000 | 9,537 |
| Axis Bank Limited CD 11JUL17 | - | - | 5,000 | 4,913 |
| Oriental Bank of Commerce CD 05JUN17 | - | - | 35,000 | 34,611 |
| Oriental Bank of Commerce CD 29MAY17 | - | - | 25,000 | 24,756 |
| Axis Bank CD 15MAY2017 | - | - | 50,000 | 49,498 |
| Axis Bank CD 01JUN2017 | - | - | 20,000 | 19,750 |

| | | | | |
|------------------------|---|---------|--------|---------|
| Andhra Bank CD 28APR17 | - | - | 25,000 | 24,843 |
| | | | | 788,268 |
| (A) | | 192,662 | | 989,262 |

Other Investments

Investment in Mutual Funds - unquoted (at Net Asset Value)

| | | | | |
|---|-------------|---------|-------------|---------|
| Aditya Birla Sun Life Corporate Bond Fund - Dir - Growth | 116,317,842 | 15,476 | - | - |
| Aditya Birla Sun Life Short Term Fund - Dir - Growth | 52,057,274 | 34,785 | 20,777,200 | 12,995 |
| Axis Regular Savings Fund - Dir - Growth | 86,943,921 | 15,406 | - | - |
| DHFL Pramerica Arbitrage Fund - Dir - Ann Dividend | - | - | 86,926,287 | 9,613 |
| DHFL Pramerica Banking and PSU Debt Fund - Dir - Growth | 149,451,569 | 22,943 | 215,832,232 | 31,072 |
| DHFL Pramerica Medium Term Income Fund - Dir - Growth | - | - | 71,637,856 | 10,135 |
| DHFL Pramerica Premier Bond Fund - Dir - Growth | 112,255,152 | 32,352 | 94,206,872 | 25,553 |
| DHFL Pramerica Short Maturity Fund - Dir - Growth | 125,644,574 | 41,779 | - | - |
| DSP BlackRock Bond Fund - Dir - Growth | 17,929,662 | 10,211 | - | - |
| DSP BlackRock Short Term Fund - Dir - Growth | 17,713,965 | 5,418 | - | - |
| Edelweiss Arbitrage Fund - Dir - Mtly Dividend | 207,237,101 | 25,914 | - | - |
| ICICI Prudential Banking & PSU Debt Fund - Dir - Growth | - | - | 82,013,951 | 15,525 |
| ICICI Prudential Equity - Arbitrage Fund - Dir - Dividend | - | - | 70,460,732 | 10,278 |
| ICICI Prudential STP - Dir - Growth | 34,497,890 | 12,938 | - | - |
| Invesco India Arbitrage Fund - Dir - Dividend | - | - | 38,623,025 | 5,132 |
| Invesco India Short Term Fund - Dir - Growth | 947,084 | 22,557 | 934,575 | 20,937 |
| Kotak Banking and PSU Debt Fund - Dir - Growth | 27,701,253 | 11,023 | 27,701,289 | 10,304 |
| Kotak Bond Short Term Plan - Dir - Growth | 31,202,383 | 10,508 | - | - |
| Kotak Equity Arbitrage Fund - Dir - Fortnightly Dividend | - | - | 64,758,407 | 15,390 |
| Kotak Income Opportunities Fund - Dir - Growth | 76,878,527 | 15,432 | - | - |
| L&T Short Term Opportunities Fund - Dir - Growth | 31,735,973 | 5,397 | - | - |
| L&T Triple Ace Bond Fund - Bonus | - | - | 39,938,233 | 6,264 |
| Reliance Arbitrage Advantage Fund - Dir - Mthly Dividend | - | - | 95,178,648 | 10,273 |
| Reliance Banking & PSU Debt Fund - Dir - Growth | 41,243,871 | 5,201 | - | - |
| Reliance Corporate Bond Fund - Dir - Growth | 105,968,873 | 15,344 | - | - |
| Reliance Short Term Fund - Dir - Growth | 85,163,652 | 28,687 | 114,819,667 | 36,284 |
| SBI Arbitrage Opportunities Fund - Dir - Dividend | - | - | 36,338,519 | 5,127 |
| SBI Short Term Debt Fund - Dir - Growth | 45,779,582 | 9,385 | 120,935,937 | 23,257 |
| Sundaram Banking & PSU Debt Fund - Dir - Growth | 18,974,866 | 5,189 | - | - |
| Sundaram Select Debt - S T A P - Dir - Growth | 53,642,906 | 16,713 | 53,642,937 | 15,614 |
| UTI Income Opportunities Fund - Dir - Growth | 91,363,695 | 15,426 | - | - |
| UTI Short Term Income Fund - Dir - Growth | 133,096,711 | 28,796 | - | - |
| UTI Spread Fund - Dir - Dividend | - | - | 31,050,056 | 5,130 |
| (B) | | 406,880 | | 268,883 |

| | | |
|---|----------------|------------------|
| Pass Through certificates -Class B | 623 | 588 |
| (C) | 623 | 588 |
| TOTAL CURRENT INVESTMENTS (A+B+C) | 600,165 | 1,258,733 |
| Aggregate amount of quoted investments (Cost) | 192,662 | 200,994 |
| Market value of Quoted investments | 201,008 | 201,069 |
| Aggregate amount of Unquoted investments | 407,503 | 1,057,739 |

15.1 Value of Current Investments

| Particulars | (₹ lacs) | |
|--|------------------|------------------|
| | As at 31-03-2018 | As at 31-03-2017 |
| (i) Gross Value of Investments | 600,165 | 1,258,733 |
| (a) In India | 600,165 | 1,258,733 |
| (b) Outside India | - | - |
| (ii) Provision for Depreciation | - | - |
| (a) In India | - | - |
| (b) Outside India | - | - |
| (iii) Net value of Investments | 600,165 | 1,258,733 |
| (a) In India | 600,165 | 1,258,733 |
| (b) Outside India | - | - |
| 3.5.2 Movement of provisions held towards depreciation on Investments | - | - |
| (1) opening balance | - | 66 |
| (ii) Add: Provisions Made during the year | - | - |
| (ii) Less : write-off/written bank of excess provisions during the year | - | 66 |
| (iv) Closing Balance | - | - |

16 TRADE RECEIVABLES

| Particulars | (₹ lacs) | |
|---|------------------|------------------|
| | As at 31-03-2018 | As at 31-03-2017 |
| Unsecured and considered good, otherwise stated | | |
| Receivables due for more than six months from due date (Considered doubtful ₹ 95 lacs (₹ 95 lacs)) (refer note 7 for Provision) | 95 | 95 |
| Others (refer note 36) | 4,274 | 242 |
| TOTAL TRADE RECEIVABLES | 4,369 | 337 |

17 CASH AND BANK BALANCES

| Particulars | (₹ lacs) | |
|---|------------------|------------------|
| | As at 31-03-2018 | As at 31-03-2017 |
| Cash and Cash Equivalents | | |
| Balances with Banks | | |
| in Current Accounts | 133,610 | 90,595 |
| in Deposits accounts with original maturity of less than 3 months | - | 187,500 |
| Cheques/ Drafts in hand | 23 | - |
| Cash on hand | 603 | 474 |
| Total Cash and Cash Equivalents | 134,236 | 278,569 |

Other Bank Balances

| | | | |
|---|--------------------|----------------|----------------|
| Other Deposits accounts having balance maturity of less than 12 months | | 112,409 | 64,288 |
| Deposits having balance maturity of more than 12 months (Refer Note 19) | | 48,530 | 18,300 |
| Balances in unpaid dividend bank accounts | | 169 | 142 |
| Total Other Bank Balances | B | 161,108 | 82,730 |
| Total Cash and Bank Balances | C = (A + B) | 295,344 | 361,299 |
| Less : Amounts disclosed under non-current assets (Refer Note 19) | D | 48,530 | 18,300 |
| Total Net Cash and Bank Balances | E = (C - D) | 246,814 | 342,999 |
| Summary: | | | |
| Total Cash and Cash Equivalents | | 134,236 | 278,569 |
| Other Bank Balances | | 161,108 | 82,730 |
| Amounts disclosed under non-current assets | | (48,530) | (18,300) |
| Total Net Cash and Bank Balances | | 246,814 | 342,999 |

- 17.1 Current portion of balances with Banks in Deposit Accounts includes deposits under lien aggregating to ₹ 54,068 lacs (₹ 24,784 lacs) being earmarked for SLR requirements of NHB. ₹ 682 lacs (₹ 1,220 lacs) being margin money for bank guarantees, ₹ 28,572 lacs (₹ 34,162 lacs) being securitization comforts provided to various Trustees/ buyer, ₹ Nil (₹ 1,350 lacs) toward sinking fund requirement of debenture provided to Trustee of debentures and ₹ 3,020 lacs (₹ 1,850 lacs) under lien against Interest rate swaps and Margin Money towards CSGL account ₹ 5,500 lacs (₹ Nil).

18 SHORT TERM LOANS AND ADVANCES

| Particulars | (₹ lacs) | |
|--|---------------------|---------------------|
| | As at 31-03-2018 | As at 31-03-2017 |
| Secured and considered good | | |
| Current maturities of Loans against Fixed Deposits | 1,912 | 1,002 |
| EMI/PEMI/other receivable (Including Interest) | 144,316 | 37,910 |
| Unsecured, considered good, otherwise stated | | |
| Current maturities of Security deposits | - | 600 |
| Loans and advances/Recoverable - related parties (refer note 36) | 2,107 | 2,416 |
| Inter Corporate Deposits (Considered doubtful ₹1,447 lacs (₹ 1,447 lacs)) (refer note 7 for Provision) | 61,067 | 2,647 |
| Advances recoverable in cash or in kind (Considered doubtful ₹ 363 lacs (₹ 363 lacs)) (Refer Note 7) | 45,077 | 63,747 |
| TOTAL SHORT TERM LOANS AND ADVANCES | 254,479 | 108,322 |

- 18.1 Loan and Advances in the nature of loans given to subsidiaries and associates :

(₹ lacs)

| Name of Company | As at 31st March, 2018 | | As at 31st March, 2017 | |
|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | Maximum Balance during the year | Maximum Balance during the year | Maximum Balance during the year | Maximum Balance during the year |
| a. DHFL Advisory & Investments Private Limited | 153 | 153 | 128 | 128 |
| b. DHFL Investmensts Limited | - | 130 | 110 | 112 |
| | 153 | 283 | 238 | 240 |

The Company has extended short term financial assistance to its Wholly Owned Subsidiaries [WOS] for the purpose of meeting its preliminary, incorporation expense and working capital requirements

- 18.2 EMI/PEMI Receivable represents dues from borrowers against the loan receivable for less than or equal to three months. For better presentation, from current year, such receivables are classified under short term loans and advances, which until previous year were classified under Trade Receivable.

19 OTHER NON CURRENT & CURRENT ASSETS

| Particulars | (₹ lacs) | | | |
|---|---------------------|------------------|------------------|------------------|
| | Non Current Portion | | Current Portion | |
| | As at 31-03-2018 | As at 31-03-2017 | As at 31-03-2018 | As at 31-03-2017 |
| Non current portion of balances with banks in deposit accounts (Refer Note 17 & 19.1) | 48,530 | 18,300 | - | - |
| Interest accrued but not due | 238 | 742 | 8,357 | 8,112 |
| | 48,768 | 19,042 | 8,357 | 8,112 |

- 19.1 Non Current portion of balances with Banks in Deposit Accounts includes ₹ 9,680 lacs (₹ 18,300 lacs) being earmarked for SLR requirements of NHB and ₹ 1,350 lacs (₹ Nil) towards sinking fund requirement of debenture provided to Trustee of debentures.

20 REVENUE FROM OPERATIONS

| Particulars | (₹ lacs) | |
|--|------------------|----------------|
| | 2017 - 18 | 2016 - 17 |
| Interest on Housing and Property Loans | 904,532 | 792,247 |
| Interest on Bank Deposits | 7,656 | 7,764 |
| Interest on Long Term Investments | 4,414 | 4,126 |
| Other Interest | 29,255 | 11,887 |
| Revenue from other services (Refer note 20.1) | 37,787 | 20,912 |
| Operational treasury income (Refer note 20.2) | 54,708 | 47,088 |
| Insurance Commission (Refer note 20.3) | 6,664 | 1,152 |
| Total Revenue from operations | 1,045,016 | 885,176 |

20.1 Revenue from other services includes

| | | |
|--|---------------|---------------|
| Loan related Services | 30,751 | 16,922 |
| Advisory Services | 7,036 | 3,990 |
| Total Revenue from other services | 37,787 | 20,912 |

Revenue from other services is net of the amount paid / payable towards Business Sourcing and related expenses ₹ 31,660 lacs (₹ 14,762 lacs)

20.2 Operational treasury income includes:

| | | | |
|-----------------------------|-----|--------|--------|
| Net Income from mutual fund | 253 | 38,693 | 42,855 |
|-----------------------------|-----|--------|--------|

| | | |
|--|---------------|---------------|
| Profit on sale of investments | 2,110 | 1,926 |
| Dividend Income | 13,731 | 2,307 |
| Others | 174 | - |
| Total Operational treasury income | 54,708 | 47,088 |

20.3 Insurance commission income includes amount received from :

| | | |
|--|--------------|--------------|
| DHFL Pramerica Life Insurance Co. Ltd | 3,119 | 710 |
| Cholamandalam MS General Insurance Company Ltd | 1,635 | 442 |
| DHFL General Insurance Co. Ltd | 1,910 | - |
| Total Insurance commission income | 6,664 | 1,152 |

Insurance Commission has been received it capacity of Corporate Insurance Agent

21 OTHER INCOME

| | | |
|---------------------------|--------------|------------|
| Rent Income | 1,050 | 405 |
| Miscellaneous Income | 379 | 142 |
| Total Other Income | 1,429 | 547 |

22 FINANCE COST

| | | | | |
|--|----------|----------------|----------|----------------|
| Interest expenses | | 724,110 | | 635,967 |
| Security issue Expenses / Premium on redemption of Deb | 32,031 | | 35,266 | |
| Less: Securities premium utilized (Refer note 4.2) | (15,126) | 16,905 | (17,533) | 17,733 |
| Other Borrowing Costs | | 15,477 | | 11,661 |
| Total Interest and Finance charges | | 756,492 | | 665,361 |

23 EMPLOYEE BENEFITS EXPENSE

| | | |
|--|---------------|---------------|
| Salaries and Bonus | 32,639 | 23,967 |
| Contribution to Provident Fund & Other Funds | 2,011 | 1,562 |
| Staff Welfare Expenses | 1,032 | 718 |
| Total Employees Benefits Expenses | 35,682 | 26,247 |

24 OTHER EXPENSES

| | | |
|---|-------|-------|
| Rent, Rates & Taxes | 5,552 | 4,203 |
| Training & Conference Expenses | 298 | 725 |
| Travelling & Conveyance | 3,910 | 3,693 |
| Printing & Stationery | 704 | 523 |
| Advertisement and Business Promotion expenses | 8,053 | 9,104 |
| Insurance | 594 | 495 |
| Legal & Professional Charges | 3,661 | 3,156 |
| Communication Expenses | 1,519 | 1,445 |
| General Repairs & Maintenance | 2,661 | 1,846 |
| Electricity | 911 | 747 |
| Directors Sitting Fees and Commission | 95 | 107 |
| Loss on sale of Fixed Assets (net) | 62 | 23 |
| CSR Expenses (refer note no. 24.1) | 2,381 | 883 |
| Office Maintenance | 1,431 | 883 |
| Recovery Expenses | 942 | 934 |
| Auditors' Remuneration (Refer Note 32) | 334 | 289 |

| | | | | |
|---|--------|---------------|-------|---------------|
| Bad Debts | 15,991 | | 8,749 | |
| Less provision for Non Performing Assets utilized | 15,991 | - | 8,749 | - |
| Miscellaneous Expenses | | 758 | | 690 |
| Total Administrative and Other expenses | | 33,866 | | 29,746 |

24.1 Corporate Social Responsibility (CSR)

Company is required to spend money on Corporate Social Responsibility (CSR) activity as per CSR Rules under the Companies Act 2013. During the year Company has spent ₹ 2,381 lacs (₹ 883 lacs) out of required sum of ₹ 2,298 lacs (₹ 1,854 lacs). The CSR committee is in the process of evaluating various scheme to meet the requirement as per section 135 of the Companies Act, 2013 read with Schedule VII.

Details of amount spent towards CSR given below:

| Particulars | (₹ lacs) | |
|------------------------------------|--------------|------------|
| | 2017-18 | 2016-17 |
| Art and Culture | 15 | 13 |
| Early Childhood Care and Education | 934 | 171 |
| Education | 322 | 279 |
| Environment | 2 | 18 |
| Financial Literacy | 141 | 40 |
| Health and Medicine | 26 | 29 |
| Rural development | 237 | 111 |
| Skill Development | 551 | 176 |
| Sports | 58 | - |
| Others | 95 | 46 |
| Grand Total | 2,381 | 883 |

24.2 Remuneration of Non Executive Directions consist of ₹ 35 lacs (₹ 43 lacs) towards sitting fee and ₹ 60 lacs (₹ 64 lacs) as commission including Service Tax/ GST.

| 25 | EARNING PER SHARE | 2017 - 18 | 2016 - 17 |
|----|---|------------|------------|
| | Net Profit attributable to equity shareholders for basic and diluted EPS (₹ lacs) | 117,213.00 | 289,645.00 |
| | Nominal value of Equity Shares (₹) | 10 | 10 |
| | Earning Per Share (₹) #: | | |
| | Basic | 37.39 | 95.76 |
| | Diluted | 37.09 | 95.44 |

25.1 The reconciliation between the Basic and the Diluted Earning per Share is as follows:

| For Amount | (in ₹) | |
|--|-----------|-----------|
| Particulars | 2017 - 18 | 2016 - 17 |
| Basic Earning per share | 37.39 | 95.76 |
| Effect of outstanding Stock options / Share Warrants | (0.30) | (0.32) |
| Diluted Earning per share | 37.09 | 95.44 |

For number of share

| Particulars | 2017 - 18 | 2016 - 17 |
|---|-------------|-------------|
| Weighted average number of shares for Basic Earning per share | 313,529,855 | 302,483,110 |
| Dilutive effect of outstanding Stock options / Share Warrants | 2,534,811 | 1,006,913 |
| Weighted average number of shares for Diluted Earning per share | 316,064,666 | 303,490,023 |

26 LEASES

Operating Lease

The company has taken certain premises for office and residential use for its employees under cancellable and non cancellable operating lease agreements. Terms of the lease include terms for renewal, increase in rents in future periods and terms of cancellation. The total lease rent recognized as an expense during the year under the lease agreements amounts to ₹ 5,039 lacs (₹ 3,893 lacs).

Expected future minimum commitments during the non-cancellable period under the lease arrangements are as follows:

| Particulars | (₹ lacs) | |
|---|---------------------|---------------------|
| | As at 31-03-2018 | As at 31-03-2017 |
| Within one year | 358 | 394 |
| Later than one year but not later than five years | 219 | 401 |
| Later than five years | 14 | 49 |

27 Two subsidiaries of the Company were amalgamated into the company pursuant to the Scheme of amalgamation (Scheme) under Section 391 to 394 of the Companies Act, 1956 approved by the Board of directors of all the three companies and sanctioned by the Hon'ble High Court of judicature at Bombay vide its order dated 27th July, 2012 and by the Hon'ble High Court of judicature at Delhi vide its order dated 4th January, 2013 which were filed with the Registrar of Companies on 31st January, 2013 being the effective date for the amalgamation scheme. In terms of the above scheme, the Assets and Liabilities of the subsidiary companies were amalgamated with DHFL at their respective fair value in the earlier years. Proportionate Fair value appreciation surplus amounting to ₹ 2,451 lacs (₹ 5,110 lacs) has been amortized out of the Capital Reserve and ₹ 2,826 lacs (₹ Nil) has been amortized out of the General Reserve in terms of the valuation report of the scheme.

28 The Company operates under the principal business segment viz. "Providing loans for construction or purchase of residential property and loans against property". Further, the Company is operating in a single geographical segment. Accordingly, disclosures relating to primary and secondary business segments under the Accounting Standard on Segment Reporting (AS-17) notified u/s 133 of the Companies Act, 2013 are not applicable to the Company.

29 **Contingent liability :**

| Particulars | (₹ lacs) | |
|---|---------------------|---------------------|
| | As at 31-03-2018 | As at 31-03-2017 |
| Guarantees provided by bank on behalf of Company for Securitisation, Public issue of NCDs and Representative Office | 10,730 | 24,130 |
| Claims against the Company not acknowledged as debts | 1,891 | 919 |

29.1 Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances) is ₹ 4,007 lacs (₹ 8,380 lacs).

29.2 Income Tax assessment of the Company has been completed upto Assessment Year 2015-16. Company has made rectification applications to Income Tax Authorities to rectify certain errors in assessment orders which are apparent from the records. Subject to such rectifications, there are no demands for which company is contingently liable.

30 Contingent Liability in respect of undertaking provided by the Company for meeting the shortfall in collection, if any, at the time of securitisation of receivables outstanding as at 31st March, 2018 amounting to ₹ 28,608 lacs (₹ 34,067 lacs) . The outflows would arise in the event of short collection, in the Cash inflows of the pool of securitised receivable.

31 In the previous financial year, the Board of Directors at its meeting held on 14th February, 2017 and Shareholders of the Company on 17th March, 2017 approved the sale of investments in DHFL Pramerica Life Insurance Company Limited ("DPLI") to its Wholly Owned Subsidiary i.e. DHFL Investments Limited ("DIL") at the fair market value determined by an internationally reputed actuarial consultants. Post receipt of the applicable approvals from Insurance Regulatory and Development Authority of India, Competition Commission of India and Reserve Bank of India, the equity shares in DPLI were sold to DIL at fair market value of ₹ 200,050 lacs determined by internationally reputed actuarial consultants. Gain of ₹ 196,943 lacs arising on sale of investments has been considered as exceptional item.

| 32 | AUDITORS REMUNERATION : Particulars | (₹ lacs) | |
|----|--|------------|------------|
| | | 2017 - 18 | 2016 - 17 |
| | Audit Fees | 150 | 115 |
| | Tax Audit Fees | 11 | 10 |
| | Certification and Other Matters * | 84 | 161 |
| | Audit Fees of Branch Auditors | 55 | 53 |
| | Reimbursement of expenses | 10 | 10 |
| | Service Tax/ GST | 24 | 12 |
| | | 334 | 361 |

* i. Certification and other matters includes ₹ Nil (₹ 72 lacs) paid towards fees for public issue of Secured Non Convertible Debentures(NCD) and utilised out of Securities Premium account over a period of NCD.

| 33 | VALUE OF IMPORTS ON CIF BASIS: | (₹ lacs) | |
|----|--------------------------------|-----------|-----------|
| | | 2017 - 18 | 2016 - 17 |
| | Capital Goods | 38 | 2 |

| 34 | EXPENDITURE IN FOREIGN CURRENCY: | (₹ lacs) | |
|----|----------------------------------|-----------|-----------|
| | | 2017 - 18 | 2016 - 17 |
| | Foreign Travelling | 8 | 810 |
| | Membership and subscription | 303 | 303 |
| | Foreign Liaison Office Expenses | 545 | 471 |
| | Interest Payment | 11,658 | 11,503 |
| | Others | 282 | 445 |

35 REMITTANCE IN FOREIGN CURRENCIES ON ACCOUNT OF DIVIDEND

The Company has paid dividend in respect of shares held by Non-Residents on repatriation basis. This inter-alia includes portfolio investment and direct investment, where the amount is also credited to Non-Resident External Account (NRE A/c). The exact amount of dividend remitted in foreign currency cannot be ascertained. The total amount remittable in this respect is given herein below:

| Interim Dividend | 2017 - 18 | 2016 - 17 |
|---|----------------------------------|-------------------------------------|
| No. of Non-Resident Shareholders / FIIs | 2,584 | 1,639 |
| No. of equity Shares held | 62,933,286 | 92,404,703 |
| Amount of Dividend Paid (₹ lacs) | 1,888 | 924 |
| Year to which dividend relates | Fy 2017-2018 Interim Dividend | F.Y 2016-17 1st Interim Dividend |
| Final Dividend | 2017 - 18 | 2016 - 17 |
| No. of Non-Resident Shareholders / FIIs | 2,561 | 1,652 |
| No. of equity Shares held | 78,422,139 | 94,971,978 |

| | | |
|----------------------------------|-------------------------------|-------------------------------|
| Amount of Dividend Paid (₹ lacs) | 2,353 | 1,899 |
| Year to which dividend relates | F.Y 2016-17 Final Dividend | F.Y 2015-16 Final Dividend |

RELATED PARTY TRANSACTIONS

As per Accounting Standard (AS-18) on "Related Party Disclosures" details of transactions with related parties as defined therein are given below:

A) List of related parties where control exists:

(i) Subsidiaries

- a. DHFL Advisory & Investments Private Limited
- b. DHFL Investments Limited

B) List of related parties with whom transactions have taken place during the year and relationship:

(ii) Joint Ventures

- a. DHFL Pramerica Life Insurance Company Limited (upto 31st March, 2017)
- b. DHFL Pramerica Asset Managers Private Limited
- c. DHFL Pramerica Trustees Private Limited

(iii) Associate Companies

- a. Avanse Financial Services Limited
- b. DHFL Venture Trustee Company Private Limited
- c. Aadhar Housing Finance Limited (Formerly known as DHFL Vysya Housing Finance Limited)⁽¹⁾
- d. Aadhar Housing Finance Limited (Erstwhile)⁽¹⁾

(iv) Enterprises over which KMPs are able to exercise significant influence

- a. Arthveda Fund Management Private Limited
- b. Wadhawan Holdings Private Limited,
- c. Dish Hospitality Private Limited,
- d. WGC Management Services Private Limited.
- e. Wadhawan Sports Private Limited
- f. Essential Hospitality Private Limited
- g. DHFL General Insurance Limited (w.e.f. 1st Nov, 2017)
- h. DHFL Changing Lives Foundation (w.e.f. 1st Dec, 2017)
- i. DHFL Pramerica Life Insurance Company Limited (w.e.f. 1st April, 2017)

(v) Key Management Personnel

- | | |
|-----------------------|---|
| a. Mr. Kapil Wadhawan | Chairman & Managing Director |
| b. Mr. Harshil Mehta | Chief Executive Officer and Joint Managing Director |
| c. Mr. Santosh Sharma | Chief Financial Officer |

(vi) Relatives of Key Managerial Personnel

- a. Mr Dheeraj Wadhawan
- b. Mrs Aruna Wadhawan

⁽¹⁾ In terms of Scheme of Amalgamation, approved by National Company Law Tribunal on October 27,2017, Erstwhile Aadhar Housing Finance Limited has been merged with the DHFL Vysya Housing Finance Limited. Name of DHFL Vysya Housing Finance Limited has been changed to Aadhar Housing Finance Limited after merger.

B) Details of transactions :

Rs in lacs

| Particulars | Subsidiaries | | Joint Ventures | | Associate Companies/Others* | | Key Management Personnel | |
|---------------------------------------|--------------|---------|----------------|---------|-----------------------------|------------|--------------------------|---------|
| | 2017-18 | 2016-17 | 2017-18 | 2016-17 | 2017-18 | 2016-17 | 2017-18 | 2016-17 |
| 1) Investments | | | | | | | | |
| Investments Made | 120 | 10,005 | - | - | 7,736 | - | - | - |
| Investments sold | - | - | - | 3,107 | - | 2 | - | - |
| 2) Loans, Advances and Deposits | | | | | | | | |
| Given | 45 | 153 | - | 1 | 122 | 1,215 | 20 | 95 |
| Returned | 130 | 2 | - | 1 | - | - | 46 | 22 |
| 3) Borrowings/ Security Deposits | | | | | | | | |
| Received | | | | - | 416 | 0.29 | | - |
| Repayment | | | | 250 | | - | | - |
| 4) Income | | | | | | | | |
| Commission | - | - | 3 | 711 | 5,029 | - | - | - |
| Trademark Licence Fees | - | - | - | 1,750 | 4,384 | - | - | - |
| Dividend | - | - | - | - | 73 | 10 | - | - |
| Interest | - | - | - | - | - | - | 22 | 23 |
| Rent | - | - | 6 | 4 | 974 | 390 | - | - |
| Other income | - | - | - | - | - | - | 0.10 | 0.25 |
| IT Support Fees | - | - | - | - | 105 | 83 | - | - |
| Internal Audit Fees | - | - | - | - | 8 | 39 | - | - |
| Technical Fees | - | - | - | - | 8 | 9 | - | - |
| Maintenance Charges | - | - | - | - | 68 | - | - | - |
| 5) Expenditure | | | | | | | | |
| Managerial Remuneration | - | - | - | - | - | - | 1,272 | 785 |
| Rent Expenses | - | - | - | - | 1,895 | 904 | - | - |
| Brokerage and Marketing Fees | - | - | - | - | 32 | 20 | - | - |
| Interest Expenses | - | - | - | 28 | - | - | - | - |
| Insurance Charges | - | - | - | 58 | 65 | - | - | - |
| Sponsorship | - | - | - | - | - | 100 | - | - |
| Service Charges | - | - | - | - | 1 | - | - | - |
| Canteen Expenses | - | - | - | - | 115 | 108 | - | - |
| CSR Expenses | - | - | - | - | 579 | - | - | - |
| 6) Sale of Investments | - | 200,052 | - | - | - | - | - | - |
| 7) Purchase of Loans (Securitisation) | - | - | - | - | - | 30,863 | - | - |
| 8) Closing Balances | | | | | | | | |
| a) Loans, Advances and Deposits | 153 | 238 | 1 | 160 | 6,137 | 2,167 | 289 | 314 |
| b) Borrowings / Security Deposits | - | - | - | - | 433 | 88 | - | - |
| c) Investments | 17,626 | 17,506 | 3,775 | 3,775 | 14,529 | 6,793 | - | - |
| 9) Guarantees | | | | | | Note 5 & 6 | | Note 5 |

C) Details of transactions :

| Particulars | Subsidiaries | | Joint Ventures | | Associate Companies/Others* | | Key Management Personnel | |
|--|--------------|---------|----------------|---------|-----------------------------|---------|--------------------------|---------|
| | 2017-18 | 2016-17 | 2017-18 | 2016-17 | 2017-18 | 2016-17 | 2017-18 | 2016-17 |
| INCOME received from | | | | | | | | |
| 1) Commission | | | | | | | | |
| DHFL Pramerica Life Insurance Co Ltd | - | - | - | 710 | 3,119 | - | - | - |
| DHFL Pramerica Asset Managers Pvt Ltd | - | - | 3 | 1 | - | - | - | - |
| DHFL General Insurance Ltd | - | - | - | - | 1,910 | - | - | - |
| 2) Trademark Licence Fees | | | | | | | | |
| DHFL Pramerica Life Insurance Co Ltd | - | - | - | 1,750 | - | - | - | - |
| DHFL General Insurance Ltd | - | - | - | - | 4,384 | - | - | - |
| 3) Dividend | | | | | | | | |
| Aadhar Housing Finance Limited (Formerly known as DHFL Vysya Housing Finance Limited) | - | - | - | - | 73 | 10 | - | - |
| 4) Interest | | | | | | | | |
| Mr Harshil Mehta | - | - | - | - | - | - | 2 | 2 |
| Mr Santosh Sharma | - | - | - | - | - | - | 20 | 21 |

| | | | | | | | | | |
|--|-----|---------|---|-------|-------|-----|------|------|---|
| 5) Rent | | | | | | | | | |
| DHFL Pramerica Asset Managers Pvt Ltd | - | - | 6 | 4 | - | - | - | - | - |
| Arthveda Fund Management Private Limited | - | - | - | - | 66 | 71 | - | - | - |
| Aadhar Housing Finance Limited (Erstwhile) | - | - | - | - | - | 105 | - | - | - |
| Aadhar Housing Finance Limited (Formerly DHFL Vysya) | - | - | - | - | 152 | - | - | - | - |
| Avanse Financial Services Ltd | - | - | - | - | 273 | 6 | - | - | - |
| WGC Management Services Private Limited | - | - | - | - | 218 | 208 | - | - | - |
| DHFL General Insurance Ltd | - | - | - | - | 265 | - | - | - | - |
| 6) Other Income | | | | | | | | | |
| Mr Harshil Mehta | - | - | - | - | - | - | 0.05 | - | - |
| Mr Santosh Sharma | - | - | - | - | - | - | 0.05 | 0.25 | - |
| 7) IT Support Fees | | | | | | | | | |
| Aadhar Housing Finance Limited (erstwhile) | - | - | - | - | - | 44 | - | - | - |
| Aadhar Housing Finance Limited (Formerly known as DHFL Vysya Housing Finance Limited) | - | - | - | - | 90 | 27 | - | - | - |
| Avanse Financial Services Pvt Ltd | - | - | - | - | 15 | 12 | - | - | - |
| 8) Internal Audit Fees | | | | | | | | | |
| Aadhar Housing Finance Limited (erstwhile) | - | - | - | - | - | 35 | - | - | - |
| Aadhar Housing Finance Limited (Formerly known as DHFL Vysya Housing Finance Limited) | - | - | - | - | 6 | - | - | - | - |
| Avanse Financial Services Pvt Ltd | - | - | - | - | 2 | 4 | - | - | - |
| 9) Technical Fees | | | | | | | | | |
| Avanse Financial Services Pvt Ltd | - | - | - | - | 8 | 9 | - | - | - |
| 10) Maintenance Charges | | | | | | | | | |
| Avanse Financial Services Pvt Ltd | - | - | - | - | 34 | - | - | - | - |
| DHFL General Insurance Ltd | - | - | - | - | 34 | - | - | - | - |
| 11) Sale of Investments to | | | | | | | | | |
| DHFL Investments Ltd | - | 200,052 | - | - | - | - | - | - | - |
| EXPENDITURE: | | | | | | | | | |
| 1) Rent, Rates & Taxes | | | | | | | | | |
| Wadhawan Holdings Private Limited | - | - | - | - | 241 | 229 | - | - | - |
| Essential Hospitality Private Limited | - | - | - | - | 1,654 | 675 | - | - | - |
| 2) Remuneration | | | | | | | | | |
| Mr. Kapil Wadhawan | - | - | - | - | - | - | 399 | 325 | - |
| Mr. Harshil Mehta | - | - | - | - | - | - | 522 | 358 | - |
| Mr. Santosh Sharma | - | - | - | - | - | - | 351 | 102 | - |
| 3) Brokerage and Marketing Fees | | | | | | | | | |
| Avanse Financial Services Ltd | - | - | - | - | 32 | 20 | - | - | - |
| 4) Insurance Charges | | | | | | | | | |
| DHFL Pramerica Life Insurance Co Ltd | - | - | - | 58 | 65 | - | - | - | - |
| 5) Canteen Expenses | | | | | | | | | |
| Dish Hospitality Private Limited | - | - | - | - | 115 | 108 | - | - | - |
| 6) Sponsorship | | | | | | | | | |
| Wadhawan Sports Private Limited | - | - | - | - | - | 100 | - | - | - |
| 7) Service Charges | | | | | | | | | |
| Aadhar Housing Finance Limited (Formerly known as DHFL Vysya Housing Finance Limited) | - | - | - | - | 1 | - | - | - | - |
| 8) Interest Paid | | | | | | | | | |
| DHFL Pramerica Life Insurance Co Ltd | - | - | - | 28 | - | - | - | - | - |
| 9) CSR Expenses | | | | | | | | | |
| DHFL Changing Lives Foundation | - | - | - | - | 579 | - | - | - | - |
| ASSETS \ LIABILITIES | | | | | | | | | |
| 1) Investments made | | | | | | | | | |
| DHFL Investments Limited | 120 | 10,005 | - | - | - | - | - | - | - |
| Avanse Financial Services Ltd | - | - | - | - | 7,736 | - | - | - | - |
| 2) Investments sold | | | | | | | | | |
| DHFL Venture Trustee Co. Pvt Ltd | - | - | - | - | - | 2 | - | - | - |
| DHFL Pramerica Life Insurance Co Ltd | - | - | - | 3,107 | - | - | - | - | - |

| | | | | | | | | | |
|---|--------|--------|-------|-------|-------|--------|-------|---|-----|
| 3) Loans, Advances and Deposits given | | | | | | | | | |
| DHFL Pramerica Life Insurance Co Ltd | - | - | - | 1 | - | - | - | - | - |
| DHFL Advisory & Investments P Ltd | 25 | 41 | - | - | - | - | - | - | - |
| DHFL Investments Ltd (for incorporation expenses) | 20 | 112 | - | - | - | - | - | - | - |
| Essential Hospitality Private Limited (Security Depos | - | - | - | - | - | 1,215 | - | - | - |
| DHFL General Insurance Ltd | - | - | - | - | 100 | - | - | - | - |
| Wadhawan Holding Private Limited | - | - | - | - | 22 | - | - | - | - |
| Mr Harshil Mehta | - | - | - | - | - | - | - | - | 41 |
| Mr Santosh Sharma | - | - | - | - | - | - | 20 | - | 54 |
| | | | | | | | | | |
| 4) Loans, Advances and Deposits Received back | | | | | | | | | |
| DHFL Pramerica Life Insurance Co Ltd | - | - | - | 1 | - | - | - | - | - |
| DHFL Investments Ltd (Financial Assistance for incorporation) | 130 | 2 | - | - | - | - | - | - | - |
| Mr Harshil Mehta | - | - | - | - | - | - | 0.003 | - | - |
| Mr Santosh Sharma | - | - | - | - | - | - | 46 | - | 22 |
| | | | | | | | | | |
| 5) Security Deposit Received | | | | | | | | | |
| Avanse Financial Services Ltd | - | - | - | - | 208 | 0.29 | - | - | - |
| DHFL General Insurance Ltd | - | - | - | - | 208 | - | - | - | - |
| | | | | | | | | | |
| 6) Repayment of Borrowings | | | | | | | | | |
| DHFL Pramerica Life Insurance Co Ltd | - | - | - | 250 | - | - | - | - | - |
| | | | | | | | | | |
| 7) Purchase of Loans (Securitisation) | | | | | | | | | |
| Aadhar Housing Finance Limited (erstwhile) | - | - | - | - | - | 30,863 | - | - | - |
| | | | | | | | | | |
| CLOSING BALANCES | | | | | | | | | |
| 1) Receivables from | | | | | | | | | |
| DHFL Advisory & Investments P Ltd | 153 | 128 | - | - | - | - | - | - | - |
| DHFL Investments Ltd | - | 110 | - | - | - | - | - | - | - |
| Aadhar Housing Finance Limited (Formerly known as DHFL Vysya Housing Finance Limited) | - | - | - | - | 105 | - | - | - | - |
| DHFL Pramerica Life Insurance Co Ltd | - | - | - | 160 | 964 | - | - | - | - |
| DHFL Pramerica Asset Managers Pvt Ltd | - | - | 0.56 | 0.39 | - | - | - | - | - |
| Arthveda Fund Management Private Limited | - | - | - | - | - | 30 | - | - | - |
| Essential Hospitality Private Limited | - | - | - | - | 1,215 | 1,215 | - | - | - |
| Aadhar Housing Finance Limited (erstwhile) (Securitisation) | - | - | - | - | - | 922 | - | - | - |
| Aadhar Housing Finance Limited (Formerly known as DHFL Vysya Housing Finance Limited) (Securitisation) | - | - | - | - | 606 | - | - | - | - |
| Wadhawan Holding Private Limited | - | - | - | - | 22 | - | - | - | - |
| Avanse Financial Services Ltd | - | - | - | - | 5 | - | - | - | - |
| DHFL General Insurance Ltd | - | - | - | - | 3,220 | - | - | - | - |
| Mr Harshil Mehta | - | - | - | - | - | - | 67 | - | 67 |
| Mr Santosh Sharma | - | - | - | - | - | - | 222 | - | 248 |
| | | | | | | | | | |
| 2) Amount Payable to | | | | | | | | | |
| Erstwhile Aadhar Housing Finance Limited | - | - | - | - | - | 17 | - | - | - |
| Dish Hospitality Private Limited | - | - | - | - | 1 | 10 | - | - | - |
| Wadhawan Holding Private Limited | - | - | - | - | - | 40 | - | - | - |
| Avanse Financial Services Ltd | - | - | - | - | 208 | 0.29 | - | - | - |
| Aadhar Housing Finance Limited (erstwhile) (Securitisation) | - | - | - | - | - | 21 | - | - | - |
| Aadhar Housing Finance Limited (Formerly known as DHFL Vysya Housing Finance Limited) | - | - | - | - | 16 | - | - | - | - |
| DHFL General Insurance Ltd | - | - | - | - | 208 | - | - | - | - |
| | | | | | | | | | |
| 3) Investments | | | | | | | | | |
| DHFL Advisory & Investments P Ltd | 7,501 | 7,501 | - | - | - | - | - | - | - |
| DHFL Investments Ltd | 10,125 | 10,005 | - | - | - | - | - | - | - |
| DHFL Pramerica Asset Managers Pvt Ltd | - | - | 3,770 | 3,770 | - | - | - | - | - |
| DHFL Pramerica Trustee Pvt Ltd | - | - | 5 | 5 | - | - | - | - | - |
| Erstwhile Aadhar Housing Finance Limited | - | - | - | - | - | 1,490 | - | - | - |

| | | | | | | | | |
|--|---|---|---|---|--------|-------|---|---|
| Aadhar Housing Finance Limited (Formerly known as DHFL Vysya Housing Finance Limited) | - | - | - | - | 1,805 | 315 | - | - |
| Avanse Financial Services Ltd | - | - | - | - | 12,724 | 4,988 | - | - |
| | | | | | | | | |

Notes

- 1) Related party relationship is as identified by the Company and relied upon by the Auditors.
- 2) The figures of income and expenses are net of service tax
- 3) Transactions with the related parties are disclosed only till the relationship exists.
- 4) Previous years figures have been regrouped, rearranged and reclassified wherever necessary
- 5) Term loans from banks and loans from NHB are further guaranteed by personal guarantees of Mr Kapil Wadhawan and Mr Dheeraj Wadhawan
- 6) Loans from NHB are further guaranteed by personal guarantee of Mrs Aruna Wadhawan and Corporate Guarantee of Wadhawan Global Capital Limited
- 7) * Others includes Enterprises over which KMP are able to exercise significant influence
- 8) Managerial remuneration excludes the contribution for gratuity as the incremental liability has been accounted by the Company as a whole.
- 9) There are no provisions for doubtful debts or amount written off or written back for debts due from or due to related parties.

37 Employee Benefit Plans

Both the employees and the Company makes pre-determined contributions to the Provident Fund. Amount recognised as expense amounts to ₹ 1,281 lacs, ₹ 1,033 lacs).

The Company provides for gratuity, a defined benefit plan (the Gratuity Plan), to its employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement or termination of employment, an amount based on the respective employee's last drawn salary and years of employment with the Company. The Company has employee's gratuity fund managed by the Life Insurance Corporation of India and Canara HSBC.

(₹ Lacs)

| | Gratuity (Funded) | |
|--|-------------------|--------------|
| | 2017-18 | 2016-17 |
| A. Reconciliation of change in the Defined Benefit Obligations: | | |
| Liability at the beginning of the year | 1221 | 988 |
| Current Service Cost | 248 | 208 |
| Interest Cost | 93 | 79 |
| Past Service Cost | 80 | 0 |
| Benefits Paid | (179) | (191) |
| Benefit Paid directly by the Employer | (64) | (98) |
| Actuarial Loss | 300 | 235 |
| Liability at the end of the year | 1699 | 1221 |
| B. Reconciliation of changes in Fair Value of Plan Assets : | | |
| Fair Value of Plan Assets at the beginning of the year | 1443 | 1415 |
| Expected Return on Plan Assets | 109 | 113 |
| Contributions | 483 | 130 |
| Benefits Paid | (179) | (191) |
| Actuarial Loss | (1) | (24) |
| Fair Value of Plan Assets at the end of the year | 1855 | 1443 |
| C. Actual Return on Plan Assets: | | |
| Expected Return on Plan Assets | 109 | 113 |
| Actuarial Loss | (1) | (24) |
| Actual Return on Plan Assets at the end of the year | 108 | 89 |
| D. Amount Recognised in the Balance Sheet: | | |
| Liability at the end of the year | 1699 | 1221 |
| Fair Value of Plan Assets at the end of the year | 1855 | 1443 |
| Net Asset recognized in the Balance Sheet | 156 | 222 |
| E. Expense Recognised in the Profit and Loss Account: | | |
| Current Service Cost | 248 | 208 |
| Interest Cost | 93 | 79 |
| Past Service Cost | 80 | 0 |
| Expected Return on Plan Assets | (109) | (113) |
| Net Actuarial Loss | 301 | 259 |
| Expense recognised in the Statement of Profit & Loss | 613 | 433 |
| F.Reconciliation of the Net Assets at the end of the year | | |
| Opening Net Liability | (222) | (427) |
| Expense Recognised | 613 | 433 |
| Contributions | (483) | (130) |
| Benefit Paid directly by the Employer | (64) | (98) |
| Liability at the end of the year | (156) | (222) |
| G. Actuarial Assumptions | IALM | IALM |
| Mortality Table (LIC) | 2006-08 | 2006-08 |
| Discount Rate (P. A.) | 7.87% | 7.57% |
| Rate of Escalation in Salary (P.A.) | 6.00% | 5.00% |

| | 2017-18 | 2016-17 | 2015-16 | 2014-15 | 2013-14 | 2012-13 |
|---|---------|---------|---------|---------|---------|---------|
| Amount Recognised in the Balance Sheet: | 156 | 222 | 427 | 313 | (2) | (103) |
| Liability at the end of the year | 1,699 | 1,221 | 988 | 815 | 926 | 645 |
| Fair Value of Plan Assets at the end of the year | 1,855 | 1,443 | 1,415 | 1,128 | 928 | 749 |
| Amount recognised in the Balance Sheet under "Short-term Provision for Employee Benefits" | 156 | 222 | 427 | 313 | (2) | (103) |
| Experience Adjustment : | | | | | | |
| On Plan Liabilities | 162 | 175 | 78 | (345) | 487 | - |
| On Plan Assets | (1) | (24) | 10 | 70 | 263 | - |
| Estimated Contribution for next financial year | 222 | 26 | - | - | 38 | 41 |

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

38 As required by the revised guidelines dated 9th February, 2017 by NHB, read with additional requirement/guidelines with reference to the interpretation of various terms/classifications, In computing the above information, certain estimates, assumptions and adjustment have been made by the Management which have been relied upon by the Auditors, the following additional disclosures are given as under:

38.1 Forward Rate agreement (FRA)/ Interest Rate Swap (IRS)

| Particulars | (₹ lacs) | |
|--|-----------|-----------|
| | 2017 - 18 | 2016 - 17 |
| i) The notional principal of swap agreements | 595,348 | 624,287 |
| ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements | 9,023 | 6,636 |
| iii) Collateral required upon entering into swaps | 3,020 | 1,850 |
| iv) Concentration of credit risk arising from the swaps | NA** | NA** |
| v) The fair value of the swap book | (4,812) | (4,866) |

**As the company has contracts with multiple banks hence Concentration of credit risk is not applicable

38.2 Exchange Traded Interest Rate (IR) Derivative

The company has not entered into any exchange traded Interest rate Derivative during the financial year 2017 -2018.

38.3 Disclosures on Risk Exposure in Derivatives

A Qualitative Disclosure

Financial Risk Management of the Company constitutes the Audit Committee, Asset Liability Committee (ALCO), Risk management and hedging team (front office), mid office, back office and internal auditors. The Treasury front-office enters into derivative transactions with various counterparties. The Company has an independent back-office and mid-office. The Company periodically monitors various counterparty risk and market risk limits, within the risk architecture and processes of the Company. The Company raises funds overseas through foreign currency borrowings through instruments such as ECBs, Foreign Currency Term Loans or other instruments as permitted under the regulations of Government of India and the Regulators from time to time. The Company may also imports goods and services resulting into related foreign currency exposures at different times. In such scenario, the Company is exposed to Exchange Risk, which is required to be managed effectively.

The Company is also be exposed to interest rate risk, which arises from the maturity mismatching of foreign currency positions.

Foreign Exchange Exposures can be classified into three broad categories depending upon the nature of exposure:

- Transaction Exposure
- Translation Exposure
- Operating Exposure

For mitigation of risks owing to foreign exchange exposure, the Company use techniques from among the following tools, often substitutes, available for hedging of foreign exchange risk:

- Forwards
- Options
- Futures
- Swaps
- Money Market Hedge
- Rollover Contracts

B Quantitative Disclosure

| Particulars | (₹ lacs) | |
|--|----------------------|---------------------------|
| | Currency Derivatives | Interest rate Derivatives |
| i) Derivatives (Notional Principal Amount) | 296,507 | 298,842 |
| ii) Market to Market Positions [1] | (12,057) | 7,245 |
| (a) Assets (+) | 1,778 | 7,245 |
| (b) Liability (-) | (13,835) | - |
| iii) Credit Exposure | - | - |
| iv) Unhedged Exposures | - | - |

38.4 Exposure to Captial Market

| Particulars | (₹ lacs) | |
|-------------|------------------|------------------|
| | As at 31-03-2018 | As at 31-03-2017 |
| | | |

| | | |
|--|---------------|---------------|
| i) Direct Investment in equity shares, Convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate Debt | 29,346 | 57,088 |
| ii) Advance against shares/bonds/debentures or other securities or on clean basis to individual for the investment in shares (including IPOs/ESOPs), Convertible bonds, convertible debentures and units of equity-oriented mutual funds. | - | - |
| iii) Advance for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as | - | - |
| iv) Advance for any other purposes to the extent secured by collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e where the primary security other than shares /Convertible bonds/convertible debentures/Unit of equity oriented Mutual funds ' does not fully cover the advances. | - | - |
| v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and Market makers; | - | - |
| vi) Loans Sanctioned to corporates against the security of shares /bonds/debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources; | - | - |
| vii) Bridge loans to companies against expected equity flows/issues; | - | - |
| viii) All exposures to venture Capital funds (Both registered and unregistered) | 1,895 | 1,948 |
| Total Exposure to Capital Market | 31,241 | 59,036 |

38.5 Details of financing of parent company products
Not Applicable

38.6 Unsecured Advances

The Company does not finance any projects (including infrastructure projects) where the collateral being an intangible security i.e. rights, licenses, authorisations.

38.7 Registration obtained from other financial sector regulators

a) The Company has obtained a Corporate Agent (Composite) license bearing registration no. CA0052 from insurance Regulatory and Development Authority of India (IRDAI)

b) Other Registration with:

i) Financial Intelligence Unit, India (FIU) vide Registration No. FIHFC00010

ii) Association of Mutual Funds in India (AMFI) vide registration no. ARN-101515, as AMFI Registered Mutual Fund Advisor.

38.8 No penalty has been levied on the company by NHB and other regulators.

38.9 Revenue Recognition

During the year there were no revenue recognition which has been postponed pending the resolution of significant uncertainties.

38.10 There was no draw down from the Statutory / Special reserve during the year.

38.11 The Company does not have any overseas assets.

38.12 The Company does not have any sponsored SPVs which needs to be consolidated as per Accounting norms

38.13 Capital to Risk Assets Ratio (CRAR):

| Particulars | (₹ lacs) | |
|--|---------------------|---------------------|
| | As at 31.03.2018 | As at 31.03.2017 |
| i) CRAR (%) | 15.29% | 19.12% |
| ii) CRAR - Tier I Capital | 11.52% | 14.75% |
| iii) CRAR - Tier II Capital | 3.77% | 4.37% |
| iv) Amount of Subordinated debit raised as Tier II Capital | 89,666 | 106,396 |
| v) Amount raised by issue of perpetual Debt Instruments | 116,070 | 66,070 |

38.14 Assets Liability Management (Maturity pattern of certain items of Assets Liabilities)

| Particulars | (₹ lacs) | | | | | | | | | | |
|------------------------------|-----------------------------------|------------------------------------|------------------------------------|------------------------------------|-------------------------------------|--------------------------------|--------------------------------|--------------------------------|---------------------------------|---------------|-----------|
| | Upto 30/31 days (one month) | Over 1 month & up to 2 month | Over 2 month & up to 3 month | Over 3 month & up to 6 month | Over 6 month & up to 12 month | Over 1 Year & up to 3 Years | Over 3 Year & up to 5 Years | Over 5 Year & up to 7 Years | Over 7 Year & up to 10 Years | Over 10 Years | Total |
| Liabilities | | | | | | | | | | | |
| Deposits | 10,735 | 29,915 | 66,060 | 137,736 | 223,841 | 472,022 | 74,161 | 5,723 | 13,374 | 381 | 1,033,949 |
| Borrowings from Bank | 249,912 | 36,284 | 79,234 | 154,522 | 310,595 | 1,402,974 | 1,079,513 | 547,532 | 298,859 | 45,468 | 4,204,894 |
| Market Borrowing | 19,655 | 414,227 | 205,383 | 125,436 | 137,845 | 1,108,250 | 315,614 | 701,059 | 590,486 | 118,270 | 3,736,226 |
| Foreign Currency Liabilities | - | - | - | 14,794 | 14,794 | 131,357 | 135,531 | - | - | - | 296,476 |
| Assets | | | | | | | | | | | |
| Advance | 170,086 | 45,856 | 46,240 | 141,019 | 291,821 | 1,237,280 | 1,409,463 | 1,065,563 | 965,054 | 3,820,850 | 9,193,232 |
| Investments | 687,908 | - | - | - | 17,285 | - | - | - | 66,526 | 35,931 | 807,650 |
| Foreign Currency Assets | - | - | - | - | - | - | - | - | - | - | - |

38.15 Exposure

Exposure to Real Estate Sector:

| Category | | (₹ lacs) | |
|----------|---|---------------------|---------------------|
| | | As at 31.03.2018 | As at 31.03.2017 |
| a) | Direct Exposure | | |
| | (i) Residential Mortgages - | | |
| | Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented (Individual Housing loans upto Rs15 lacs may be shown separately) | 8,105,815 | 6,617,734 |
| | Individual Housing loans upto ₹ 15 lacs (Included In above) | 2,428,274 | 2,337,433 |
| | (ii) Commercial Real Estate - | | |
| | Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or ware house space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits | 677,304 | 547,526 |
| | (iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures - | | |
| | a) Residential | 9,400.00 | 10,809.00 |
| | b) Commercial Real Estate | - | - |
| b) | Indirect Exposure | | |
| | Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs) | - | - |

39 Customers Complaints

| Particulars | | 2017 - 18 | 2016 - 17 |
|-------------|---|-----------|-----------|
| a) | No of Complaints Pending at the beginning of the year | 6 | 2 |
| b) | No of Complaints received during the year | 1,091 | 755 |
| c) | No of complaints redressed during the year | 1,084 | 751 |
| d) | No of complaints pending at the end of the year | 13 | 6 |

40 Figures for the previous year have been regrouped, rearranged and reclassified wherever necessary. Figures in brackets represent previous year's figures.

DEWAN HOUSING FINANCE CORPORATION LIMITED

Notes forming part of the financial statement for the year ended 31st March, 2016.

1 CORPORATE INFORMATION

Dewan Housing Finance Corporation Limited ('DHFL'), 'the Company' was incorporated in India on 11th April, 1984 and has been carrying on, as its main business of providing loans to Retail customers for construction or purchase of residential property, loans against property and loans to real estate developers. The company is registered with National Housing Bank (NHB) under section 29A of the National Housing Bank Act, 1987. DHFL has its registered office in Mumbai and has 182 branches, 146 service centers, 18 Circles / Clusters, 2 Disbursement Hubs and 1 Collection center in India and 2 representative offices in UAE and UK.

2 SIGNIFICANT ACCOUNTING POLICIES:

2.1 Basis of preparation of financial statements :

- a) These financial statements are prepared and presented in accordance with the Generally Accepted Accounting Principles (GAAP) under historical cost convention on accrual basis of accounting, unless otherwise stated, and comply with the Accounting Standards as prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, the relevant provisions of the Companies Act, 2013 and the guidelines issued by the National Housing Bank to the extent applicable.
- b) The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statement are prudent and reasonable. The future results could differ due to these estimates and the differences between the actual results and estimates are recognised in the periods in which the results are known / materialise.
- c) Based on the nature of its activities, the Company has determined its operating cycle as 12 months for the purpose of classification of its Assets and Liabilities as current and non current.
- d) Amounts in the financial statements are presented in ₹ Lacs, except for per share data and as otherwise stated. All exact amounts are stated with suffix "/-".

2.2 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. In addition, the following criterias must also be met before revenue is recognised:

- a) **Interest on housing loans / investments:**
Repayment of housing loans is by way of Equated Monthly Installments (EMI) comprising principal and interest. Interest is calculated each period on the outstanding balance at the beginning of the Company's financial year or on monthly reducing balance in terms of financing scheme opted by the borrower. EMI generally commences once the entire loan is disbursed. Pending commencement of EMI, pre-EMI monthly interest is payable.

Interest on performing assets is recognized on accrual basis and on non-performing assets on realisation basis as per the guidelines prescribed by the National Housing Bank. The interest income (payment) is adjusted for gain (loss) on corresponding hedge contracts / interest swap derivatives, wherever executed.
- b) Dividend income on investments is recognised when the right to receive the same is established.
- c) Processing fees and other loan related charges are recognized only on receipt basis.
- d) Additional / Overdue / penal interest / charges on delayed EMI/PEMI are recognised only when it is reasonably certain that the ultimate collection will be made.
- e) Income from services including trade mark license fees is recognized after the service is rendered and to the extent it is probable that the economic benefits will flow to the company and that the revenue can be reliably measured.

2.3 Interest & Ancillary Financial Cost :

Interest and other related financial charges are recognized as an expense in the period for which they relate as specified in Accounting Standard (AS 16) on "Borrowing Costs". Ancillary costs in connection with the borrowings and deposit are amortized to statement of profit and loss over the tenure of loan / deposit. Brokerage on deposits taken is amortized over the period of deposit.

Share / debenture issues expenses and premium / discount on issue of debentures (net of tax) are adjusted against the Securities premium account as permissible under the Companies Act, 2013.

Interest accrued on cumulative fixed deposits and payable at the time of maturity is clubbed with the principal amount on the date of periodical rest when interest is credited in Fixed Deposit account in accordance with the particular deposit scheme.

2.4 Foreign Exchange Transactions :

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transaction.

Monetary Assets and liabilities in foreign currencies are converted at the rates of exchange prevailing on the date of the financial statement, except those covered by forward contract / currency swap contracts. The net gain or loss on account of exchange differences either on settlement or on translation are recognized in the Statement of Profit and Loss.

In respect of Forward Exchange Contracts, the premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts on reporting dates are recognized in the Statement of Profit and Loss. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as an expense in that year.

2.5 Provision for Contingencies :

The Company makes provision towards Non Performing Assets and Standard Assets as per the Prudential Norms prescribed by the National Housing Bank. The Company also makes assessment of its portfolio and creates additional provision to meet unforeseen contingencies.

A loan is recognized as Sub Standard Assets or Doubtful or Loss Assets based on the period for which the repayment installment or interest has remained in arrears as prescribed under NHB Guidelines.

2.6 Investments :

Investments are accounted at cost inclusive of brokerage, fees and stamp charges and are classified into two categories, viz. Current or Long-Term based on management's intention at the time of purchase.

Current investments are carried category wise, at the lower of cost and fair value, whereas Long-Term investments are carried category wise at cost less provision for diminution, other than temporary, in the value of such investments.

Provision for diminution in the value of investments is made in accordance with the guidelines issued by the National Housing Bank and the Accounting Standard on 'Accounting for Investments' (AS 13) and is recognised through the Provision for Contingencies Account.

2.7 Tangible Fixed Assets :

Tangible Fixed Assets are stated at cost less accumulated depreciation and impaired losses, if any. All directly attributable costs including borrowing cost, net of cenvat credit, till the asset is put to use is shown as capital work in progress and is capitalised thereafter.

Depreciation on fixed assets is provided on straight-line method by considering useful lives of assets which are same as specified in part 'C' of schedule II to the Companies Act, 2013.

2.8 Intangible Assets :

Intangible assets comprising of system software are stated at cost less accumulated amortization.

Intangible assets are amortised over their estimated useful life of 3 to 6 years on straight line method.

2.9 Impairment of Assets :

Impairment losses (if any) on fixed assets are recognized in accordance with the Accounting Standard 28 "Impairment of Assets" issued in this regard by The Institute of Chartered Accountants of India. The Company assesses at each Balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the assets. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value.

2.10 Leases:

Operating Leases

Lease rentals in respect of assets taken on "Operating Leases" are charged to the Statement of Profit and Loss on straight line basis over the lease term.

Finance Leases

Finance leases, which effectively transfer to the Company substantially all the risks and rewards incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease and are accordingly disclosed. The capital element of the leasing commitments is shown as Secured liabilities. Lease payments are apportioned between the finance charges and reduction of the corresponding liability based on the implicit rate of return.

2.11 Statutory / Special Reserve :

The Company creates Statutory / Special Reserve every year out of its profits in terms of Sec 36(1) (viii) of the Income Tax Act, 1961 read with Sec 29C of the National Housing Bank Act, 1987.

2.12 Prepaid Expenses :

Financial & Other Expenses incurred during the year which relates to future accounting years and brokerage paid on long term fixed deposits has been treated as revenue expense only for the period relating to the current year and balance is treated as prepaid expenses to be adjusted on pro-rata time basis in the future accounting years.

2.13 Employees Benefits :

- a) Company's contribution in respect of Employees' Provident Fund made to Government is considered as defined contribution plan and is charged to the Statement of Profit & Loss.
- b) Gratuity Fund Scheme is considered as defined benefit plan. The Company's liability is determined on the basis of an actuarial valuation using the Projected Unit Credit Method as at Balance Sheet date. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised in the Statement of Profit and Loss as Income or Expenses, as applicable in the period in which they occur.
- c) Compensated Absences are accounted for on the basis of actuarial valuation at the year end using the projected Unit Credit Method. Actuarial gains / losses are recognized in the Statement of Profit & Loss in the period in which they occur.

d) Company has introduced the Employee Stock Option Scheme ('the Scheme') which provides the grant of options to acquire equity shares of the Company to its employees. The options granted to employees vest in a graded manner and these may be exercised by the employees within a specified period.

The Company has also approved the grant of Employee Stock Appreciation Rights (SARs) to the eligible employees of the Company. The said SARs shall carry the right to apply for number of equity shares of the Company, equivalent to Appreciation in those rights, over the grant price.

The Company follows the intrinsic value method to account for its stock-based employee compensation plans. Compensation cost is measured by the excess, if any, of the market price of the underlying stock over the exercise price as determined under the option plan. The market price is the closing price on the stock exchange where there is highest trading volume on the working day immediately preceding the date of grant. Compensation cost, if any, is amortised over the vesting period.

2.14 Earnings per share :

The Basic earning per share and diluted earning per share have been computed in accordance with Accounting Standard (AS-20) on, "Earnings Per Share" and is also shown in the Statement of Profit and Loss.

Basic earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit after tax relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares which are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Company also discloses EPS- both basic and diluted- for the accounting period, had the Fair value method being used for compensation cost for ESOS/SARs.

2.15 Accounting for Taxes :

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

Deferred tax arising on account of timing differences and which are capable of reversal in one or more subsequent periods is recognized using the tax rates and tax laws that have been enacted or substantially enacted as at the reporting date. Deferred tax assets are recognised for timing differences, only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets arising from the timing differences on account of carry forward of losses and unabsorbed depreciation are recognized to the extent there are virtual certainties that they would be realized in future.

Deferred Tax liability on deduction claimed in earlier years u/s 36 (1)(viii) of the Income Tax Act 1961 has been provided in terms of National Housing Bank (NHB) policy circular.

2.16 Provisions, Contingent Liability and Contingent Assets:

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation in respect of which a reliable estimate can be made. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements

2.17 Housing and Other Loans :

Housing Loans include outstanding amount of Housing Loans disbursed directly or indirectly to individual, project loans for residential buildings and other borrowers. Other loans include mortgage loan, non residential property loan, plot loan for self construction where construction has not begun in last three years and loan against the lease rental income from properties in accordance with directions of National Housing Bank (NHB). Other loans also include loans granted to Small & Medium Enterprise (SME) and certain part there of are unsecured in terms of the particular scheme. EMI and PEMI installments due from borrowers against the housing loans receivable for less than equal to three months, are treated as trade receivables and are shown as current assets.

2.18 Securitised Assets :

Securitised and Assigned Assets are derecognised in the books of the Company based on the principle of transfer of ownership interest over the assets. De-recognition of such assets and recognition of gain or loss arising on such securitisation is based on the Guidance Note on Accounting for Securitisation issued by the Institute of Chartered Accountants of India.

2.19 Cash Flow Statement :

Cash flows are reported using the indirect method set out in Accounting Standard (AS 3) on Cash Flow Statement. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

2.20 Assets acquired under SARFAESI Act :

Assets acquired under SARFAESI Act are part of NPA Portfolio of loans for which necessary provisions are being made and such assets are to be disposed off at the earliest, subject to legal formalities. Losses/gains, if any, are being booked at the time of sales realisation of such assets.

| | 31.03.2016 | (₹ in Lacs) 31.03.2015 |
|---|------------|-----------------------------|
| 3 SHARE CAPITAL | | |
| Authorised | | |
| 748,000,000 (748,000,000) equity shares of ₹10/- each | 74,800 | 74,800 |

| | | |
|---|---------------|---------------|
| 75,000,000 (75,000,000) Redeemable, non convertible preference shares of ₹10/- each | 7,500 | 7,500 |
| 500,000 (500,000) Redeemable, non convertible preference shares of ₹100/- each | 500 | 500 |
| | <u>82,800</u> | <u>82,800</u> |
| Issued, Subscribed and Paid up | | |
| 291,797,988 (145,676,742) equity shares of ₹10/- each fully paid | 29,180 | 14,568 |
| | <u>29,180</u> | <u>14,568</u> |

3.1 The Company has, at present, one class of issued, subscribed and paid up share referred to as equity shares having a par value of ₹ 10/- each. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The holders of equity shares are entitled to dividends, if any, proposed by the Board of Directors and approved by the Shareholders at the Annual General Meeting

3.2 The reconciliation of the number of shares outstanding and the amount of share capital as at the beginning and at the end of the reporting period:

| Particulars | As at 31.03.2016 | | As at 31.03.2015 | |
|--|--------------------|---------------|--------------------|---------------|
| | No. of shares | Amount (Lakh) | No. of shares | Amount (Lakh) |
| Equity shares at the beginning | 145,676,742 | 14,568 | 128,420,240 | 12,842 |
| Add: Shares issued during the year | - | - | 16,931,102 | 1,693 |
| Add: Bonus Shares issued during the year (1:1) | 145,856,530 | 14,586 | - | - |
| Add: Shares issued during the year under ESOS | 264,716 | 26 | 325,400 | 33 |
| Equity shares at the end | <u>291,797,988</u> | <u>29,180</u> | <u>145,676,742</u> | <u>14,568</u> |

3.3 Details of shareholders holding more than five percent equity shares in the Company are as under:

| Particulars | As at 31.03.2016 | | As at 31.03.2015 | |
|--|------------------|-----------|------------------|-----------|
| | No. of shares | % holding | No. of shares | % holding |
| M/s. Wadhawan Global Capital Private Limited | 95,819,644 | 32.84 | 47,909,822 | 32.89 |

3.4 During the year, Pursuant to the Shareholders' approvals under Section 63 and other applicable provisions of the Companies Act, 2013, the Company has issued Bonus Shares in the ratio of 1:1 (i.e. one bonus equity share of ₹ 10/- each for every one fully paid up Equity Share of ₹ 10/- each), to the shareholders on record date of 10th September, 2015, by capitalizing existing reserve by a sum of ₹ 14,586 lacs.

3.5 Company has allotted 14,58,56,530 no. of Equity Shares as fully paid up for consideration other than cash towards Bonus issue during the financial year 2015 - 16 (refer note no. 3.4). During the financial year 2012 - 13, as per the Scheme of Amalgamation, the Company has allotted 1,08,86,375 no of Equity Shares as fully paid up for consideration other than cash.

3.6 The allotment committee of the Board of Directors of the Company at its meeting held on 11th March, 2016 based on the approval of the members of the Company and Board Of Directors has approved the issue and allotment of 2,12,30,070 number of warrants at the issue price of ₹ 235.52 per warrant. Each warrant is convertible into equivalent number of equity shares of ₹ 10/- each at premium of 225.52 per share, which shall be allotted within 18 months from the date of allotment of the said convertible warrants, in one or more tranches. (refer Note 5.1)

3.7 Employee Stock Option Plans:

a. Employee Stock Option Scheme 2008 (ESOS-2008) was implemented by the Company. 14,22,590 equity share options were granted under 'ESOS-2008' in 2008-09 to the employees as approved by the remuneration and compensation committee of directors of the Company at ₹ 53.65 per share, the reconsidered price approved in the EOGM dated 31st March, 2009.

During the year, the Company has allotted, from time to time, 18,048 number of equity shares of ₹ 10/- each to various eligible employees under 'ESOS 2008' at the price of ₹ 26.83 (adjusted for bonus issue) per equity share (including a premium of ₹ 16.83 per equity share) for the aggregate face value of ₹ 2 Lacs as approved in the AGM dated 23rd July, 2007 and allotted at the reconsidered price approved in the EOGM dated 31st March, 2009,

b. Employee Stock Option Scheme 2009 (ESOS-2009) was implemented by the Company. 12,75,000 equity share options were granted under 'ESOS-2009, Plan II' in 2009-10 and additional 12,34,670 equity share options were approved to be granted under 'ESOS-2009, Plan III' in 2010-11 to the employees by the remuneration and compensation committee of directors of the Company at ₹ 141/- per share, the price approved in the remuneration and compensation committee meeting held on 25th November, 2009.

During the year, the Company has allotted, from time to time,

i). 61,678 number of equity shares of ₹ 10/- each to various eligible employees under 'ESOS 2009, Plan II' prior to the issue of Bonus at the price of ₹ 141/- per equity share (including a premium of ₹ 131/- per equity share) for the aggregate face value of ₹ 6 lacs and 12,880 number of equity shares of ₹ 10/- each after the issue of Bonus at the price of ₹ 70.50 per equity share (including a premium of ₹ 60.50 per equity share) for the aggregate face value of ₹ 1 lac.

ii). 118,110 number of equity shares of ₹ 10/- each to various eligible employees under 'ESOS 2009, Plan III' prior to the issue of Bonus at the price of ₹ 141/- per equity share (including a premium of ₹ 131/- per equity share) for the aggregate face value of ₹ 12 lacs and 54,000 number of equity shares of ₹ 10/- each after the issue of Bonus at the price of ₹ 70.50 per equity share (including a premium of ₹ 60.50 per equity share) for the aggregate face value of ₹ 5 lac.

c. The Company has approved the grant of 15,50,100 (Fifteen Lacs, Fifty Thousand And One Hundred) Employee Stock Appreciation Rights (SARs) to the eligible employees of the Company, in terms of Dewan Housing Finance Corporation Limited-Employee Stock Appreciation Rights Plan 2015 ("DHFL ESAR 2015"). The said SARs shall vested over a period of five years and to be exercised within three years from the date of vesting of SARs and carry the right to apply for number of equity shares of the Company of face value of ₹ 10/- each, equivalent to Appreciation in those rights, over the grant price i.e. SAR price of ₹ 380/- per SAR (₹ 190/- per SAR Post Bonus issue), the price approved in the Nomination and Remuneration Committee meeting held on 21st March, 2015.

d. Movement in options under (ESOS-2008), (ESOS-2009) and (ESAR 2015).

| Particulars | ESOS-2008 | ESOS-2009 Plan II | ESOS-2009 Plan III | ESAR 2015 |
|---|-----------|----------------------|-----------------------|-----------|
| Options granted under the schemes | 1,422,590 | 1,275,000 | 1,234,670 | 1,550,100 |
| Options exercised upto 31st March, 2015 | 1,121,696 | 1,073,395 | - | - |
| Options exercised upto Pre-Bonus issue | - | 61,678 | 118,110 | - |

| | | | | |
|---|-----------|-----------|-----------|-----------|
| Options lapsed upto Pre-Bonus issue upto 31st March, 2015 | 256,310 | 90,305 | 1,089,560 | |
| Options lapsed upto Pre-Bonus issue during the year | 17,380 | 9,495 | - | 94,900 |
| Total number of Options in force (exercisable options) before bonus effects | 27,204 | 40,127 | 27,000 | 1,455,200 |
| Additional Options by way of bonus | 27,204 | 40,127 | 27,000 | 1,455,200 |
| Total number of Options in force with bonus effect (Ratio of 1:1) | 54,408 | 80,254 | 54,000 | 2,910,400 |
| Options exercised from Post-Bonus issue | 18,048 | 12,880 | 54,000 | - |
| Options lapsed from Post-Bonus issue during the year | 800 | 67,374 | - | 88,400 |
| Re-issued under the scheme (*) | - | - | 200,000 | - |
| Options Outstanding/Exercisable options at the end | 35,560 | - | 200,000 | 2,822,000 |
| Options granted under the schemes including for Bonus | 1,449,794 | 1,315,127 | 1,261,670 | 3,005,300 |
| Options exercised upto 31st March, 2016 | 1,139,744 | 1,147,953 | 172,110 | - |
| Options lapsed upto 31st March, 2016 | 274,490 | 167,174 | 1,089,560 | 183,300 |
| Re-issued under the scheme (*) | - | - | 200,000 | - |
| Options Outstanding/Exercisable options at the end | 35,560 | - | 200,000 | 2,822,000 |

The Weighted Average exercise price & Option price:

| | | | | |
|------------|-------|--------|--------|--------|
| Pre Bonus | 53.65 | 141.00 | 141.00 | 380.00 |
| Post Bonus | 26.83 | 70.50 | 70.50 | 190.00 |

* On 20th January, 2016, grant of 2,00,000 stock options were reinstated for the eligible employees of the Company, as approved in the

The Weighted average share price during the period over which the option were exercise was Rs 448.80 (Pre Bonus) and Rs. 204.52 (Post

e. Fair Value Methodology:

The Company has followed intrinsic value based method of accounting for Stock options granted based on Guidance Note issued by the Institute of Chartered Accountant of India. Had the compensation cost for the stock options granted under ESOS-2008, ESOS-2009 II, ESOS-2009 III and ESAR -2015 been determined based on the fair value approach, the Company's net profit and earnings per share would have been as per the pro-forma amounts indicated below:

| Particulars | (₹ lacs) | |
|---|------------|------------|
| | 31.03.2016 | 31.03.2016 |
| Net Profit (as reported) | 72,920 | 62,129 |
| Less: Stock-based compensation expenses determined under fair value based method, net of tax: [Gross 20 lacs (56 lacs)] (pro-forma) | (13) | 37 |
| Net Profit considered for computing EPS (pro-forma) | 72,933 | 62,092 |

| Particulars | (Amount in ₹) | |
|--|---------------|------------|
| | 31.03.2016 | 31.03.2015 |
| Basic Earnings per Share (as reported) | 25.00 | 23.91 |
| Basic Earnings per Share (Pro-forma) | 25.00 | 23.90 |
| Diluted Earnings per Share (as reported) | 23.10 | 23.59 |
| Diluted Earnings per Share (Pro-forma) | 23.10 | 23.58 |

| 4 RESERVES & SURPLUS | (₹ lacs) | |
|--|------------|------------|
| | 31.03.2016 | 31.03.2015 |
| Capital Reserve | | |
| Balance as per last Balance Sheet | 12,320 | 16,775 |
| Less: utilised during the year (refer Note 29) | 4,759 | 4,455 |
| | 7,561 | 12,320 |
| Capital Redemption Reserve | | |
| Balance as per last Balance Sheet | 775 | 775 |

Less : Utilised during the year towards Bonus issue
(refer Note 3.4)

775

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775

| | | | | |
|---|----------------|-----------------------|----------------|-----------------------|
| Securities Premium | | | | |
| Balance as per last Balance Sheet | 207,235 | | 146,606 | |
| Add : Addition during the year | 501 | | 79,772 | |
| | <u>207,736</u> | | <u>226,378</u> | |
| Less : Utilised during the year towards Bonus issue (refer Note 3.4) | 13,811 | | - | |
| Less : Utilised during the year [net of tax of ₹ 5,606 lacs (₹ 7,934 lacs)] (refer Note 4.2) | 10,594 | 183,331 | 19,143 | 207,235 |
| | <u>207,736</u> | | <u>226,378</u> | |
| Employees Share Options Outstanding | | | | |
| Balance as per last Balance Sheet | 1,718 | | 1,628 | |
| Add : Transferred from Statement of Profit & Loss | 20 | | 211 | |
| Less: Transferred to Share Premium A/c | 222 | 1,516 | 121 | 1,718 |
| | <u>1,718</u> | | <u>1,628</u> | |
| General Reserve | | | | |
| Balance as per last Balance Sheet | 89,007 | | 73,363 | |
| Add : Transferred from Statement of Profit & Loss | 20,000 | | 20,000 | |
| Less: Utilisation on Depreciations | - | | 194 | |
| Less : Utilisation on Deferred Tax Liability on Special Reserve (refer Note 4.4) | 4,162 | 104,845 | 4,162 | 89,007 |
| | <u>89,007</u> | | <u>73,363</u> | |
| Statutory Reserve (Special Reserve) | | | | |
| [In terms of Section 36(1)(viii) of the Income Tax Act, 1961 read with Section 29C of the National Housing Bank Act, 1987] (Refer note 4.3) | | | | |
| Balance as per last Balance Sheet | 80,399 | | 64,399 | |
| Add: Transferred from Statement of Profit & Loss | 18,000 | 98,399 | 16,000 | 80,399 |
| | <u>80,399</u> | | <u>64,399</u> | |
| Surplus in Statement of Profit and Loss: | | | | |
| As per last Balance Sheet | 57,556 | | 41,108 | |
| Add : Profit for the year | 72,920 | | 62,129 | |
| | <u>130,476</u> | | <u>103,237</u> | |
| Less : Appropriations : | | | | |
| General Reserve | 20,000 | | 20,000 | |
| Statutory Reserve | 18,000 | | 16,000 | |
| Interim Equity Dividend | 17,507 | | 5,146 | |
| Proposed Equity Dividend | 5,836 | | 2,914 | |
| Dividend for earlier year | 2 | | 9 | |
| Dividend Distribution Tax | 4,763 | | 1,612 | |
| | <u>66,108</u> | | <u>45,681</u> | |
| Surplus closing balance | | 64,368 | | 57,556 |
| TOTAL RESERVES & SURPLUS | | <u><u>460,020</u></u> | | <u><u>449,010</u></u> |

- 4.1 During the year, the company has paid interim dividend on equity shares In two quarters, totaling to ₹ 6/- (₹ 4/-) per share. The Board of Directors, has recommended final dividend to be paid out of current year profits @ ₹ 2/- (₹ 2/-) per equity share to the equity shareholders. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- 4.2 In accordance with Section 52 of the Companies Act, 2013, during the year the company has utilized Securities Premium Account towards premium on redemption of Zero Coupon Secured Redeemable Non-Convertible Debentures amounting to ₹ 10,594 lacs (₹ 19,143 lacs) net of tax of ₹ 5,606 lacs (₹ 7,934 lacs).

4.3 Statement for Disclosure on Statutory / Special Reserves, as prescribed by NHB vide its circular no NHB(ND)/DRS/Pol. Circular.61/2013-14, dated: 7th April, 2014

| Particulars | (₹ lacs) | |
|---|------------|------------|
| | 31.03.2016 | 31.03.2015 |
| Balance at the beginning of the year | | |
| a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987 | 17,423 | 15,423 |
| b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under, Section 29C of the NHB Act, 1987 | 62,975 | 48,975 |
| c) Total | 80,399 | 64,399 |
| Addition during the year | | |
| Add: a) Amount transferred u/s 29C of the NHB Act, 1987 | 500 | 2,000 |
| b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987 | 17,500 | 14,000 |
| c) Total | 18,000 | 16,000 |
| Balance at the end of the year | | |
| a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987 | 17,923 | 17,423 |
| b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under, Section 29C of the NHB Act, 1987 | 80,475 | 62,975 |
| c) Total | 98,399 | 80,399 |

4.4 National Housing Bank vide circular No.NHB(ND)/DRS/Policy Circular 65/2014-15 dated 22nd August, 2014 has clarified that deferred tax liability (contingent upon Company's withdrawal of 36(1)(Viii) Reserves leading to tax liability) in respect of opening balance under special reserve as at 1st April, 2014 may be adjusted from free opening reserves of the Company over a period of 3 years in the ratio of 25:25:50 respectively. Accordingly, the Company has proportionately adjusted its opening reserves as at 1st April, 2014 with an amount of ₹ 4,162 lacs (₹ 4,162 lacs) as contingent deferred tax liability and unamortised amount against the same is ₹ 8,323 lacs. Deferred Tax Liability on current year Special Reserve has been appropriated to Statement of Profit & Loss amounting to ₹ 6,297 lacs.

| 5 | (₹ lacs) | |
|--|------------------|------------|
| | 31.03.2016 | 31.03.2015 |
| Money Received Against Share Warrants | | |
| Money Received Against Share Warrants | 12,500.00 | - |
| Total Money Received Against Share Warrants | 12,500.00 | - |

5.1 Pursuant to the consent of Board of Directors of the Company on January 20, 2016, the special resolution passed by the members of the Company on February 26, 2016 and other necessary approvals as required, the allotment committee of the Board of Directors of the Company at its meeting held on 11th March, 2016 approved the issue and allotment of 2,12,30,070 number of warrants, at the issue price of ₹ 235.52 per warrant, upon receipt of 25% of total consideration of ₹ 50,000.00 lacs, to M/s Wadhawan Global Capital Pvt. Ltd, promoter entity of the Company. Each warrant is convertible into equivalent number of equity shares of ₹ 10/- each at premium of 225.52 per share, which shall be allotted within 18 months from the date of allotments of the said convertible warrants, in one or more tranches. Accordingly the Company has received ₹ 12,500 lacs as stated above.

As the Company has allotted warrants, there is no change in the paid-up equity share capital of the Company.

| 6 | LONG TERM BORROWINGS | (₹ lacs) | | | |
|----------------|----------------------------|---------------------|------------|-----------------|------------|
| | | Non Current Portion | | Current Portion | |
| | | 31.03.2016 | 31.03.2015 | 31.03.2016 | 31.03.2015 |
| Secured | | | | | |
| | Non-Convertible Debentures | 1,199,795 | 719,284 | 214,701 | 162,452 |
| | Term Loan from Banks | 2,568,075 | 2,403,075 | 471,460 | 437,065 |

| | | | | |
|---|------------------|------------------|----------------|----------------|
| <i>Loan from Others</i> | | | | |
| National Housing Bank | 119,324 | 109,733 | 28,765 | 34,380 |
| Foreign Financial Institutions | 215,961 | 151,384 | 7,605 | - |
| Total Secured long term borrowings | 4,103,155 | 3,383,476 | 722,531 | 633,897 |
| <u>Unsecured</u> | | | | |
| Non-Convertible Debentures (perpetual) | 18,570 | 18,570 | - | - |
| Non-Convertible Debentures (Subordinated issue) | 119,150 | 119,150 | - | - |
| Deposit | | | | |
| Fixed Deposit (including Cummulative) | 262,853 | 159,008 | 215,403 | 196,448 |
| Other Deposits | 1,104 | 848 | 668 | 600 |
| Other Borrowings | 7,115 | 2,813 | 7,414 | 4,572 |
| Term Loan from Banks | - | 3,333 | 3,333 | 1,667 |
| Total Unsecured long term borrowings | 408,792 | 303,722 | 226,818 | 203,287 |
| TOTAL LONG TERM BORROWINGS | 4,511,947 | 3,687,198 | 949,349 | 837,184 |
| Current Portion of above liability is disclosed under the head "other current liabilities". (Refer Note 12) | - | - | (949,349) | (837,184) |
| Net Amount | 4,511,947 | 3,687,198 | - | - |

6.1

Non Convertible Debentures (NCD) (current and non current portion) amounting to ₹ 1,414,496 lacs (₹ 881,736 lacs) are secured by way of first charge read with Note 6.2 herein below and are redeemable at par, in one or more installments, on various periods, as below.

Secured NCDs also include amount outstanding for Zero Coupon Secured Redeemable Non-Convertible Debentures (ZCD) aggregating to ₹ 335,884 lacs (₹ 311,897 lacs), which are redeemable at premium on maturity. The accumulated premium payable on outstanding ZCD accrued till 31st March, 2016 amounting to ₹ 57,754 lacs (₹ 25,677 lacs) is included above and a part of which has been provided out of the Securities Premium Account (refer Note 4.2).

Terms of repayment of Term Loans and redemption of bonds & debentures

(₹ In Lacs)

| Particulars | 1-3 Years | 3-5 Years | >5 Years | Grand Total |
|---|-----------|-----------|-----------|-------------|
| Secured | | | | |
| Bank | | | | |
| Linked with Base Rate of respective banks | 926,343 | 793,013 | 848,719 | 2,568,075 |
| | (905,013) | (671,685) | (831,396) | (2,408,094) |
| Loan from Foreign Financial Institutions | | | | |
| 7.72 -11.00 | 51,729 | 132,625 | 31,607 | 215,961 |
| | (29,112) | (60,443) | (61,829) | (151,384) |
| Loan from National Housing Bank | | | | |
| 7.00 - 9.00 | 47,958 | 22,874 | 32,794 | 103,625 |
| | (50,365) | (25,171) | (10,422) | (85,958) |
| 9.00 - 11.00 | 5,628 | 5,574 | 4,496 | 15,699 |
| | (8,107) | (6,952) | (8,717) | (23,776) |
| N H B Total | 53,586 | 28,447 | 37,290 | 119,324 |
| | (58,472) | (32,123) | (19,138) | (109,734) |
| Non-Convertible Debenture | | | | |
| 5.00 - 7.00 | - | - | 25,000 | 25,000 |
| | (27,572) | - | (28,406) | (55,979) |
| 8.48 - 11.50 | 362,529 | 453,227 | 359,040 | 1,174,796 |
| | (206,554) | (243,422) | (213,330) | (663,306) |
| NCD Total | 362,529 | 453,227 | 384,040 | 1,199,796 |
| | (234,126) | (243,422) | (241,736) | (719,284) |
| Un-Secured | | | | |
| Term Loans from Bank | | | | |
| 10.00 | - | - | - | - |
| | (3,333) | - | - | - |
| Perpetual Debt | | | | |
| 12.00 -12.75 | - | - | 18,570 | 18,570 |
| | - | - | (18,570) | (18,570) |
| Sub - Debt | | | | |
| 9.00 - 11.50 | 37,250 | 44,600 | 37,300 | 119,150 |
| | (25,970) | (18,380) | (74,800) | (119,150) |

- 6.2 All Secured loans (Current and Non Current portion), from the National Housing Bank, Other Banks, Foreign Financial Institution, Financial Institutions and Secured Non Convertible Debentures / ZCD are secured by way of first charge to and in favor of participating banks, Institutions, National Housing Bank and Debenture Trustees jointly ranking pari passu (read with Note 10.1), inter-se, on the Company's whole of the present and future book debts, housing loan Installments/receivables, investments including all the receivables of the Company and other movable assets, wherever situated, excluding SLR assets, read with Note 6.3 & 6.4 hereinafter. They are further secured on pari passu basis by constructive delivery of various title deeds of certain immovable properties of the Company, to Union Bank of India, acting for itself and as an agent of other participating lenders and Debenture trustees, and are also guaranteed by the promoter directors of the Company.
- 6.3 During the year Company has availed ECB of USD 110 millions from following parties for a period of 5 years. The principal amount has been hedged by way of currency swaps to protect the foreign currency risk and converted into rupee liability of ₹ 72,182 lacs in compliance of statutory requirement.

| Name of the Party | USD (in millions) | Loan Amount (₹ in lacs) |
|-----------------------------------|-------------------|----------------------------|
| State Bank Of India, South Africa | 55 | 36,091 |
| The Korea Development Bank, Korea | 15 | 9,843 |
| Taiwan Cooperative Bank, Taiwan | 10 | 6,562 |
| Bank Of Baroda, Bahrain | 10 | 6,562 |
| Barclays Bank Plc, London | 10 | 6,562 |
| CTBC Bank Co., Ltd, Singapore | 5 | 3,281 |
| KDB Ireland Limited, Ireland | 5 | 3,281 |
| Total | 110 | 72,182 |

In the previous years, Company had availed ECB of USD 125 millions from Asian Development Bank (ADB), USD 50 millions from Deutsche Investments U.E. aggregating to USD 175 millions and USD 70 millions from IFC Washington for a period of 7, 8 and 8 years respectively. The principal amount has been hedged by way of currency swaps to protect the foreign currency risk and converted into rupee liability aggregating to ₹ 151,384 lacs, in compliance of statutory requirement.

As a part of Assets Liability management on account of the Companies adjustable rate home loan products as well as to reduce the overall cost of borrowing, during the year, the Company has entered into Interest Rate swaps wherein it has converted its variable rate rupee liability of notional amount of USD 175 millions into fixed rate rupee liability.

As on 31st March, 2016 the Company has foreign currency borrowing of USD 355 millions (USD 245 millions) equivalent to ₹ 223,566 lacs (₹ 151,384 lacs).

- 6.4 The National Housing Bank directives require all HFC's accepting public deposits to create a floating charge on the statutory liquid assets maintained in favor of depositors through the mechanism of a trust deed. The Company has accordingly appointed a SEBI approved trustee Company as trustee for the above by executing the trust deed.
- 6.5 Unsecured Redeemable Non Convertible Subordinated Debentures aggregating to ₹ 119,150 lacs (₹ 119,150 lacs), outstanding as at 31st March, 2016, are subordinated to present and future senior indebtedness of the company. It qualifies as Tier II capital in accordance with National Housing Bank (NHB) guidelines for assessing capital adequacy based on balance term to maturity. These debentures are redeemable at par on maturity on various periods read with note no. 6.1
- 6.6 Fixed Deposits and Other Deposits, including short term fixed deposits and short term other deposits, are repayable as per individual contracted maturities ranging from 12 to 120 months from the date of deposit. The interest is payable on contracted terms depending upon the scheme opted by the depositor.
- 6.7 Department of Company Affairs with reference to the General Circular no. 4/2003 dated 16.01.2003, has clarified that, Housing Finance Companies registered with National Housing Bank are exempted from the requirement of creating Debenture Redemption Reserve (DRR) in case of privately placed debentures. Since the Debenture issues of the Company till date are through private placement, as such no DRR has been created.

| | | (₹ lacs) | |
|---|--|-----------------|----------------|
| | | 31.03.2016 | 31.03.2015 |
| 7 | DEFERRED TAX LIABILITY / (ASSET) | | |
| | A. Deferred Tax Asset | | |
| | On account of provision for contingency & employee benefits | (20,383) | (10,354) |
| | Deferred Tax Liability | | |
| | On difference between book balance and tax balance of other assets | 10,186 | 8,045 |
| | DEFERRED TAX LIABILITY / (ASSET) | (10,197) | (2,309) |
| | B. Deferred Tax Liability on Special IT Reserve | 19,346 | 8,888 |
| | | 19,346 | 8,888 |
| | NET DEFERRED TAX LIABILITY / (ASSET) | 9,149 | 6,579 |

| | | (₹ lacs) | |
|---|--|------------|---------------|
| | | 31.03.2016 | 31.03.2015 |
| 8 | OTHER LONG TERM LIABILITIES | | |
| | Advance from customers | - | 56.00 |
| | Others | - | 88.00 |
| | Total Other Long Term Liabilities | - | 144.00 |

| | | (₹ lacs) | | | |
|---|--|---------------------|---------------|----------------------|--------------|
| | | Long Term Provision | | Short Term Provision | |
| | | 31.03.2016 | 31.03.2015 | 31.03.2016 | 31.03.2015 |
| 9 | PROVISIONS | | | | |
| | Provision for Contingencies | | | | |
| | Against Standard Assets: | | | | |
| | As per last Balance sheet | 27,822 | 21,570 | | |
| | Add : Provision during the year | 6,908 | 6,252 | | |
| | Net provision on standard loan portfolio (A) | 34,730 | 27,822 | - | - |
| | Against NPA: | | | | |
| | As per last Balance sheet | 13,910 | 10,765 | | |
| | Add : Provision during the year | 9,441 | 3,765 | | |
| | Less : Utilised During the year | 2,146 | 620 | | |
| | Net provision on NPA loan portfolio (B) | 21,205 | 13,910 | - | - |
| | Against Investment: | | | | |
| | As per last Balance sheet | - | - | | |
| | Add : Provision (withdrawal) during the year | 66 | - | | |
| | | 66 | - | | |
| | Less : Transfer to Provision for diminution in the value of investment | (66) | - | | |
| | | - | - | | |
| | Against ICDs: | | | | |
| | As per last Balance sheet | 964 | 605 | | |
| | Provision during the year | 483 | 359 | | |
| | Net provision on Other Assets (C) | 1,447 | 964 | | |
| | Against Other Assets: | | | | |
| | As per last Balance sheet | 319 | 195 | | |
| | Provision during the year | 601 | 124 | | |
| | Net provision on Other Assets (C) | 920 | 319 | | |
| | Total Provision for Contingencies (A+B+C) | 58,302 | 43,015 | - | - |
| | Provision for employee benefits | - | - | 107 | 80 |
| | Provision for Proposed Dividend | - | - | 5,836 | 2,914 |
| | Provision for Dividend Distribution Tax | - | - | 1,188 | 583 |
| | TOTAL PROVISIONS | 58,302 | 43,015 | 7,131 | 3,577 |

- 9.1 The Company has written off ₹ 2,146 lacs (₹ 620 lacs) as bad debts and by way of one time settlement to recover some of its old NPA and Loss Accounts. The Company has withdrawn ₹ 2,146 lacs (₹ 620 lacs) from contingency provisions created out of profits of earlier years.

9.2 Details of Housing and Property Loans and Contingency Provisions

Housing and property loans and provision in respect thereof on account of standard, sub standard, doubtful and loss assets are recorded in accordance with the guidelines on prudential norms as specified by National Housing Bank are as follows:

| | 31.03.2016 | | 31.03.2015 | |
|---|------------------|---------------|------------------|---------------|
| | Portfolio | Provisions | Portfolio | Provisions |
| Standard Assets | | | | |
| Housing Loans | 4,875,732 | 21,549 | 3,906,500 | 16,628 |
| Other Property Loans | 1,244,463 | 12,464 | 1,148,960 | 11,069 |
| | 6,120,195 | 34,013 | 5,055,460 | 27,697 |
| Sub Standard Assets | | | | |
| Housing Loans | 8,665 | 1,300 | 14,558 | 2,185 |
| Other Property Loans | 4,230 | 634 | 7,255 | 1,088 |
| | 12,895 | 1,934 | 21,813 | 3,273 |
| Doubtful Assets | | | | |
| Housing Loans | 27,454 | 13,126 | 16,521 | 7,741 |
| Other Property Loans | 16,958 | 6,145 | 10,171 | 2,896 |
| | 44,412 | 19,271 | 26,692 | 10,637 |
| Additional provision on standard assets | | 717 | | 125 |
| Provisions on ICDs | | 1,447 | | 964 |
| Provisions on Other Assets | | 920 | | 319 |
| Total | 6,177,502 | 58,302 | 5,103,965 | 43,015 |
| Summary: | | | | |
| Housing Loans | 4,911,851 | 35,975 | 3,937,579 | 26,554 |
| Other Property Loans | 1,265,651 | 19,243 | 1,166,386 | 15,053 |
| Additional provision on Standard Assets | | 717 | | 125 |
| Additional provision on Non Performing Assets | | 1,447 | | 964 |
| Provisions on Other Assets | | 920 | | 319 |
| Total | 6,177,502 | 58,302 | 5,103,965 | 43,015 |

9.3 Provision for Contingencies

The Company has made full provisions for Contingencies for diminution in investment value and on standard as well as on non-performing housing loans and other property loans as per the Prudential Norms prescribed by the National Housing Bank. The Company has maintained additional provision amounting to ₹ 717 lacs (₹ 125 lacs).

| | | 31.03.2016 | (₹ lacs) 31.03.2015 |
|----|--|-----------------------|------------------------|
| 10 | SHORT TERM BORROWINGS | | |
| | Secured | | |
| | Loans repayable on demand | | |
| | From Banks | 174,460 | 7,651 |
| | Secured short term borrowings (A) | <u>174,460</u> | <u>7,651</u> |
| | Unsecured | | |
| | Deposits | | |
| | Fixed Deposits (Refer Note 6.6) | 3,691 | 3,988 |
| | Other Deposits (Refer Note 6.6) | 609 | 555 |
| | Other short term loans and advances | | |
| | Commercial Papers | 464,900 | 351,500 |
| | Unsecured short term borrowings (B) | <u>469,200</u> | <u>356,043</u> |
| | TOTAL SHORT TERM BORROWINGS (A+B) | <u><u>643,660</u></u> | <u><u>363,694</u></u> |

10.1 Loans repayable on demand and other short term loans comprising of Cash credit facilities from banks and are secured by a first charge by way of hypothecation of book debts of specific loan assets of the company and are further secured by negative lien on the underlying specific properties and / or secured by demand promissory notes. Certain Cash credit facilities are also secured by way of a first pari passu charge along with other secured loans read with Note 6.2. All cash credit facilities are repayable as per the contracted/ roll over term.

| | | 31.03.2016 | (₹ lacs) 31.03.2015 |
|----|-----------------------------|--------------|------------------------|
| 11 | TRADE PAYABLES: | | |
| | MSME | - | - |
| | Trade Payable | 2,874 | 2,106 |
| | TOTAL TRADE PAYABLES | <u>2,874</u> | <u>2,106</u> |

There is no amount due and payable to 'Suppliers' registered under the Micro, Small and Medium Enterprises Development Act, 2006 at the end of the year. No interest has been paid/ is payable by the Company during/for the year to these 'Suppliers'. The above information takes into account only those suppliers who have submitted their registration details or has responded to the inquiries made by the Company for this purpose.

| | | 31.03.2016 | (₹ lacs) 31.03.2015 |
|----|--|-------------------------|------------------------|
| 12 | OTHER CURRENT LIABILITIES | | |
| | Current maturities of long-term borrowing | 949,349 | 837,184 |
| | (Refer Note 5) | | |
| | Interest accrued but not due on borrowings | 52,929 | 26,335 |
| | Unclaimed Dividends | 171 | 89 |
| | Unclaimed matured deposits and interest accrued thereon | 5,410 | 3,998 |
| | Other payables | | |
| | Advance from customers | 15,762 | 3,276 |
| | Creditors for Capital Expenditure | 136 | 163 |
| | Amount payable under securitisation/ joint syndication transaction | 21,605 | 15,128 |
| | Statutory Dues | 2,105 | 1,352 |
| | Other current liabilities | 3,083 | 4,065 |
| | TOTAL OTHER CURRENT LIABILITIES | <u><u>1,050,550</u></u> | <u><u>891,590</u></u> |

12.1 As required under section 124 of the Companies Act, 2013, the Company has transferred unclaimed dividend of the year 2007-08 ₹ 3 lacs (₹ 9 lacs), unclaimed interim dividend of the year 2007-08 ₹ Nil (₹ 5 lacs) and towards unclaimed Deposits and interest accrued thereon ₹ 39 lacs (₹ 21 lacs) to Investor Education & Protection Fund (IEPF) during the year. The amounts payable for March, 2016 has been transferred to IEPF in the month of April, 2016.

DEWAN HOUSING FINANCE CORPORATION LIMITED

Note 13
FIXED ASSETS

(₹ lacs)

| Assets | GROSS BLOCK | | | | DEPRECIATION/ AMORTISATION | | | | NET BLOCK | |
|-------------------------------------|---------------------|--------------|--------------------|---------------------|----------------------------|-----------------|--------------------|--------------------|---------------------|---------------------|
| | As at 01.04.2015 | Addition | Deduction/ Sale | As at 31.03.2016 | As at 01.04.2015 | for the year | Deduction/ Sale | Upto 31.03.2016 | As at 31.03.2016 | As at 31.03.2015 |
| Tangible: | | | | | | | | | | |
| Building | 3,059 | 2,584 | - | 5,643 | 520 | 65 | - | 585 | 5,058 | 2,539 |
| Leasehold Premises | 9,999 | - | - | 9,999 | 347 | 163 | - | 510 | 9,489 | 9,652 |
| Leasehold Improvements | 3,025 | 369 | 256 | 3,138 | 1,454 | 722 | 207 | 1,969 | 1,169 | 1,571 |
| Furniture & Fixture | 2,584 | 65 | 76 | 2,573 | 687 | 292 | 52 | 927 | 1,646 | 1,897 |
| Office Equipments | 2,334 | 240 | 193 | 2,381 | 858 | 348 | 147 | 1,059 | 1,322 | 1,476 |
| Vehicles | 121 | - | 7 | 114 | 55 | 18 | 3 | 70 | 44 | 66 |
| Computer (Hardware) | 3,031 | 453 | 500 | 2,984 | 1,844 | 553 | 487 | 1,910 | 1,074 | 1,187 |
| Sub Total | 24,153 | 3,711 | 1,032 | 26,832 | 5,765 | 2,161 | 896 | 7,030 | 19,802 | 18,388 |
| Intangible: | | | | | | | | | | |
| Computer (Software) | 1,454 | 181 | - | 1,635 | 997 | 269 | - | 1,266 | 369 | 457 |
| Fixed Assets | 25,607 | 3,892 | 1,032 | 28,467 | 6,762 | 2,430 | 896 | 8,296 | 20,171 | 18,845 |
| Capital Work in Process | 79,615 | - | 25,000 | 54,615 | - | - | - | - | 54,615 | 79,615 |
| Intangible Assets under Development | - | 3,266 | - | 3,266 | - | - | - | - | 3,266 | - |
| TOTAL | 105,222 | 7,158 | 26,032 | 86,348 | 6,762 | 2,430 | 896 | 8,296 | 78,052 | 98,460 |
| Previous Year | 103,028 | 2,992 | 798 | 105,222 | 4,255 | 2,845 | 338 | 6,762 | 98,460 | |

| | | 31.03.2016 | | 31.03.2015 | |
|----|---|-------------|--------|-------------|--------|
| | | Nos | Amount | Nos | Amount |
| 14 | NON CURRENT INVESTMENTS (AT COST) | | | | |
| | Trade Investments | | | | |
| | <i>Investment in unquoted equity instruments</i> (Face value of ₹ 10 each) | | | | |
| | Investment in Subsidiary Companies | | | | |
| | DHFL Advisory & Investments Pvt Ltd (refer note 13.2) | 75,010,000 | 7,501 | - | - |
| | Investment in Associates: | | | | |
| | Aadhar Housing Finance Ltd | 14,900,000 | 1,490 | 14,900,000 | 1,490 |
| | DHFL Vysya Housing Finance Ltd. | 1,048,989 | 315 | 1,048,989 | 315 |
| | DHFL Venture Trustee Company Private Limited | 22,500 | 2 | 22,500 | 2 |
| | Avanse Financial Services Ltd. | 12,197,522 | 4,988 | 12,197,522 | 4,988 |
| | Investment in Joint Venture: | | | | |
| | DHFL Pramerica Life Insurance Co Ltd. (refer note 13.2) | 187,030,931 | 3,107 | 187,030,931 | 3,107 |
| | DHFL Pramerica Asset Managers Pvt Ltd | 156,136,360 | 3,770 | - | - |
| | DHFL Pramerica Trustees Pvt Ltd | 50,000 | 5 | - | - |
| | Investment in others: | | | | |
| | The Kalyan Janta Sahakari Bank Limited | 10,000 | 1 | 10,000 | 1 |
| | (A) | | 21,179 | | 9,903 |
| | Investment in unquoted optionally convertible preference share (Face value of ₹ 10 each) | | | | |
| | Sunborne Energy Services India Private Limited | 31,775 | 1,271 | 31,775 | 1,271 |
| | (B) | | 1,271 | | 1,271 |
| | Other Investments | | | | |
| | Investment in Mutual Funds/Venture Capital Fund - unquoted | | | | |
| | DHFL Venture Capital Fund (100% Trust Corpus - Settlement Money) (₹ 10,000/- only) | 1 | 0 | 1 | 0 |
| | DHFL Real Estate Assets Management Fund - Dream Fund I Units Class A | - | - | 10,998 | 1,100 |
| | Arthveda Star Fund | 197,753 | 2,000 | 197,753 | 2,000 |
| | (C) | | 2,000 | | 3,100 |
| | Investment in Pass Through Certificates | | | | |
| | Pass Through certificates -Class B | | 7,641 | | 20,845 |
| | (D) | | 7,641 | | 20,845 |
| | Investment in Government securities (SLR) - quoted | | | | |
| | 0.00% Punjab Infrastructure Development Board ZC | 10 | 25 | 10 | 25 |
| | 8.56% Kerala SDL 2020 | 200,000 | 203 | 200,000 | 203 |
| | 8.09% Gujarat SDL 2020 | - | - | 500,000 | 504 |
| | 8.52% Tamilnadu SDL 2020 | 200,000 | 206 | 200,000 | 206 |
| | 8.42% Andhra Pradesh SDL 2020 | 425,000 | 430 | 425,000 | 430 |
| | 8.40% Gujarat SDL 2020 | 250,000 | 252 | 250,000 | 252 |
| | 8.08% GS 2022 | 100,000 | 98 | 100,000 | 98 |

| | | | | |
|---|-----------|--------|-----------|--------|
| 8.28% GS 2032 | 100,000 | 98 | 100,000 | 98 |
| 9.23% Gujarat SDL 2021 | 250,000 | 257 | 250,000 | 257 |
| 9.51% Rajasthan Rajya Vidyut Prasaran Nigam Ltd ; | 10 | 500 | 10 | 500 |
| 9.30% RRVPNL BONDS 2025 | 150 | 1,491 | 150 | 1,491 |
| 8.97% BIHAR SDL 2022 | 570,000 | 584 | 570,000 | 584 |
| 8.66% WEST BENGAL SDL 2023 | - | - | 500,000 | 502 |
| 5.87% GOI 2022 | 3,000 | 3 | 3,000 | 3 |
| 6.05% GOI 2019 | 14,000 | 14 | 14,000 | 14 |
| 6.13% GOI 2028 | 5,000 | 5 | 5,000 | 5 |
| 5.69% GOI 2018 | 41,800 | 39 | 41,800 | 39 |
| 7.99% GOI 2017 | 30,000 | 30 | 30,000 | 30 |
| 7.16% GOI 20/05/2023 | 1,100,000 | 993 | 2,100,000 | 1,996 |
| 8.33% GOI 09/07/2026 | 2,000,000 | 2,108 | 2,000,000 | 2,108 |
| 8.97% GOI 05/12/2030 | 2,000,000 | 2,227 | 2,000,000 | 2,227 |
| 8.71% WSPF Bonds 09/05/2023 | 1,900 | 1,920 | 1,900 | 1,920 |
| 9.72% Kerala SDL 28/08/2023 | - | - | 70 | 728 |
| 8.80% FCI BONDS (SERIES -VB) 22/03/2028 | - | - | 139 | 1,349 |
| 9.85% TIIC Bonds (TIIC Bonds_2014-I) 07/03/2024 | 83 | 828 | 83 | 828 |
| 9.00% RRVUNL Bonds 24/12/2026 | 210 | 2,127 | 210 | 2,127 |
| 9.20% Tangedco 2024 18/12/2014 | 200 | 2,025 | 200 | 2,025 |
| KRISHNA BHAGYA JALA NIGAM LIMITED SR-C 8.75 L | 110 | 1,095 | 110 | 1,095 |
| 8.25% MAHARASHTRA SDL (13/05/2025) | 150 | 1,514 | - | - |
| 8.74% RRVUNL 2027 | 150 | 1,497 | - | - |
| 9.95% FCI 2022 | 100 | 1,084 | - | - |
| 9.20% GOI 2030 | 2,000,000 | 2,192 | - | - |
| 8.83% GOI 2023 | 2,000,000 | 2,101 | - | - |
| CHHATTISGARH STATE POWER DISTRIBUTION COMF | 210 | 2,100 | - | - |
| 7.95% GOI 2032 | 1,600,000 | 1,606 | - | - |
| (E) | | 29,652 | | 21,646 |

Investment in Government securities (Non - SLR) - quoted

| | | | | |
|--|-----------|--------|---------|--------|
| 7.15% UBI Bonds 2015 | - | - | 75 | 750 |
| 7.22% REC Bonds 19/12/2022 | 10,000 | 100 | 10,000 | 100 |
| 7.19% NHB TAX Free Bonds 14/12/2022 | 10 | 100 | 10 | 100 |
| 6.82% NHB TAX Free Bonds 28/05/2023 | 5,000 | 500 | 5,000 | 500 |
| 8.01% NHB Tax Free Bonds | 50 | 500 | 50 | 500 |
| 8.26% NHB TAX FREE BONDS | 3,610 | 181 | 3,610 | 181 |
| 8.41% NTPC Tax free Bonds - Series 1A | 15,832 | 158 | 15,832 | 158 |
| 8.51% HUDCO SECURED NON-CONVERTIBLE TAX FRI | 50,000 | 500 | 50,000 | 500 |
| 8.23% Indian Railway Finance Corporation 18/02/2 | 50,000 | 500 | 50,000 | 500 |
| 8.41% IIFCL Bonds 22/01/2014 | 100,000 | 1,000 | 100,000 | 1,000 |
| 7.72% GOI 2025 | 1,000,000 | 1,010 | - | - |
| 7.88% GS 2030 | 3,000,000 | 3,011 | - | - |
| 7.49% IREDAL Tax Free Bonds 21.01.2031 | 102,181 | 1,022 | - | - |
| 7.39% HUDCO Tax Free Bonds 08.02.2031 | 28,028 | 280 | - | - |
| 7.39% NHAI Tax Free Bonds 09/03/2031 | 61,674 | 617 | - | - |
| 7.39% HUDCO Tax Free Bonds 15.03.2031 | 7,529 | 753 | - | - |
| (F) | | 10,232 | | 4,289 |
| (A+B+C+D+E+F) | | 71,975 | | 61,053 |

Less: Provision for diminution in value of investments

-

-

TOTAL NON CURRENT INVESTMENTS

71,975

61,053

Aggregate amount of quoted investments

39,884

25,935

Market value of Quoted investments

41,025

26,326

Aggregate amount of Unquoted investments

32,091

35,118

14.1 Investment in Government and other SLR Securities aggregating to ₹ 29,652 lacs (₹ 21,646 lacs) carry a floating charge created in favor of depositors in the Fixed Deposit schemes of the Company (read with Note 6.2 and Note 6.4 above).

14.2 During the year, the Company incorporated wholly owned subsidiary viz DHFL Advisory & Investments Private Limited (DAIPL) on 12th February, 2016 to carry on the business of providing all kinds of advisory/consultancy services and fees based intermediation activities and to promote / sponsor trusts or funds including Mutual Funds / Venture Capital Funds etc.

- 14.3** During the year, the Company acquired 50% (Fifty Percent) of the equity share capital of (i) erstwhile Pramerica Asset Managers Private Limited (renamed as DHFL Pramerica Asset Managers Private Limited) , the asset management company of erstwhile Pramerica Mutual Fund (renamed as DHFL Pramerica Mutual Fund); and (ii) erstwhile Pramerica Trustees Private Limited (renamed as DHFL Pramerica Trustees Private Limited), the trustee for the erstwhile Pramerica Mutual Fund (renamed as DHFL Pramerica Mutual Fund). The said acquisition was consummated on 11th August, 2015 pursuant to the approval received from Competition Commission of India and SEBI.

HOUSING AND PROPERTY LOANS

| | (₹ lacs) | | | |
|--|---------------------|------------------|-----------------|----------------|
| | Non Current Portion | | Current Portion | |
| | 31.03.2016 | 31.03.2015 | 31.03.2016 | 31.03.2015 |
| Secured, considered good unless stated otherwise | | | | |
| Housing Loans | | | | |
| Standard loans | 5,305,934 | 4,290,717 | 287,708 | 178,170 |
| Sub-Standard loans | 8,934 | 15,099 | - | - |
| Doubtful loans | 27,653 | 16,682 | - | - |
| | <u>5,342,521</u> | <u>4,322,498</u> | <u>287,708</u> | <u>178,170</u> |
| Less : Securitised Housing Loans & Funded by Syndicate | 679,569 | 535,825 | 38,808 | 27,264 |
| A Total Housing Loans | <u>4,662,952</u> | <u>3,786,673</u> | <u>248,900</u> | <u>150,906</u> |
| Other Property Loans | | | | |
| Standard loans | 1,211,854 | 1,085,378 | 88,984 | 84,969 |
| Sub-Standard loans | 4,363 | 7,255 | - | - |
| Doubtful loans | 16,958 | 10,171 | - | - |
| | <u>1,233,175</u> | <u>1,102,804</u> | <u>88,984</u> | <u>84,969</u> |
| Less : Other Property Securitised Loans | 53,498 | 20,009 | 3,011 | 1,378 |
| B Total Other Property Loans | <u>1,179,677</u> | <u>1,082,795</u> | <u>85,973</u> | <u>83,591</u> |
| Total Loan book (A+B) (*) | <u>5,842,629</u> | <u>4,869,468</u> | <u>334,873</u> | <u>234,497</u> |
| Summary: | | | | |
| Housing Loans | 5,342,521 | 4,322,498 | 287,708 | 178,170 |
| Other Property Loans | 1,233,175 | 1,102,804 | 88,984 | 84,969 |
| Total Housing & Property Loans under Company's management | <u>6,575,696</u> | <u>5,425,302</u> | <u>376,692</u> | <u>263,139</u> |
| Less : Securitised and Syndicated portion | 733,067 | 555,834 | 41,819 | 28,642 |
| TOTAL HOUSING AND PROPERTY LOANS (*) | <u>5,842,629</u> | <u>4,869,468</u> | <u>334,873</u> | <u>234,497</u> |

- 15.1 Other loans include mortgage loan, non residential property loan, plot loan for self construction where construction has not began in last three years and loan against the lease rental income from properties in accordance with directions of National Housing Bank (NHB). Other loans also include loans granted to Small & Medium Enterprise (SME) and certain part are unsecured in terms of the particular scheme of an aggregate amount of ₹ 6,327 lacs (₹ 478 lacs).
- 15.2 As certified by the management, loans given by the Company are secured by equitable mortgage/ registered mortgage of the property and assets financed and/or assignment of Life Insurance policies and/or personal guarantees and/or undertaking to create a security and/or hypothecation of assets and are considered appropriate and good.
- 15.3 Composite Loans sanctioned (i.e. loans allowed for purchase of plot and self construction of house) on or before 31st March, 2013, in which construction has not started till 31st March, 2016, as per information available with the Company, is excluded from Housing Loans and regrouped under Other Loans (Non Housing) in above outstanding as on 31st March, 2016 aggregating to ₹ 18,106 lacs (₹ 8,918 lacs).
- 15.4 Insurance portion of Housing Loan is excluded from Housing Loan and regrouped in Other Loan. The insurance portion amounting to ₹ 109,612 lacs (₹ 74,225) lacs to meet the cost of the insurance premium to secure the borrower's life and thereby further secure the loan portfolio by way of risk mitigation method and to secure the Company's Housing loan portfolio against any eventuality.
- 15.5 The Company has entered into Loan Syndication arrangements with certain public and private sector banks to provide Housing loan to borrowers wherein DHFL originates the loan files and gets it processed under common credit norms. The said banks have agreed to participate upto 50% of the disbursed loan portfolio under loan syndication arrangement. Entire/partial processing fees and other charges/ income on these loans, depending upon the syndication arrangements, accrues to DHFL. The Company has derecognised the said loan portion syndicated to others in its books.

- 15.6 The Company has entered into Loan Syndication arrangements with DHFL Vysya Housing Finance Limited and Aadhar Housing Finance Limited in the earlier year to provide Housing and Property Loans to borrowers wherein DHFL originates the loan files through its branches and gets it processed under common credit norms at the Central Processing Unit. The loan syndicate participants have agreed to participate in the disbursed loan portfolio under loan syndication arrangement. During the year Company has disbursed ₹ 700 lacs (₹ 475 lacs) under joint syndication out of which ₹ 105 lacs (₹ 155 lacs) has been shared by syndicate partners, which has been derecognised.
- 15.7 The Company has acquired certain assets under SARFAESI Act which are retained for the purpose of sale under the rules and regulations of SARFAESI Act involving ₹ 4,756 lacs (₹ 8,093 lacs), which are part of NPA portfolio for which necessary provisions have already been made. These assets are accounted as and when they are realised as per related accounting policy.
- 15.8 The Company has securitized / assigned pool of certain housing and property loans and managed servicing of such loan accounts. The balance outstanding in the pool, as at the reporting date aggregates to ₹ 774,886 lacs (₹ 584,476 lacs). These assets have been derecognised in the books of the Company. The Company is responsible for collection and getting servicing of this loan portfolio on behalf of buyers / investors. In terms of the said securitization/assignment agreements, the Company pays to buyer/investor on monthly basis the prorata collection amount as per individual agreement terms.
- 15.9 Housing and other property loans (current and non-current) includes ₹ 507 lacs (₹ 331 lacs) given to the key managerial persons of the company under the normal course of business.

| | | (₹ lacs) | | | |
|----|---|---------------------|---------------|-----------------|---------------|
| 16 | OTHER LONG TERM LOANS AND ADVANCES | Non Current Portion | | Current Portion | |
| | | 31.03.2016 | 31.03.2015 | 31.03.2016 | 31.03.2015 |
| | Secured and considered good | | | | |
| | Loans against Fixed Deposits | - | - | 698 | 367 |
| | Loans and advances to employees (Refer Note 15.1) | 14 | 18 | - | 25 |
| | Other loans and advances (Refer Note 15.2) | 13 | 13 | - | - |
| | Unsecured, considered good unless stated otherwise | | | | |
| | Capital advances | 481 | 1,228 | - | - |
| | Security deposits | 1,378 | 1,176 | 4 | 205 |
| | Loans and advances to employees | 23 | 20 | - | 6 |
| | Advances recoverable in cash or in kind | 21,428 | 18,819 | 20,902 | 13,059 |
| | Advance Income Tax (Net of Provisions) | 3,315 | 7,005 | | |
| | TOTAL OTHER LONG TERM LOANS AND ADVANCES | 26,652 | 28,279 | 21,604 | 13,662 |
| | Current Portion Disclosed under "short term loans and advances" (refer Note 19) | - | - | (21,604) | (13,662) |
| | Net Amount | 26,652 | 28,279 | - | - |

- 16.1 Loans to employees are secured by the hypothecation of respective assets against which these loans have been granted

| 17 | CURRENT INVESTMENTS (at lower of cost and fair value unless stated otherwise) | (₹ lacs) | | | |
|----|--|------------|--------|------------|--------|
| | | 31.03.2016 | | 31.03.2015 | |
| | | Nos | Amount | Nos | Amount |
| | Trade Investments | | | | |
| | <i>Investment in equity instruments- quoted</i> | | | | |
| | Acc Ltd | 349 | 5 | 349 | 5 |
| | Ambuja Cements Ltd | 6,893 | 15 | 6,893 | 15 |
| | Asian Paints Ltd | 741 | 5 | 741 | 5 |
| | Axis Bank Ltd | 12,706 | 48 | 12,706 | 48 |
| | Bajaj Auto Ltd | 2,070 | 48 | 2,070 | 48 |
| | Bank Of Baroda | 23,845 | 41 | 23,845 | 41 |
| | Bharat Petroleum Corp Ltd | 2,886 | 20 | 2,886 | 20 |
| | Bharti Airtel Ltd | 1,229 | 5 | 1,229 | 5 |
| | Bhel | 6,669 | 15 | 6,669 | 15 |
| | Cairn India Ltd | 16,781 | 48 | 16,781 | 48 |
| | Cipla Ltd | 829 | 5 | 829 | 5 |

| | | | | |
|---|------------|--------|------------|--------|
| Coal India Ltd | 14,301 | 48 | 14,301 | 48 |
| Dlf Ltd | 3,218 | 5 | 3,218 | 5 |
| Dr Reddy'S Laboratories | 487 | 14 | 487 | 14 |
| Gail (India) Ltd | 3,316 | 14 | 3,316 | 14 |
| Grasim Industries Ltd | 423 | 14 | 423 | 14 |
| Hcl Technologies Ltd | 5,624 | 48 | 5,624 | 48 |
| Hdfc Bank Ltd | 1,678 | 15 | 1,678 | 15 |
| Hdfc Ltd | 480 | 5 | 480 | 5 |
| Hero Motocorp Ltd | 684 | 20 | 684 | 20 |
| Hindalco Industries Ltd | 3,191 | 5 | 3,191 | 5 |
| Hindustan Unilever Ltd | 2,008 | 15 | 2,008 | 15 |
| Icici Bank Ltd | 10,030 | 20 | 6,630 | 20 |
| Idfc Ltd | 10,522 | 7 | 10,522 | 15 |
| IDFC Bank Ltd | 10,522 | 8 | - | - |
| Indusind Bank Ltd | 2,342 | 15 | 2,342 | 15 |
| Infosys Ltd | 5,068 | 48 | 2,534 | 48 |
| Itc Ltd | 4,081 | 15 | 4,081 | 15 |
| Jindal Steel & Power Ltd | 3,007 | 5 | 3,007 | 5 |
| Kotak Mahindra Bank Ltd | 964 | 5 | 482 | 5 |
| Larsen & Toubro Ltd | 784 | 5 | 334 | 5 |
| Lupin Ltd | 1,098 | 15 | 1,098 | 15 |
| Mahindra & Mahindra Ltd | 2,045 | 27 | 2,045 | 27 |
| Maruti Suzuki India Ltd | 410 | 12 | 410 | 12 |
| Nmdc Ltd | 31,172 | 48 | 31,172 | 48 |
| Ntpc Ltd | 3,451 | 5 | 3,451 | 5 |
| Oil And Natural Gas Corp | 4,796 | 20 | 4,796 | 20 |
| Power Grid Corp Ltd | 3,558 | 5 | 3,558 | 5 |
| Punjab National Bank | 10,845 | 20 | 10,845 | 20 |
| Reliance Industries Ltd | 768 | 7 | 768 | 7 |
| Sesa Sterlite Ltd | 7,650 | 20 | 7,650 | 20 |
| State Bank Of India | 7,930 | 20 | 7,930 | 20 |
| Sun Pharmaceuticals Ind | 1,792 | 15 | 1,792 | 15 |
| Tata Consultancy Serv Ltd | 719 | 19 | 719 | 19 |
| Tata Motors Ltd | 10,253 | 51 | 9,719 | 48 |
| Tata Power Co Ltd | 5,869 | 5 | 5,869 | 5 |
| Tata Steel Ltd | 3,222 | 15 | 3,222 | 15 |
| Tech Mahindra Ltd | 3,296 | 20 | 3,296 | 20 |
| Ultratech Cement Ltd | 194 | 5 | 194 | 5 |
| Wipro Ltd | 8,316 | 48 | 8,316 | 48 |
| Zee Entertainment Ent Ltd | 4,606 | 15 | 4,606 | 15 |
| Gujarat Ambuja Exports Ltd | 21,750 | 0 | - | - |
| Dhampr Shugar | 2 | 0 | - | - |
| J K Tyre & Industries Ltd | 270 | 0 | - | - |
| Less: Provision for diminution in value of investments | | (66) | | - |
| Debentures | | | | |
| NTPC LIMITED SR-54 8.49 NCD 25MR25 - (Bonus) | 13 | - | - | - |
| (A) | | 912 | | 975 |
| Other Investments | | | | |
| Investment in Mutual Funds/Venture Capital Fund - unquoted | | | | |
| Axis Liquid Fund - Dir - Growth | - | - | - | - |
| DSP BlackRock Income Opportunities Fund - Reg - Grc | - | - | 12,063,134 | 2,500 |
| HDFC FMP - 384D - March 2014 (29) - 1 - Reg - Growth | - | - | 50,000,000 | 5,000 |
| L&T Triple Ace Bond Fund - Bonus | 80,392,314 | 10,000 | 80,392,314 | 10,000 |
| Pramerica Liquid Fund - Dir - Growth | - | - | 669,876 | 10,000 |
| Pramerica Dynamic Bond Fund - Dir - Growth | - | - | 770,690 | 10,000 |
| Birla Sun Life Short Term Fund - Dir - Growth | 3,596,469 | 2,000 | - | - |
| SBI Short Term Debt Fund - Dir - Growth | 11,713,305 | 2,000 | - | - |
| UTI Short Term Income Fund - Dir - Growth | 11,110,494 | 2,000 | - | - |
| UTI - Equity Fund - Existing Plan | 2,400 | 0 | - | - |
| UTI - Top 100 Fund - Existing Plan | 20,000 | 2 | - | - |
| (B) | | 16,002 | | 37,500 |
| Investment in Pass Through Certificates | | | | |

| | | | |
|----|--|-----------------------|-------------------------|
| | Pass Through certificates -Class B | 432 | 1,094 |
| | (C) | <u>432</u> | <u>1,094</u> |
| | Investment in unquoted Commercial Papers | | |
| | Alok Industries Limited | - | - |
| | (D) | <u>-</u> | <u>-</u> |
| | TOTAL CURRENT INVESTMENTS (A+B+C) | <u>17,346</u> | <u>39,568.63</u> |
| | Aggregate amount of quoted investments | 912 | 975 |
| | Market value of Quoted investments | 912 | 1,016 |
| | Aggregate amount of Unquoted investments | 16,434 | 38,594 |
| | | | (₹ lacs) |
| 18 | TRADE RECEIVABLES | 31.03.2016 | 31.03.2015 |
| | Secured, considered good, less than six months | | |
| | Receivables due for more than six months from due date (Considered doubtful) | 95 | 95 |
| | Others (refer note 36) | 1,945 | 2,119 |
| | TOTAL TRADE RECEIVABLES | <u>2,040</u> | <u>2,214</u> |
| 19 | CASH AND BANK BALANCES | 31.03.2016 | 31.03.2015 |
| | Cash and Cash Equivalents | | |
| | Balances with Banks | | |
| | in Current Accounts | 66,688 | 13,159 |
| | in Deposits accounts with original maturity of less than 3 months | - | 1,500 |
| | Remittance in Transit * | 225,857 | - |
| | Cash on hand | 605 | 423 |
| | Total Cash and Cash Equivalents | A | 15,082 |
| | | <u>293,150</u> | <u>15,082</u> |
| | * Remittance in Transit of ₹ 225,857 lacs (₹ Nil) credited by bank on 4th April, 2016 due to banking holidays. | | |
| | Other Bank Balances | | |
| | Other Deposits accounts having balance maturity of less than 12 months | 47,513 | 52,473 |
| | Deposits having balance maturity of more than 12 months (Refer Note 21) | 20,222 | 19,673 |
| | Balances in unpaid dividend bank accounts | 171 | 89 |
| | Total Other Bank Balances | B | 72,235 |
| | | <u>67,906</u> | <u>72,235</u> |
| | Total Cash and Bank Balances | C = (A + B) | 87,317 |
| | | <u>361,056</u> | <u>87,317</u> |
| | Less : Amounts disclosed under non-current assets (Refer Note 21) | D | 19,673 |
| | | 20,222 | 19,673 |
| | Total Net Cash and Bank Balances | E = (C - D) | 67,644 |
| | | <u>340,834</u> | <u>67,644</u> |
| | Summary: | | |
| | Total Cash and Cash Equivalents | 293,150 | 15,082 |
| | Other Bank Balances | 67,906 | 72,235 |
| | Amounts disclosed under non-current assets | (20,222) | (19,673) |
| | Total Net Cash and Bank Balances | <u>340,834</u> | <u>67,644</u> |

- 19.1 Current portion of balances with Banks in Deposit Accounts includes deposits under lien aggregating to ₹ 21,495 lacs (₹ 17,153 lacs) being earmarked for SLR requirements of NHB. ₹ 644 lacs (₹ 643 lacs) being margin money for bank guarantees, ₹ 19,156 lacs (₹ 25,853 lacs) being securitization comforts provided to various Trustees/ buyer, ₹ 1,225 lacs (₹ Nil) toward sinking fund requirement of debenture provided to Trustee of debentures and ₹ 4,145 lacs (₹ 4,495 lacs) under lien against Interest rate swaps.

| 20 | SHORT TERM LOANS & ADVANCES | (₹ lacs) | |
|----|--|---------------|---------------|
| | | 31.03.2016 | 31.03.2015 |
| | Secured and considered good | | |
| | Current maturities of other long term loans and advances (Refer Note 16) | 698 | 392 |
| | EMI/PEMI/other receivable (Including Interest) | 20,092 | 19,192 |
| | Unsecured, considered good | | |
| | Current maturities of other long term loans and advances (Refer Note 16) | 4 | 211 |
| | Loans and advances to related parties | 391 | 821 |
| | Inter Corporate Deposits (refer note 9 for Provision) | 1,447 | 2,323 |
| | Advances recoverable in cash or in kind (Refer Note 16) | 20,772 | 12,885 |
| | TOTAL SHORT TERM LOANS AND ADVANCES | 43,404 | 35,824 |

| 21 | OTHER NON CURRENT & CURRENT ASSETS | (₹ lacs) | | | |
|----|---|---------------------|---------------|-----------------|--------------|
| | | Non Current Portion | | Current Portion | |
| | | 31.03.2016 | 31.03.2015 | 31.03.2016 | 31.03.2015 |
| | Unsecured, considered good | | | | |
| | Non current portion of balances with banks in deposit accounts (Refer Note 19 & 21.1) | 20,222 | 19,673 | - | - |
| | Interest accrued but not due | 1,155 | 490 | 6,132 | 4,310 |
| | | 21,377 | 20,163 | 6,132 | 4,310 |

- 21.1 Non Current portion of balances with Banks in Deposit Accounts includes deposits under lien aggregating to ₹ 8,082 lacs (₹ 7,918 lacs) being securitization comforts provided to various Trustees/ buyer, ₹ 10,790 lacs (₹ 9,180 lacs) being earmarked for SLR requirements of NHB and ₹ 1,350 lacs (₹ 2,575 lacs) towards sinking fund requirement of debenture provided to Trustee of debentures.

| 22 | REVENUE FROM OPERATIONS | (₹ lacs) | |
|----|--|----------------|----------------|
| | | 31.03.2016 | 31.03.2015 |
| | Interest on Housing and Property Loans | 688,392 | 563,151 |
| | Interest on Bank Deposits | 5,926 | 6,056 |
| | Interest on Long Term Investments | 2,622 | 1,862 |
| | Other Interest | 119 | 534 |
| | Revenue from other services (Refer note 22.1) | 17,236 | 18,599 |
| | Operational treasury income (Refer note 22.2) | 16,888 | 7,694 |
| | Total Revenue from operations | 731,183 | 597,896 |

- 22.1 Revenue from other services includes

| | | |
|--|---------------|---------------|
| Loan related Services | 12,416 | 14,115 |
| Advisory Services | 4,820 | 4,484 |
| Total Revenue from other services | 17,236 | 18,599 |

Revenue from other services is net of the amount paid / payable towards Business Sourcing and related expenses ₹ 13,368 lacs (₹ 14,701 lacs)

- 22.2 Operational treasury income includes:

| | | | | | |
|-----------|---|----------|----------------|----------|----------------|
| | Net Income from mutual fund & financial / commodity derivatives | | 16,669 | | 7,416 |
| | Profit on sale of investments | | 53 | | 240 |
| | Dividend Income | | 166 | | 38 |
| | Total Operational treasury income | | 16,888 | | 7,694 |
| 23 | OTHER INCOME | | | | |
| | Rent Income | | 364 | | 146 |
| | Miscellaneous Income | | 125 | | 122 |
| | Total Other Income | | 489 | | 268 |
| 24 | INTEREST AND FINANCE COST | | | | |
| | Interest expenses | | 516,321 | | 440,426 |
| | Premium on redemption of Debentures | 39,051 | | 23,341 | |
| | Less: Securities premium utilized (Refer note 4.2) | (16,200) | 22,851 | (23,341) | - |
| | Other Borrowing Costs | | 9,831 | | 5,533 |
| | Total Interest and Finance charges | | 549,003 | | 445,959 |
| 25 | EMPLOYEES REMUNERATION AND BENEFITS | | | | |
| | Salaries and Bonus | | 21,184 | | 18,564 |
| | Contribution to Provident Fund & Other Funds | | 1,195 | | 666 |
| | Staff Welfare Expenses | | 592 | | 512 |
| | Total Employees Remuneration and benefits | | 22,971 | | 19,742 |
| 26 | ADMINISTRATIVE AND OTHER EXPENSES | | | | |
| | Rent, Rates & Taxes | | 3,013 | | 2,511 |
| | Training & Conference Expenses | | 710 | | 337 |
| | Travelling & Conveyance | | 2,701 | | 2,594 |
| | Printing & Stationery | | 488 | | 608 |
| | Advertisement and Business Promotion expenses | | 9,836 | | 7,393 |
| | Insurance | | 423 | | 342 |
| | Legal & Professional Charges | | 5,671 | | 5,424 |
| | Communication Expenses | | 1,420 | | 1,362 |
| | General Repairs & Maintenance | | 1,905 | | 2,056 |
| | Electricity | | 731 | | 652 |
| | Directors Sitting Fees | | 127 | | 125 |
| | Loss on sale of Fixed Assets (net) | | 93 | | 92 |
| | CSR Expenses * | | 703 | | 45 |
| | Office Maintenance | | 828 | | 866 |
| | Recovery Expenses | | 308 | | 90 |
| | Auditors' Remuneration (Refer Note 38) | | 237 | | 209 |
| | Bad Debts [Net of Provisions ₹ 2,146 lacs (₹ 620 lacs)] | 2,146 | | 620 | |
| | Less provision for Non Performing Assets utilized | 2,146 | - | 620 | - |
| | Miscellaneous Expenses | | 357 | | 401 |
| | Total Administrative and Other expenses | | 29,551 | | 25,107 |
| 27 | EARNING PER SHARE | | | | |
| | Net Profit Attributable to Equity Shareholders | | | | |
| | Profit after tax | | 72,920 | | 62,129 |

* Company is required to spend money on Corporate Social Responsibility (CSR) activity as per CSR Rules under the Companies Act 2013. During the year Company has spent ₹ 703 lacs (₹ 45 lacs) out of required sum of ₹ 1,519 lacs (₹ 1,158 lacs). The CSR committee is in the process of evaluating various scheme to meet the requirement of the law on the subject.

| | | |
|--|---------------|---------------|
| Net Profit attributable to equity shareholders | <u>72,920</u> | <u>62,129</u> |
| No. of Equity shares (Number) | 291,797,988 | 145,676,742 |
| Weighted Average No. of Equity Shares | 291,712,744 | 259,844,795 |
| Nominal value of Equity Shares (₹) | 10 | 10 |
| Earning Per Share (₹) # : | | |
| Basic | 25.00 | 23.91 |
| Diluted | 23.10 | 23.59 |

The Earnings Per Share (EPS) have been calculated on enhanced capital post bonus issue and accordingly EPS is adjusted for previous periods also, based on enhanced capital.

27.1 The reconciliation between the Basic and the Diluted Earning per Share is as follows:

| For Amount | | (Amount in ₹) | |
|-------------------------------------|------------|---------------|--|
| Particulars | 31.03.2016 | 31.03.2015 | |
| Basic Earning per share | 25.00 | 23.91 | |
| Effect of outstanding Stock options | (1.90) | (0.32) | |
| Diluted Earning per share | 23.10 | 23.59 | |

| For number of share | | | |
|---|-------------|-------------|--|
| Particulars | 31.03.2016 | 31.03.2015 | |
| Weighted average number of shares for Basic Earning per share | 291,712,744 | 259,844,795 | |
| Dilutive effect of outstanding Stock options | 23,999,348 | 3,472,806 | |
| Weighted average number of shares for Diluted Earning per share | 315,712,092 | 263,317,601 | |

28 LEASES

Operating Lease

The company has taken certain premises for office and residential use for its employees under cancellable and non cancellable operating lease agreements. Terms of the lease include terms for renewal, increase in rents in future periods and terms of cancellation. The total lease rent recognized as an expense during the year under the lease agreements amounts to ₹ 2,691 lacs (₹ 2,385 lacs).

Expected future minimum commitments during the non-cancellable period under the lease arrangements are as follows:

| | (₹ lacs) | |
|---|------------|------------|
| | 31.03.2016 | 31.03.2015 |
| Within one year | 503 | 453 |
| Later than one year but not later than five years | 492 | 422 |
| Later than five years | 111 | 93 |

29 Two subsidiaries of the Company were amalgamated into the company pursuant to the Scheme of amalgamation (Scheme) under Section 391 to 394 of the Companies Act, 1956 approved by the Board of directors of all the three companies and sanctioned by the Hon'ble High Court of judicature at Bombay vide its order dated 27th July, 2012 and by the Hon'ble High Court of judicature at Delhi vide its order dated 4th January,2013 which were filed with the Registrar of Companies on 31st January, 2013 being the effective date for the amalgamation scheme. In terms of the above scheme, the Assets and Liabilities of the subsidiary companies were amalgamated with DHFL at their respective fair value in the earlier years. Proportionate Fair value appreciation surplus amounting to ₹ 4,759 lacs (₹ 4,455 lacs) has been amortized out of the capital reserve in terms of the valuation report of the scheme.

30 In the opinion of the Board, the assets of the company have a value on realization in the ordinary course of business at least equal to the amount at which they are stated, net of contingency provisions.

31 Interest rate swaps:

In compliance with Asset Liability Management Policy, the company had in past entered into interest rate swaps of notional value aggregating to ₹ 9,500 lacs to hedge its interest rate risk which were designated as fair value hedges, in accordance with the generally accepted accounting principles.

The changes in the fair value of these derivatives are recorded in the income statement, together with any changes in the fair value of the underlying asset or liability that are attributable to the hedged risk. The Mark to Market (MTM) losses on these swaps recognized in past, is amortized over the period of the hedges. Accordingly, net gain in current year on hedging of interest rate swaps and write back of MTM losses amounting to ₹ 27 lacs (₹ 27 lacs) has been adjusted in "Interest and Finance charges".

32 The Company operates under the principal business segment viz. "Providing loans for construction or purchase of residential property and loans against property". Further, the Company is operating in a single geographical segment. Accordingly, disclosures relating to primary and secondary business segments under the Accounting Standard on Segment Reporting (AS-17) notified u/s 133 of the Companies Act, 2013 are not applicable to the Company.

| | | (₹ lacs) | |
|----|---|------------|------------|
| 33 | Contingent liability : | 31.03.2016 | 31.03.2015 |
| | Guarantees provided by the Company | 10,003 | 10,003 |
| | Claims against the Company not acknowledged as debts | 706 | 546 |
| | Income Tax Demand (Net of amount deposited under protest ₹ 50 lacs) | - | 480 |

33.1 Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances) is ₹ 8,422 lacs (₹ Nil)

34 Contingent Liability in respect of undertaking provided by the Company for meeting the shortfall in collection, if any, at the time of securitisation of receivables outstanding as at 31st March, 2016 amounting to ₹ 27,238 lacs (₹ 34,271 lacs) . The outflows would arise in the event of short collection, in the Cash inflows of the pool of securitised receivable.

35 Capital Work in Progress includes ₹ 54,615 lacs (₹ 79,615 lacs) paid as part consideration for acquiring office premises under construction, as per revised agreement.

36 The Company has paid dividend ₹ 2 lacs (₹ 9 lacs) and ₹ 0.48 lacs (₹ 2 lacs) as tax on distribution of dividend thereon to new shareholders on account of Final Dividend for the year 2014-15 as required under the Listing Agreement as those shares were allotted prior to record date for the dividend payment and after the date of earlier year balance sheet.

37 The managerial remuneration including perquisites, ₹ 240 lacs (₹ 171 lacs) paid to Chairman and Managing Director and ₹ 58 lacs (₹ 30 lacs) as commission to other non executive directors.

| | | (₹ lacs) | |
|----|-------------------------------------|------------|------------|
| 38 | AUDITORS REMUNERATION | 31.03.2016 | 31.03.2015 |
| | Audit Fees | 127 | 110 |
| | Tax Audit Fees | 10 | 10 |
| | Certification and Other Matters (*) | 26 | 55 |
| | Audit Fees of Branch Auditors | 53 | 54 |
| | Reimbursement of expenses | 22 | 25 |
| | | <u>238</u> | <u>254</u> |

(*) Certification and other matters includes ₹ Nil (₹ 32 lacs) paid towards fees for QIP issue and debited to Securities Premium account.

| | | (₹ lacs) | |
|-------|--------------------|------------|------------|
| 39 a) | VALUE OF IMPORTS : | 31.03.2016 | 31.03.2015 |
| | Capital Goods | - | 66 |

| | | (₹ lacs) | |
|----|----------------------------------|------------|------------|
| b) | EXPENDITURE IN FOREIGN CURRENCY: | 31.03.2016 | 31.03.2015 |
| | Foreign Travelling | 62 | 59 |
| | Membership and subscription | 317 | 165 |
| | Foreign Liaison Office Expenses | 481 | 371 |
| | Interest Payment | 6,723 | 2,664 |
| | Others | 214 | 361 |

| | | (₹ lacs) | |
|----|--|------------|------------|
| c) | FOREIGN CURRENCY OUTGO: | 31.03.2016 | 31.03.2015 |
| | Investment in Equity Shares of Pramerica Trustee Pvt. Ltd and Pramerica Asset Managers Pvt Ltd, Purchase from PGLH of Delaware, INC, USA | 2,449 | - |

| | | | |
|----|------------------------------------|-------------------|-------------------|
| D) | FOREIGN CURRENCY BORROWING: | 31.03.2016 | 31.03.2015 |
| | ECBs | 72,182 | 109,559 |

41 REMITTANCE IN FOREIGN CURRENCIES ON ACCOUNT OF DIVIDEND

The particulars of dividends payable to non-resident shareholders (including Foreign Institutional Investors) is as under, however, the Company does not have information as to the extent to which remittances, if any, has been made in foreign currencies on account of such dividend during the year on behalf of non-resident share holders.

| Interim Dividend | 31.03.2016 | | 31.03.2015 |
|---|---------------------------------------|------------------------------------|--------------------------------|
| No. of Non-Resident Shareholders / FIIs | 1,205 | 1,475 | 493 |
| No. of equity Shares held | 105,320,037 | 97,142,694 | 37,720,822 |
| Amount of Dividend Paid (₹ lacs) | 3,160 | 2,914 | 1,509 |
| Year to which dividend relates | FY 2015-16 1st Interim Dividend | FY 2015-16 2nd Interim Dividend | FY 2014-15 interim Dividend |

| Final Dividend | 31.03.2016 | 31.03.2015 |
|--|------------------------------|------------------------------|
| No. of Non-Resident Shareholders / FII's | 1,023 | 418 |
| No. of equity Shares held | 49,858,864 | 39,745,504 |
| Amount of Dividend Paid (₹ lacs) | 997 | 1,987 |
| Year to which dividend relates | FY 2014-15 Final Dividend | FY 2013-14 Final Dividend |

41 RELATED PARTY TRANSACTIONS

As per Accounting Standard (AS 18) on "Related Party Disclosures" details of transactions with related parties as defined therein are given below:

A) List of related parties with whom transactions have taken place during the year and relationship:

1) COMPANIES

(i) Subsidiaries

- a. DHFL Advisory & Investments Private Limited (w.e.f.12 Feb, 2016)

(ii) Joint Ventures

- a. DHFL Pramerica Life Insurance Company Limited
b. DHFL Pramerica Asset Managers Private Limited (w.e.f.11 Aug, 2015)
c. DHFL Pramerica Trustees Private Limited (w.e.f.11 Aug, 2015)

(iii) Associate Companies / Other related parties

Arthveda Fund Management Private Limited, Avanse Financial Services Limited, DHFL Venture Trustee Company Private Limited, DHFL Vysya Housing Finance Limited, Aadhar Housing Finance Limited, Wadhawan Global Capital Private Limited, Wadhawan Holdings Private Limited, Dish Hospitality Private Limited, WGC Management Services Private Limited, Wadhawan Sports Private Limited.

2) KEY MANAGEMENT PERSONNEL

- | | |
|-----------------------------|---------------------------------------|
| a. Mr. Kapil Wadhawan | Chairman & Managing Director |
| b. Mr. Harshil Mehta | Chief Executive Officer |
| c. Mr. Santosh Sharma | Chief Financial Officer |
| d. Mrs. Niti Arya | Company Secretary |
| e. Mr. Deo Shankar Tripathy | President and COO (upto 16 Jan, 2015) |
| f. Mr. Rakesh Makkar | President (upto 11 Aug, 2014) |

B) Details of transactions :

(₹ lacs)

| Nature of Transactions | Subsidiaries | | Joint Ventures | | Associate Companies | | Key Management Personnel | |
|---|--------------|---------|----------------|---------|---------------------|---------|--------------------------|---------|
| | 2015-16 | 2014-15 | 2015-16 | 2014-15 | 2015-16 | 2014-15 | 2015-16 | 2014-15 |
| 1) Investments | | | | | | | | |
| Investment Made | 7,501 | | 3,775 | 1,684 | - | 3,364 | - | - |
| Investment Redeemed\Sold | - | | - | - | 1,100 | 2,070 | - | - |
| 2) Advances Recoverable in cash or in kind * | | | | | | | | |
| Advance given ** | 137 | | 34,972 | 3,007 | 1,031 | 4,100 | 269 | 261 |
| Recovered | 50 | | 35,102 | 966 | 1,174 | 4,897 | 22 | 2 |
| 3) Amount Payable | | | | | | | | |
| Addition during the year | | | - | - | 154 | 7,648 | - | - |
| Payment during the year | | | - | - | 149 | 7,474 | - | - |
| 4) Income | | | | | | | | |
| Commission | | | 684 | 982 | | | | |
| Trademark License Fees | | | 3,500 | 1,750 | | | | |
| Dividend | | | - | - | 115 | 30 | - | - |
| Interest | | | 288 | - | - | 69 | 28 | 11 |
| Rent | | | 1 | - | 352 | 146 | - | - |
| Arthveda -Dream Fund and Star Fund | | | - | - | 391 | 445 | - | - |
| Other income | | | 0 | - | 118 | 83 | - | 0 |
| 5) Expenditure | | | | | | | | |
| Remuneration | | | - | - | - | - | 744 | 536 |
| Rent Expenses | | | - | - | 46 | 12 | - | - |
| Professional Fees | | | | | - | 13 | - | - |
| Brokerage and Marketing Fees | | | | | 11 | 16 | - | - |
| Retainers Charges | | | - | - | - | 6,722 | - | - |
| Interest Expenses | | | 28 | 28 | | | | |
| Insurance Charges | | | 58 | 52 | - | - | - | - |
| Dividend | | | | | 6,707 | 4,267 | - | - |
| Purchase of Investments | | | - | - | - | 200 | - | - |
| Sponsorship | | | | | 135 | | | |
| Other Expenditures | | | - | - | 86 | 73 | - | - |
| 5) Purchase of Investments | | | | | | 200 | | |
| 6) Sale/Redemption of Investments | | | | | 1,100 | 704 | | |
| 7) Loan Syndication | | | | | 185 | 155 | | |

Rs in lacs

| Details of Transactions | Subsidiaries | | Joint Ventures | | Associate Companies | | Key Management | |
|--|--------------|---------|----------------|---------|---------------------|---------|----------------|---------|
| | 2015-16 | 2014-15 | 2015-16 | 2014-15 | 2015-16 | 2014-15 | 2015-16 | 2014-15 |
| INCOME received from | | | | | | | | |
| 1) Commission | | | | | | | | |
| DHFL Pramerica Life Insurance Co Ltd | | | 684 | 982 | | | | |
| 2) Trademark License Fees | | | | | | | | |
| DHFL Pramerica Life Insurance Co Ltd | | | 3,500 | 1,750 | | | | |
| 3) Dividend | | | | | | | | |
| DHFL Vysya Housing Finance Limited | | | - | - | 115 | 26 | | |
| Arthveda Fund (Dream Fund and Star Fund) | | | - | - | - | 4 | | |
| 4) Interest | | | | | | | | |
| DHFL Pramerica Asset Managers Pvt Ltd | | | 288 | | | | | |
| Avanse Financial Services Ltd | | | - | - | - | 69 | | |
| Mr. Harshil Mehta | | | | | | | 0 | - |
| Mr. Santosh Sharma | | | | | | | 18 | 4 |
| Ms Niti Arya | | | | | | | 10 | 3 |
| Mr. Rakesh Makkar | | | | | | | - | 3 |
| 5) Rent | | | | | | | | |
| DHFL Property Services Ltd | | | - | - | - | 1 | | |

| | | | | | | | |
|---|-------|--|-------|-------|-------|-------|-----|
| DHFL Pramerica Asset Managers Pvt Ltd | | | 1 | | | | |
| Arthveda Fund Management Private Limited | | | - | - | 71 | 4 | |
| Aadhar Housing Finance Limited | | | - | - | 79 | 72 | |
| Wadhawan Global Capital Private Limited | | | | | - | 66 | |
| Avanse Financial Services Ltd | | | - | - | 3 | 3 | |
| WGC Management Services Private Limited | | | | | 198 | | |
| 6) Income from Funds | | | | | | | |
| DHFL Venture Capital Dream Fund | | | - | - | 148 | 302 | |
| Arthveda Star Fund | | | - | - | 242 | 143 | |
| 7) Other Income | | | | | | | |
| Aadhar Housing Finance Limited | | | - | - | 74 | 56 | |
| DHFL Vysya Housing Finance Limited | | | - | - | 29 | 22 | |
| Avanse Financial Services Pvt Ltd | | | - | - | 15 | 5 | |
| DHFL Pramerica Asset Managers Pvt Ltd | | | 0 | | | | |
| Mr. Santosh Sharma | | | | | | - | 0 |
| Ms Niti Arya | | | | | | - | 0 |
| 8) Sale of Fixed Assets | | | | | | | |
| Aadhar Housing Finance Limited | | | | | - | 0 | |
| 9) Sale of Investments | | | | | | | |
| Wadhawan Global Capital Private Limited | | | | | - | 704 | |
| EXPENDITURE: | | | | | | | |
| 1) Rent, Rates & Taxes | | | | | | | |
| Wadhawan Holdings Private Limited | | | | | - | 46 | 12 |
| 2) Professional Fees | | | | | | | |
| Arthveda Fund Management Private Limited | | | | | - | 13 | |
| 3) Remuneration | | | | | | | |
| Mr. Kapil Wadhawan | | | - | - | - | - | 239 |
| Mr. Harshil Mehta | | | | | | | 278 |
| Mr. Santosh Sharma | | | | | | | 87 |
| Ms. Niti Arya | | | | | | | 140 |
| Mr. Rakesh Markkar | | | - | - | - | - | - |
| Mr. Deo Shankar Tripathy | | | - | - | - | - | - |
| 4) Brokerage and Marketing Fees | | | | | | | |
| DHFL Property Services Limited | | | | | - | 1 | |
| Avanse Financial Services Ltd | | | | | 11 | 15 | |
| 5) Retainers Charges (Direct Sales Team) | | | | | | | |
| DHFL Sales and Services Limited | | | - | - | - | 6,722 | |
| 6) Dividend Paid | | | | | | | |
| Wadhawan Global Capital Private Limited | | | | | 6,707 | 4,267 | |
| 7) Purchase of Investments | | | | | | | |
| Wadhawan Consolidated Holdings Private Limited | | | | | - | 200 | |
| 8) Insurance Charges | | | | | | | |
| DHFL Pramerica Life Insurance Co Ltd | | | 58 | 52 | - | - | |
| 9) Other Expenditures | | | | | | | |
| Dish Hospitality Private Limited | | | | | - | 86 | 71 |
| Wadhawan Holding Private Limited | | | - | - | - | 2 | - |
| 10) Sponsorship | | | | | | | |
| Wadhawan Sports Private Limited | | | | | 135 | - | |
| 11) Interest Paid | | | | | | | |
| DHFL Pramerica Life Insurance Co Ltd | | | 28 | | | | |
| ASSETS \ LIABILITIES | | | | | | | |
| 1) Investments made | | | | | | | |
| Avanse Financial Services Ltd | | | - | - | - | 1,964 | |
| Arthveda Star Fund | | | - | - | - | 1,400 | |
| DHFL Pramerica Asset Managers Pvt Ltd | | | 3,770 | | | | |
| DHFL Pramerica Trustee Pvt Ltd | | | 5 | | | | |
| DHFL Pramerica Life Insurance Co Ltd | | | - | 1,684 | - | - | |
| DHFL Advisory & Investments P Ltd | 7,501 | | | | | | |
| 2) Investments sold / redeemed | | | | | | | |
| Arthveda Fund Management Private Limited | | | | | - | 586 | |
| DHFL Venture Capital Dream Fund | | | | | 1,100 | 1,484 | |

| | | | | | | | | |
|---|-----|--|--------|-------|-----|-------|-----|-----|
| 3) Inter Corporate Deposit / Loans given | | | | | | | | |
| Avanse Financial Services Ltd | | | - | - | - | 2,500 | - | - |
| DHFL Pramerica Asset Managers Pvt Ltd | | | 30,000 | | | | | |
| DHFL Advisory & Investments P Ltd | 137 | | - | - | - | - | - | - |
| Mr. Harshil Mehta | | | | | | | 25 | - |
| Mr. Santosh Sharma | | | - | - | - | - | 30 | 201 |
| Ms Niti Arya | | | - | - | - | - | 213 | 60 |
| 3) Inter Corporate Deposit / Loans Repaid | | | | | | | | |
| Avanse Financial Services Ltd | | | - | - | - | 2,500 | - | - |
| DHFL Pramerica Asset Managers Pvt Ltd | | | 30,000 | | | | | |
| DHFL Advisory & Investments P Ltd | 50 | | - | - | - | - | - | - |
| Mr. Santosh Sharma | | | | | | | 15 | |
| Ms Niti Arya | | | | | | | 7 | |
| Mr. Rakesh Makkar | | | - | - | - | - | - | 2 |
| 4) Security Deposit Received | | | | | | | | |
| Aadhar Housing Finance Limited | | | | | | 6 | | |
| CLOSING BALANCES | | | | | | | | |
| 1) Advances Recoverable from | | | | | | | | |
| DHFL Advisory & Investments P Ltd | 87 | | | | | | | |
| DHFL Property Services Limited | | | - | - | - | 174 | - | - |
| Aadhar Housing Finance Limited | | | - | - | 0 | 0 | - | - |
| DHFL Venture Capital Dream Fund | | | - | - | - | 281 | - | - |
| Arthveda Star Fund | | | - | - | 271 | 155 | | |
| DHFL Sales and Services Limited | | | - | - | - | 200 | - | - |
| DHFL Pramerica Life Insurance Co Ltd | | | 1,920 | 2,051 | - | - | - | - |
| DHFL Pramerica Asset Managers Pvt Ltd | | | 1 | | | | | |
| Arthveda Fund Management Private Limited | | | | | | 22 | | |
| Mr. Harshil Mehta | | | | | | | 25 | - |
| Mr. Santosh Sharma | | | - | - | - | - | 216 | 201 |
| Ms Niti Arya | | | - | - | - | - | 266 | 60 |
| Mr. Rakesh Makkar | | | - | - | - | - | - | 70 |
| 2) Amount Payable to | | | | | | | | |
| Aadhar Housing Finance Limited | | | - | - | 16 | 10 | - | - |
| DHFL Vysya Housing Finance Limited | | | - | - | - | 2 | - | - |
| Wadhawan Global Capital Private Limited | | | - | - | - | 0 | - | - |
| DHFL Sales and Services Limited | | | - | - | - | 206 | - | - |
| Dish Hospitality Private Limited | | | - | - | 8 | 5 | - | - |
| Wadhawan Holding Private Limited | | | - | - | 10 | 12 | - | - |
| DHFL Pramerica Life Insurance Co Ltd | | | 250 | 250 | | | | |
| 3) LOAN SYNDICATION | | | | | | | | |
| Aadhar Housing Finance Limited | | | - | - | 185 | 55 | - | - |
| DHFL Vysya Housing Finance Limited | | | - | - | - | 100 | - | - |

Notes

- 1) Related party relationship is as identified by the Company and relied upon by the Auditors.
- 2) * Advances includes amounts debited towards expenses and reimbursement of expenses and income receivable.
- 3) The figures of income and expenses are net of service tax.
- 4) The transactions with the related parties are disclosed only till the relationship exists.
- 5) The Company, in its capacity as Life Insurance Corporate Agent, has entered into an agreement with DHFL Pramerica Life Insurance Company
- 6) Refer note no 14 for closing balance of investments in related parties.
- 7) The remuneration to KMP is inclusive of salary & perquisites

42 : Retirement Benefit Plans

The Company makes contributions towards provident fund for qualifying employees to Regional Provident Fund Commissioner. Contribution to Defined Contribution Plan, recognised as expense for the year are as under :

| | (₹ Lacs) | |
|---|----------|---------|
| | 2015-16 | 2014-15 |
| Employer's Contribution to Provident Fund | 583 | 509 |
| Employer's Contribution to Pension Fund | 306 | 217 |

As required under Accounting Standard 15 [AS-15 Revised, 2005] the Company has made full provision for future gratuity liability & leave encashment liability payable at the time of retirement as on 31st March, 2015. On the basis of Gratuity and GLES report under Accounting Standard 15 [AS-15 Revised, 2005] provided by Independent Actuary, the Company has made necessary full contribution to life insurance companies including LIC of India of its own liabilities.

The details of post retirement benefits for the employees (including Key Management Personnel) as mentioned hereunder are based on the above report as provided by Independent Actuary as mentioned above and relied upon by the auditors :

| | (₹ Lacs) | | | |
|--|-------------------|--------------|---------------------------|--------------|
| | Gratuity (Funded) | | Leave Encashment (Funded) | |
| | 2015-16 | 2014-15 | 2015-16 | 2014-15 |
| A. Change in the Defined Benefit Obligations: | | | | |
| Liability at the beginning of the year | 815 | 926 | 1,378 | 862 |
| Amalgamation Adjustments | 0 | 0 | 0 | 0 |
| Current Service Cost | 173 | 305 | 137 | 129 |
| Interest Cost | 65 | 83 | 110 | 78 |
| Benefits Paid | -137 | -154 | -478 | -443 |
| Actuarial Loss/ (Gain) | 72 | -345 | 539 | 752 |
| Liability at the end of the year | 988 | 815 | 1,685 | 1,378 |
| B. Fair Value of Plan Assets : | | | | |
| Fair Value of Plan Assets at the beginning of the year | 1,128 | 928 | 1,299 | 1,007 |
| Amalgamation Adjustments | 0 | 0 | 0 | 0 |
| Expected Return on Plan Assets | 90 | 84 | 103 | 91 |
| Contributions | 287 | 170 | 544 | 615 |
| Benefits Paid | -99 | -124 | -365 | -339 |
| Actuarial Loss/ (Gain) | 10 | 70 | -1 | -75 |
| Fair Value of Plan Assets at the end of the year | 1,415 | 1,128 | 1,578 | 1,299 |
| C. Actual Return on Plan Assets : | 100 | 153 | 102 | 16 |
| D. Amount Recognised in the Balance Sheet: | | | | |
| Liability at the end of the year | 988 | 815 | 1,685 | 1,378 |
| Fair Value of Plan Assets at the end of the year | 1,415 | 1,128 | 1,578 | 1,298 |
| Net Asset / (Liability) recognized in the Balance Sheet | 427 | 313 | -107 | -80 |
| E. Expense Recognised in the Profit and Loss Account: | | | | |
| Current Service Cost | 173 | 305 | 137 | 129 |
| Interest Cost | 65 | 83 | 110 | 78 |
| Expected Return on Plan Assets | -90 | -84 | -103 | -91 |
| Net Actuarial Loss/(Gain) | 62 | -415 | 540 | 828 |
| Expense recognised in the Profit & Loss Account under Employees Remuneration & Benefits | 211 | -110 | 684 | 944 |
| F. Reconciliation of the Liability at the end of the year | | | | |
| Opening Net Liability | -313 | -2 | 80 | -144 |
| Expense Recognised | 211 | -110 | 684 | 944 |
| Benefits Paid | 325 | 200 | 657 | 719 |
| Liability at the end of the year | -427 | -313 | 107 | 80 |
| G. Actuarial Assumptions | | | | |
| Mortality Table (LIC) | 2006-08 | 2006-08 | 2006-08 | 2006-08 |
| Discount Rate (P. A.) | 8.01% | 7.96% | 8.01% | 7.96% |
| Rate of Escalation in Salary (P.A.) | 5.00% | 5.00% | 5.00% | 5.00% |

The estimates of rate of escalation in salary considered in the above report, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

| Particulars | (₹ Lacs) | | | | |
|---|----------|---------|---------|---------|---------|
| | 2015-16 | 2014-15 | 2013-14 | 2012-13 | 2011-12 |
| Amount Recognised in the Balance Sheet: | 427 | 313 | -2 | -103 | 115 |
| Liability at the end of the year | 988 | 815 | 926 | 645 | 401 |
| Fair Value of Plan Assets at the end of the year | 1,415 | 1,128 | 928 | 749 | 516 |
| Amount recognised in the Balance Sheet under | | | | | |
| Long-term Provision for Employee Benefit | - | - | - | - | - |
| Short-term Provision for Employee Benefits | 427 | 313 | -2 | -103 | 115 |
| Experience Adjustment : | | | | | |
| On Plan Liabilities | 78 | -345 | 487 | - | - |
| On Plan Assets | 10 | 70 | 263 | - | - |
| Estimated Contribution for next year | - | - | 38 | 41 | - |

43 In respect of jointly controlled entity, the Company's share of Assets, Liabilities, Income & Expenses are as follows:

(₹ lacs)

| Name of the Entity | DHFL Pramerica Life Insurance Co Ltd | | DHFL Pramerica Asset Managers Pvt Ltd * | | DHFL Pramerica Trustees Pvt Ltd * | |
|------------------------|---------------------------------------|---------------------------------------|---|---------------------------------------|---------------------------------------|---------------------------------------|
| Interest in the Entity | 50% | | 50% | | 50% | |
| Particulars | As at 31st March 2016 (Audited) | As at 31st March 2015 (Audited) | As at 31st March 2016 (Audited) | As at 31st March 2015 (Audited) | As at 31st March 2016 (Audited) | As at 31st March 2015 (Audited) |
| I) Assets | 113,884 | 87,361 | 33,779 | - | 15 | - |
| II) Liabilities | 113,884 | 87,361 | 33,779 | - | 15 | - |
| III) Income | 52,816 | 44,070 | 1,163 | - | 14 | - |
| IV) Expenses | 49,898 | 41,777 | 2,125 | - | 10 | - |

* Acquired w.e.f. 11 August, 2015

44 As required by the revised guidelines dated 11th October, 2010 by NHB, read with additional requirement/guidelines with reference to the interpretation of various

I Capital to Risk Assets Ratio (CRAR):

| Items | As at 31.03.2016 | As at 31.03.2015 |
|-----------------------------|------------------|------------------|
| i) CRAR (%) | 16.74% | 16.56% |
| ii) CRAR - Tier I Capital | 12.97% | 12.53% |
| iii) CRAR - Tier II Capital | 3.77% | 4.04% |

II Exposure to Real Estate Sector:

| Category | As at | |
|--|------------|------------|
| | 31.03.2016 | 31.03.2015 |
| a) Direct Exposure | | |
| Residential Mortgages - | | |
| Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented | 5,766,630 | 4,933,935 |
| Individual Housing loans upto ₹ 15 lacs (Included In above) | 2,264,658 | 1,575,514 |
| (ii) Commercial Real Estate - | | |
| Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial | 410,870 | 170,030 |
| (iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures - | | |
| a. Residential | 8,073 | 21,939 |
| b. Commercial Real Estate | Nil | Nil |
| b) Indirect Exposure | | |
| Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs) | Nil | Nil |

In computing the above information, certain estimates, assumptions and adjustment have been made by the Management which have been relied upon by the

III Asset Liability Management:

Maturity pattern of certain items of assets and liabilities

| | Liabilities | | Assets | | |
|-----------------------------------|-----------------------|-------------------|---------------------------|---------------|-----------------------|
| | Borrowings from Banks | Market Borrowings | Housing & Property Loan * | Investments | Liquid Current Assets |
| 1 day to 14 days | 6,998 | 22,000 | - | 16,914 | 295,132 |
| 14 days to 30-31 days (one month) | 190,800 | 31,423 | 26,446 | - | 1,500 |
| Over one month to 2 months | 24,675 | 285,376 | 27,472 | - | 1,198 |
| Over 2 months upto 3 months | 76,848 | 278,663 | 26,991 | - | 4,145 |
| Over 3 months to 6 months | 134,299 | 96,790 | 81,442 | - | 9,587 |
| Over 6 months to 1 year | 252,002 | 198,543 | 172,524 | 3,703 | 29,271 |
| Over 1 year to 3 years | 1,031,658 | 619,077 | 698,673 | 7,641 | 20,222 |
| Over 3 to 5 years | 954,085 | 541,199 | 794,868 | - | - |
| Over 5 to 7 years | 591,101 | 150,638 | 795,699 | - | - |
| Over 7 to 10 years | 322,605 | 276,903 | 1,105,772 | 39,886 | - |
| Over 10 years | 3,912 | 20,770 | 2,447,615 | 21,176 | - |
| Unpaid EMI/PEMI on Housing Loan | - | - | - | - | - |
| Total | 3,588,984 | 2,521,383 | 6,177,501 | 89,320 | 361,056 |

* without considering prepayment of Loans given

| | Liabilities | | Assets | | |
|-----------------------------------|-----------------------|-------------------|---------------------------|----------------|-----------------------|
| | Borrowings from Banks | Market Borrowings | Housing & Property Loan * | Investments | Liquid Current Assets |
| 1 day to 14 days | - | - | - | 39,569 | 13,671 |
| 14 days to 30-31 days (one month) | 14,025 | 100,367 | 18,727 | - | - |
| Over one month to 2 months | 26,582 | 211,077 | 18,897 | - | - |
| Over 2 months upto 3 months | 46,470 | 102,052 | 19,057 | - | 1,500 |
| Over 3 months to 6 months | 137,840 | 64,959 | 58,028 | - | - |
| Over 6 months to 1 year | 246,528 | 245,658 | 119,788 | - | 52,473 |
| Over 1 year to 3 years | 1,000,251 | 388,800 | 506,360 | 4,371 | 19,673 |
| Over 3 to 5 years | 764,251 | 290,077 | 567,996 | - | - |
| Over 5 to 7 years | 580,307 | 193,604 | 537,575 | - | - |
| Over 7 to 10 years | 326,304 | 126,423 | 827,228 | 25,935 | - |
| Over 10 years | 5,730 | 20,770 | 2,430,310 | 30,748 | - |
| Unpaid EMI/PEMI on Housing Loan | - | - | - | - | - |
| Total | 3,148,289 | 1,743,787 | 5,103,965 | 100,623 | 87,317 |

* without considering prepayment of Loans given

In computing the above information, certain estimates, assumptions and adjustment have been made by the Management which have been relied upon by the Auditors.

45

Figures for the previous year have been regrouped, rearranged and reclassified wherever necessary. Figures in brackets represent previous year's figures.

DEWAN HOUSING FINANCE CORPORATION LIMITED

Notes forming part of the financial statement for the year ended 31st March, 2014.

1 CORPORATE INFORMATION

Dewan Housing Finance Corporation Limited ('DHFL'), 'the Company' was incorporated in India on 11th April, 1984 and has been carrying on, as its main business of providing loans to Retail customers for construction or purchase of residential property and loans against property. The company is registered with National Housing Bank (NHB) under section 29A of the National Housing Bank Act, 1987. DHFL has its registered office in Mumbai and has 162 branches, 92 service centers, 19 camp locations, 20 Zonal / Regional office, 2 Disbursement Hub and 2 Collection centers in India and 2 representative offices in UAE and UK.

2 SIGNIFICANT ACCOUNTING POLICIES:

2.1 Basis of preparation of financial statements :

- a) The financial statements have been prepared under the historical cost convention on accrual basis, except pertaining to amalgamation accounting in the previous year, in accordance with the generally accepted accounting principles, provisions of the Companies Act, 1956, Housing Finance Companies, (NHB) Directions, 2010, The National Housing Bank Act 1987 and Accounting Standards (AS) notified u/s 211(3C) of the Companies Act, 1956 read with general circular 15/2013 dated 13th September, 2013, issued by the ministry of the corporate affairs, in respect of sec 133 of Companies Act 2013.
- b) Accounting policies not specifically referred to otherwise are consistent with the generally accepted accounting principles followed by the Company.
- c) The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Management believes that the estimates used in preparation of the financial statement are prudent and reasonable. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.
- d) Based on the nature of its activities, the Company has determined its operating cycle as 12 months for the purpose of classification of its Assets and Liabilities as current and non current.
- e) Amounts in the financial statements are presented in ₹ lacs, except for per share data and as otherwise stated. All exact amounts are stated with suffix "/-".

2.2 Revenue Recognition

a) Interest on housing loans :

Repayment of housing loans is by way of Equated Monthly Instalments (EMI) comprising principal and interest. Interest is calculated each year on the outstanding balance at the beginning of the Company's financial year or on monthly reducing balance in terms of financing scheme opted by the borrower. EMI commences once the entire loan is disbursed. Pending commencement of EMI, pre-EMI monthly interest is payable.

Interest on performing assets is recognized on accrual basis and on non-performing assets on realisation basis as per the guidelines prescribed by the National Housing Bank. The interest income (payment) is adjusted for gain (loss) on corresponding hedge contracts / interest swap derivatives, wherever executed.

- b) Dividend income on investments, processing fees and penal interest income on delayed EMI/PEMI are recognised on receipt basis.
- c) Income from services and interest bearing investment is recognised on accrual basis.

2.3 Interest & Other related Financial Charges :

Interest accrued on cumulative fixed deposits and payable at the time of maturity is clubbed with the principal amount on the date of periodical rest when interest is credited in Fixed Deposit account in accordance with the particular deposit scheme. Interest and other related financial charges are recognized as an expense in the period for which they relate as specified in Accounting Standard (AS 16) on "Borrowing Costs".

2.4 Foreign Exchange Transactions :

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of transactions. Transactions remaining unsettled are translated at the exchange rates prevailing on the date of the Balance Sheet. Any gain or losses on account of exchange differences either on settlement or on translation are recognized in the Profit and Loss Account.

In respect of Forward Exchange Contracts the premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Exchange differences on such contracts on reporting dates are recognized in the Statement of Profit and Loss. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as an expense in that year.

- 2.5 Provision for Contingencies :**
Provision for Contingencies has been made for diminution in investment value and on standard as well as on non-performing housing loans and other property loans as per the Prudential Norms prescribed by the National Housing Bank. The Company also makes certain additional provision to meet unforeseen contingencies.
- 2.6 Investments :**
In accordance with Accounting Standard (AS 13) on "Accounting for Investments" and the guidelines issued by the National Housing Bank, Investments are either classified as current or long term based on management's intention at the time of purchase. On initial recognition, all investments are measured at cost. The cost comprises of purchase price and directly attributable acquisition charges such as brokerage, fees and stamp duty.

Long term investments are carried at cost less provision for diminution, other than temporary, in the value of investments. Current investments are stated at lower of cost and fair value.
- 2.7 Tangible Fixed Assets :**
Fixed Assets are stated at cost less accumulated depreciation and impaired losses, if any. All directly attributable costs including borrowing cost, net of cenvat credit, till the asset is put to use is shown as capital work in progress and is capitalised thereafter. Depreciation on fixed assets is provided on straight-line method at the rates prescribed under Schedule XIV to the Companies Act, 1956. Assets held under finance leases are depreciated over the estimated useful life of the asset or the lease term whichever is lesser.
- 2.8 Intangible Assets :**
Intangible assets including software are capitalized where it is expected to provide future enduring economic benefits. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortised over the estimated useful life of the asset.
- 2.9 Impairment of Assets :**
An asset is treated as impaired when it is unusable and the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit & Loss in the year in which an asset is identified as impaired. The impairment loss recognised in earlier accounting periods is reversed if there has been a change in the estimate of recoverable amount as specified in Accounting Standard (AS 28) on "Impairment of Assets".
- 2.10 Leases:**
Operating Leases
Lease rentals in respect of assets taken on "Operating Leases" are charged to the Statement of Profit and Loss account on straight line basis over the lease term.

Finance Leases
Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease and are accordingly disclosed. The capital element of the leasing commitments is shown as Secured liabilities. Lease payments are apportioned between the finance charges and reduction of the corresponding liability based on the implicit rate of return.
- 2.11 Statutory / Special Reserve :**
The Company creates Statutory / Special Reserve every year out of its profits in terms of Sec 36(1) (viii) of the Income Tax Act, 1961 read with Sec 29C of the National Housing Bank Act, 1987.
- 2.12 Prepaid Expenses :**
Financial Expenses incurred during the year which provide benefit in several accounting years and brokerage paid on long term fixed deposits has been treated as revenue expense only for the period relating to the current year and balance is treated as prepaid expenses to be adjusted on pro-rata time basis in the future accounting years.
- 2.13 Employees Retirement Benefits :**
- a) Company's contribution in respect of Employees' Provident Fund is made to Government provident fund and is charged to the Statement of Profit & Loss.
 - b) Gratuity Fund Scheme is considered as defined benefit plans. The Company's liability is determined on the basis of an actuarial valuation using the projected credit unit method as at Balance Sheet date. Actuarial Gains / Losses are recognized immediately in the Statement of Profit & Loss in the year on which they arise.
 - c) Leave Encashment for both short term and long term are accounted for on actuarial valuation at the year end using the projected credit unit method. Actuarial Gains / Losses are recognized immediately in the Statement of Profit & Loss in the year on which they arise.

2.14 Earnings per share :

The Basic earning per share and diluted earning per share have been computed in accordance with Accounting Standard (AS-20) on, "Earnings Per Share" and is also shown in the Statement of Profit and Loss.

2.15 Accounting for Taxes :

Income tax provision based on the present tax laws in respect of taxable income for the year and the deferred tax is treated in the accounts based on the Accounting Standard (AS-22) on "Accounting for Taxes on Income". The Deferred tax assets and liabilities for the year, arising out of timing difference, are reflected in the Statement of Profit and Loss. The cumulative effect thereof is shown in the Balance Sheet. The Deferred Tax Assets, if any, are recognised only to the extent that there is reasonable certainty that the assets will be realized in future. However if there are carried forward loss / depreciation then the deferred tax if any, are recognised only to the extent that there is virtual certainty that the assets will be realized in future.

2.16 Provisions, Contingent Liability and Contingent Assets:

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements.

2.17 Housing and Other Property Loans :

Housing Loans include outstanding amount of Housing Loans and other Property Loans disbursed directly or indirectly to individual and other borrowers. Other Property loans include mortgage loan, non residential property loan, plot loan for self construction where construction has not began in last three years and loan against the lease rental income from properties in accordance with directions of National Housing Bank (NHB). EMI and instalments due from borrowers against the housing loans receivable for less than three months, are treated as trade receivables and are shown as current assets.

2.18 Securitised Assets :

Securitised and Assigned Assets are derecognised in the books of the Company based on the principle of transfer of ownership interest over the assets. De-recognition of such assets and recognition of gain or loss arising on such securitisation is based on the Guidance Note on Accounting for Securitisation issued by the Institute of Chartered Accountants of India.

| | | (₹ in Lacs) |
|----------|--|---------------|
| | | 31.03.2014 |
| 3 | SHARE CAPITAL | |
| | Authorised | |
| | 748,000,000 equity shares of ₹10/- each | 74,800 |
| | 75,000,000 Redeemable, non convertible preference shares of ₹10/- each | 7,500 |
| | 500,000 Redeemable, non convertible preference shares of ₹100/- each | 500 |
| | | 82,800 |
| | Issued, Subscribed and Paid up | |
| | 128,420,240 equity shares of ₹10/- each fully paid | 12,842 |
| | | 12,842 |

3.1 The Company has, at present, one class of issued, subscribed and paid up share referred to as equity shares having a par value of ₹ 10/- each. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

3.2 The reconciliation of the number of shares outstanding and the amount of share capital as at the beginning and at the end of the reporting period:

| Particulars | As at 31.03.2014 | |
|------------------------------------|------------------|---------------|
| | No. of shares | Amount (lacs) |
| Equity shares at the beginning | 128,218,709 | 12,822 |
| Add: Shares issued on Amalgamation | - | - |
| Add: Shares issued under ESOS | 201,531 | 20 |
| Equity shares at the end | 128,420,240 | 12,842 |

3.3 Details of shareholders holding more than five percent equity shares in the Company are as under:

| Particulars | As at 31.03.2014 | |
|-----------------------------------|------------------|-----------|
| | No. of shares | % holding |
| Kapil Wadhawan | 900,000 | 0.70 |
| Dheeraj Wadhawan | 900,000 | 0.70 |
| Aruna Wadhawan | 1,200,000 | 0.93 |
| Wadhawan Housing Private Limited | 47,409,822 | 36.92 |
| Wadhawan Holdings Private Limited | - | - |
| Caledonia Investments PLC | 11,421,570 | 8.89 |

3.4 Details of aggregate number of shares issued for consideration other than cash during the period of five years:

Company has allotted 1,08,86,375 No of Equity Shares as fully paid up for consideration other than cash as per the Scheme of Amalgamation during the financial year 2012 - 13.

3.5 Employee Stock Option Plans:

- a. Employee Stock Option Scheme 2008 (ESOS-2008) was implemented by the Company. 14,22,590 equity share options were granted under 'ESOS-2008' in 2008-09 to the employees as approved by the remuneration and compensation committee of directors of the Company at ₹ 53.65 per share, the reconsidered price approved in the EOGM dated 31st March, 2009.

During the year, the Company has allotted, from time to time, 81,458 number of equity shares of ₹ 10/- each to various eligible employees under 'ESOS 2008' at the price of ₹ 53.65 per equity share (including a premium of ₹ 43.65 per equity share) aggregating to ₹ 8 lacs as approved in the AGM dated 23rd July, 2007 and allotted at the reconsidered price approved in the EOGM dated 31st March, 2009.

- b. Employee Stock Option Scheme 2009 (ESOS-2009) was implemented by the Company. 12,75,000 equity share options were granted under 'ESOS-2009, Plan I' in 2009-10 and additional 12,34,670 equity share options were approved to be granted under 'ESOS-2009, Plan II' in 2010-11 to the employees by the remuneration and compensation committee of directors of the Company at ₹ 141/- per share, the price approved in the remuneration and compensation committee meeting held on 25th November, 2009.

During the year, the Company has allotted, from time to time, 120,073 number of equity shares of ₹ 10/- each to various eligible employees under 'ESOS 2009' at the price of ₹141/- per equity share (including a premium of ₹ 131/- per equity share) aggregating to ₹ 12 lacs as approved in the AGM dated 23rd July, 2007.

Movement in options under (ESOS-2008) and (ESOS-2009).

| Particulars | ESOS-2008 | ESOS-2009 | |
|--|-----------|-----------|-----------|
| | | Plan I | Plan II |
| Options granted under the schemes | 1,422,590 | 1,275,000 | 1,234,670 |
| Options exercised upto 31st March, 2014 | 1,072,084 | 797,607 | - |
| Options lapsed upto 31st March, 2014 | 251,130 | 237,723 | 277,520 |
| Options outstanding at the end of the year | 99,376 | 239,670 | 957,150 |
| Options unvested at the end of the year | - | - | 493,868 |
| Options exercisable at the end of the year | 99,376 | 239,670 | 463,282 |

(₹ lacs)

4

RESERVES & SURPLUS

Capital Reserve

| | 31.03.2014 | |
|--|------------|--------|
| Balance as per last Balance Sheet | 20,937 | |
| Addition on Amalgamation | - | |
| | 20,937 | |
| Less: utilised during the year (refer Note 28 below) | 4,162 | 16,775 |

| | | |
|--|----------------|-----------------------|
| Capital Redemption Reserve | | |
| Balance as per last Balance Sheet | | 775 |
| Securities Premium | | |
| Balance as per last Balance Sheet | 149,830 | |
| Add : Addition during the year | 246 | |
| Addition on Amalgamation | - | |
| | <u>150,076</u> | |
| Less : Utilised during the year [net of tax of ₹ 773 lacs] (refer Note 4.2 below) | <u>3,470</u> | 146,606 |
| Employees Share Options Outstanding | | |
| Balance as per last Balance Sheet | 1,355 | |
| Add : Transferred from Statement of Profit & Loss | <u>273</u> | 1,628 |
| General Reserve | | |
| Balance as per last Balance Sheet | 53,363 | |
| Add : Transferred from Statement of Profit & Loss | 20,000 | |
| Addition on Amalgamation | - | |
| | <u>73,363</u> | 73,363 |
| Statutory Reserve (Special Reserve) | | |
| [In terms of Section 36(1)(viii) of the Income Tax Act, 1961 read with Section 29C of the National Housing Bank Act, 1987] (Refer note 4.3 below) | | |
| Balance as per last Balance Sheet | 48,399 | |
| Add: Transferred from Statement of Profit & Loss | 16,000 | |
| Addition on Amalgamation | - | |
| | <u>64,399</u> | 64,399 |
| Surplus in Statement of Profit and Loss: | | |
| As per last Balance Sheet | 36,228 | |
| Addition on Amalgamation | - | |
| Add : Profit for the year | <u>52,900</u> | |
| | 89,128 | |
| Less : Appropriations : | | |
| General Reserve | 20,000 | |
| Statutory Reserve | 16,000 | |
| Interim Equity Dividend | 3,850 | |
| Proposed Equity Dividend | 2,569 | |
| Proposed 30th Anniversary | | |
| Special Equity Dividend | 3,853 | |
| Dividend for earlier year | 3 | |
| Dividend Distribution Tax | <u>1,745</u> | |
| | 48,020 | |
| Surplus closing balance | | 41,108 |
| TOTAL RESERVES & SURPLUS | | <u>344,654</u> |

- 4.1 During the year, the company has paid an interim dividend on equity shares @ ₹ 3/- per share. The Board of Directors, has further recommended dividend to be paid out of current year profits @ ₹ 2/- per equity share to the equity shareholders as final dividend along with additional special 30th Anniversary celebration dividend @ ₹ 3/- per equity share, aggregating to ₹ 8/- per equity share for the year 2013-14.
- 4.2 In accordance with Section 78 of the Companies Act, 1956, during the year the company has utilized Securities Premium Account towards amortization of securities issue expenses and premium on redemption of Zero Coupon Secured Redeemable Non-Convertible Debentures amounting to ₹ 3,471 lacs , net of tax of ₹ 773 lacs.

4.3 Statement for Disclosure on Statutory / Special Reserves, as prescribed by NHB vide its circular no NHB(ND)/DRS/Pol. Circular.61/2013-14, dated: 7th April, 2014

| | | (₹ lacs) |
|---|--|-------------------|
| Particulars | | 31.03.2014 |
| Balance at the beginning of the year | | |
| a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987 | | 12,135 |
| b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under, Section 29C of the NHB Act, 1987 | | 36,264 |
| c) Total | | 48,399 |
| Addition during the year | | |
| Add: a) Amount transferred u/s 29C of the NHB Act, 1987 | | 3,289 |
| b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under Section 29C of the NHB Act, 1987 | | 12,711 |
| c) Total | | 16,000 |
| Balance at the end of the year | | |
| a) Statutory Reserve u/s 29C of the National Housing Bank Act, 1987 | | 15,423 |
| b) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of Statutory Reserve under, Section 29C of the NHB Act, 1987 | | 48,975 |
| c) Total | | 64,399 |

| | | Non Current Portion 31.03.2014 | (₹ lacs) Current Portion 31.03.2014 |
|---|---|-----------------------------------|---|
| 5 | LONG TERM BORROWINGS | | |
| | Secured | | |
| | Non-Convertible Debentures | 443,656 | 47,233 |
| | <i>Term Loan from Banks</i> | 2,307,143 | 359,774 |
| | <i>Loan from Others</i> | | |
| | From National Housing Bank | 160,009 | 37,957 |
| | From Financial Institutions | 41,959 | 1,291 |
| | Finance Lease Obligation | - | - |
| | Total Secured long term borrowings | 2,952,767 | 446,255 |
| | Unsecured | | |
| | Non-Convertible Debentures (perpetual) | 18,570 | - |
| | Non-Convertible Debentures (Subordinated issue) | 119,150 | - |
| | Deposit | | |
| | Fixed Deposit (including Cumulative) | 136,995 | 108,268 |
| | Other Deposits | 836 | 298 |
| | Other Borrowings | 1,230 | 1,883 |
| | Total Unsecured long term borrowings | 276,781 | 110,449 |
| | TOTAL LONG TERM BORROWINGS | 3,229,548 | 556,704 |
| | Current Portion of above liability is disclosed under the head "other current liabilities". (Refer Note 11) | - | (556,704) |
| | Net Amount | 3,229,548 | - |

5.1 Non Convertible Debentures (NCD) (current and non current portion) amounting to ₹ 490,889 lacs are secured by way of first charge read with Note 5.2 herein below and are redeemable at par, in one or more instalments, on various dates, as below.

Secured NCDs also include amount outstanding for Zero Coupon Secured Redeemable Non-Convertible Debentures (ZCD) aggregating to ₹ 29,862 lacs, which are redeemable at premium on maturity. The accumulated premium payable on outstanding ZCD accrued till 31st March, 2014 amounting to ₹ 2,662 lacs is included above and has been provided out of the Securities Premium Account (refer Note 4.2).

| Particulars | (₹ In Lacs) | | | | Grand Total |
|---|--------------|------------|------------|----------|-------------|
| | Up to 1 Year | >1-3 Years | >3-5 Years | >5 Years | |
| Secured | | | | | |
| Bank | | | | | |
| Linked with Base Rate of respective banks | 359,774 | 883,362 | 631,402 | 792,380 | 2,666,919 |
| % | | | | | |
| Loan from FIIs | | | | | |
| 9-11 | 1,258 | 67 | 33 | | 1,358 |
| 11-12.60 | 33 | 7,638 | 15,209 | 19,011 | 41,892 |
| F I I Total | 1,291 | 7,705 | 15,242 | 19,011 | 43,250 |
| Loan from NHB | | | | | |
| 7-9 | 33,124 | 73,199 | 37,403 | 19,186 | 162,912 |
| 9-11 | 4,834 | 10,915 | 7,273 | 12,032 | 35,054 |
| N H B Total | 37,957 | 84,114 | 44,676 | 31,218 | 197,966 |
| NCD | | | | | |
| 5-7 | | 25,000 | | 25,000 | 50,000 |
| 9-11.60 | 47,233 | 107,637 | 14,327 | 243,930 | 413,127 |
| NCD Total | 47,233 | 132,637 | 14,327 | 268,930 | 463,127 |
| NCD - ZCB | | | | | |
| 9-11 | | 26,213 | 1,548 | | 27,762 |
| NCD - ZCB Total | | 26,213 | 1,548 | | 27,762 |
| UN-Secured | | | | | |
| C Paper | | | | | |
| 9.80-10.85 | 147,000 | | | | 147,000 |
| C Paper Total | 147,000 | | | | 147,000 |
| Perpetual Debt | | | | | |
| 12.00 -12.75 | | | | 18,570 | 18,570 |
| Perpetual Debt Total | | | | 18,570 | 18,570 |
| Sub - Debt | | | | | |
| 9-11.50 | | 8,470 | 28,780 | 81,900 | 119,150 |
| Sub - Debt Total | | 8,470 | 28,780 | 81,900 | 119,150 |

5.2 All Secured loans (Current and Non Current portion), from the National Housing Bank, other Banks, Asian Development Bank, Financial Institutions and Secured Non Convertible Debentures / ZCD are secured by way of first charge to and in favour of participating banks, Institutions, National Housing Bank and Debenture Trustees jointly ranking pari passu (read with Note 9.1), inter-se, on the Company's whole of the present and future book debts outstanding, investments including all the receivables of the Company and other movable assets, wherever situated, excluding SLR assets, read with Note 5.3 & 5.4 hereinafter. They are further secured on pari passu basis by constructive delivery of various title deeds of certain immovable properties of the Company, to Union Bank of India, acting for itself and as an agent of other participating lenders and Debenture trustees, and are also guaranteed by the promoter directors of the Company.

- 5.3 During the year Company has availed ECB of USD 70 millions from IFC Washington for a period of 8 years. The principal amount has been hedged to protect the foreign currency risk and converted into rupee liability of ₹ 41,825 lacs and reflected as Loan from Financial Institutions.
- 5.4 The National Housing Bank directives require all HFC's accepting public deposits to create a floating charge on the statutory liquid assets maintained in favour of depositors through the mechanism of a trust deed. The Company has accordingly appointed a SEBI approved trustee Company as trustee for the above by executing the trust deed.
- 5.5 Unsecured Redeemable Non Convertible Subordinated Debentures aggregating to ₹ 119,150 lacs, outstanding as at 31st March, 2014, are subordinated to present and future senior indebtedness of the company. It qualifies as Tier II capital in accordance with National Housing Bank (NHB) guidelines for assessing capital adequacy based on balance term to maturity. These debentures are redeemable at par on maturity on various dates read with note no 5.1.
- 5.6 Fixed Deposits and Other Deposits, including short term fixed deposits and short term other deposits, are repayable as per individual contracted maturities ranging from 12 to 84 months from the date of deposit. The interest is payable on contracted terms depending upon the scheme opted by the depositor.
- 5.7 Department of Company Affairs with reference to the General Circular no. 4/2003 dated 16.01.2003, has clarified that, Housing Finance Companies registered with National Housing Bank are exempted from the requirement of creating Debenture Redemption Reserve (DRR) in case of privately placed debentures. Since the Debenture issues of the Company till date are through private placement, as such no DRR has been created.

| | | | |
|---|--|----------------------------|-----------------------------|
| | | (₹ lacs) | |
| | | 31.03.2014 | |
| 6 | DEFERRED TAX LIABILITIES / (ASSETS) NET | | |
| | Deferred Tax Asset | | |
| | On account of provision for contingency & employee benefits | (6,721) | |
| | Deferred Tax Liability | | |
| | On difference between book balance and tax balance of other assets | 6,836 | |
| | NET DEFERRED TAX LIABILITY / (ASSET) | 115 | |
| | | (₹ lacs) | |
| | | 31.03.2014 | |
| 7 | OTHER LONG TERM LIABILITIES | | |
| | Advance from customers | 53 | |
| | Others | 98 | |
| | Total Other Long Term Liabilities | 151 | |
| 8 | PROVISIONS | Long Term Provision | (₹ lacs) |
| | | 31.03.2014 | Short Term Provision |
| | | | 31.03.2014 |
| | Provision for Contingencies | | |
| | Against Standard Assets: | | |
| | As per last Balance sheet | 17,931 | |
| | Addition on Amalgamation | - | |
| | Add : Provision during the year | 3,639 | |
| | Net provision on standard loan portfolio | 21,570 | - |
| | Against NPA: | | |
| | As per last Balance sheet | 8,336 | |
| | Addition on Amalgamation | - | |
| | Add : Provision during the year | 2,784 | |
| | Less : Utilised During the year | 355 | |
| | Net provision on NPA loan portfolio | 10,765 | - |

| | | |
|---|---------------|--------------|
| Against Investment: | | |
| As per last Balance sheet | 130 | |
| Add : Provision (withdrawal) during the | (130) | |
| Less : Utilised During the year | - | |
| | - | |
| Less : Transfer to Provision for diminution in the value of investment | - | |
| | - | |
| Against ICDS: | | |
| As per last Balance sheet | - | |
| Provision during the year | 605 | |
| Transfer from Other Provision/Liability | - | |
| Net provision on Other Assets | 605 | |
| Against Other Assets: | | |
| As per last Balance sheet | - | |
| Provision during the year | 102 | |
| Transfer from Other Provision/Liability | 93 | |
| Net provision on Other Assets | 195 | |
| Total Provision for Contingencies (A+B+C) | 33,135 | - |
| Provision for Proposed Dividend | - | 6,422 |
| Provision for Dividend Distribution Tax | - | 1,091 |
| Provision for Income Tax (net of advance tax) (Refer note 29 & 32) | - | - |
| Other Provisions | - | - |
| TOTAL PROVISIONS | 33,135 | 7,513 |

8.1 The Company has written off ₹ 355 lacs as bad debts and by way of one time settlement to recover some of its NPA and Loss Accounts. The Company has withdrawn ₹ 355 lacs from contingency provisions created out of profits of earlier years.

8.2 Details of Housing and Property Loans and Contingency Provisions

Housing and property loans and provision in respect thereof on account of standard, sub standard, doubtful and loss assets are recorded in accordance with the guidelines on prudential norms as specified by National Housing Bank and its circular NHB.HFC. DIR-3/CMD/2011 dated August 5, 2011 in respect of Housing and Non Housing Loans are as follows:

| | 31.03.2014 | |
|---|-------------------------|----------------------|
| | Portfolio | Provisions |
| (₹ lacs) | | |
| Standard Assets | | |
| Housing Loans | 3,299,184 | 14,196 |
| Other Property Loans | 714,168 | 6,473 |
| | <u>4,013,352</u> | <u>20,669</u> |
| Sub Standard Assets | | |
| Housing Loans | 11,666 | 1,774 |
| Other Property Loans | 3,070 | 461 |
| | <u>14,736</u> | <u>2,235</u> |
| Doubtful Assets | | |
| Housing Loans | 14,496 | 7,570 |
| Other Property Loans | 2,319 | 759 |
| | <u>16,815</u> | <u>8,329</u> |
| Loss Assets | | |
| Housing Loans | 140 | 140 |
| Other Property Loans | 61 | 61 |
| | <u>201</u> | <u>201</u> |
| Additional provision on standard assets | | 901 |
| Additional provision on Non Performing Assets | | 605 |
| Provisions on Other Assets | | 195 |
| Total (*) | <u>4,045,104</u> | <u>33,135</u> |
| Summary: | | |
| Housing Loans | 3,325,486 | 23,680 |
| Other Property Loans | 719,618 | 7,754 |
| Additional provision on Standard Assets | | 901 |
| Additional provision on Non Performing Assets | | 605 |
| Provisions on Other Assets | | 195 |
| Total (*) | <u>4,045,104</u> | <u>33,135</u> |

8.3 Provision for Contingencies

The Company has made full provisions for Contingencies for diminution in investment value and on standard as well as on non-performing housing loans and other property loans as per the Prudential Norms prescribed by the National Housing Bank. The Company has maintained additional provision amounting to ₹ 901 lacs.

| | | (₹ lacs) |
|---|--|------------|
| | | 31.03.2014 |
| 9 | SHORT TERM BORROWINGS | |
| | <u>Secured</u> | |
| | Loans repayable on demand | |
| | From Banks | - |
| | Other short term loans and advances | |
| | From Banks | 5,402 |
| | Secured short term borrowings (A) | 5,402 |
| | <u>Unsecured</u> | |
| | Deposits | |
| | Fixed Deposits (Refer Note 5.6) | 6,249 |
| | Other Deposits (Refer Note 5.6) | 821 |
| | Other short term loans and advances | |
| | From Banks | - |
| | Commercial Papers | 147,000 |
| | Others | - |
| | Unsecured short term borrowings (B) | 154,070 |
| | TOTAL SHORT TERM BORROWINGS (A+B) | 159,472 |

9.1 Loans repayable on demand and other short term loans comprises of Cash credit facilities from banks and are secured by a first charge by way of hypothecation of book debts of specific loan assets of the company and are further secured by negative lien on the underlying specific properties and / or secured by demand promissory notes. Certain Cash credit facilities are also secured by way of a first pari passu charge along with other secured loans read with Note 5.2. All cash credit facilities are repayable as per the contracted/ roll over term.

| | | (₹ lacs) |
|----|-----------------------------|------------|
| | | 31.03.2014 |
| 10 | TRADE PAYABLES: | |
| | MSME | - |
| | Trade Payable | 1,933 |
| | TOTAL TRADE PAYABLES | 1,933 |

There is no amount due and payable to 'Suppliers' registered under the Micro, Small and Medium Enterprises Development Act, 2006 at the end of the year. No interest has been paid/ is payable by the Company during/for the year to these 'Suppliers'. The above information takes into account only those suppliers who have submitted their registration details or has responded to the inquiries made by the Company for this purpose.

| | | (₹ lacs) |
|----|--|------------|
| | | 31.03.2014 |
| 11 | OTHER CURRENT LIABILITIES | |
| | Current maturities of long-term borrowing | 556,704 |
| | (Refer Note 5) | |
| | Interest accrued but not due on borrowings | 5,560 |
| | Unclaimed Dividends | 80 |
| | Unclaimed matured deposits and interest accrued thereon | 2,965 |
| | Other payables | |
| | Advance from customers | 3,398 |
| | Creditors for Capital Expenditure | 362 |
| | Amount payable under securitisation/ joint syndication transaction | 13,596 |
| | Statutory Dues | 1,188 |
| | Other current liabilities | 13,188 |
| | TOTAL OTHER CURRENT LIABILITIES | 597,041 |

11.1 As required under section 205 (C) of the Companies Act, 1956, the Company has transferred unclaimed dividend of the year 2005-06 ₹ 8 lacs, unclaimed Interim dividend of the year 2006-07 ₹ 8 lacs and ₹ 19 lacs towards unclaimed Deposits and interest accrued thereon to Investor Education & Protection Fund (IEPF) during the year. There were no amounts due for transfer to IEPF on the date of balance sheet.

DEWAN HOUSING FINANCE CORPORATION LIMITED

Note 12
FIXED ASSETS

(₹ in lacs)

| Assets | GROSS BLOCK | | | | | DEPRECIATION | | | | | NET BLOCK | |
|-------------------------|---------------------|------------------------|---------------|---------------------|---------------------|---------------------|------------------------|-----------------|------------|--------------------|---------------------|---------------------|
| | As on 01.04.2013 | Due to Amalgamation | Addition | Deduction / Sale | As on 31.03.2014 | As on 01.04.2013 | Due to Amalgamation | for the year | Deduction | Upto 31.03.2014 | As on 31.03.2014 | As on 31.03.2013 |
| Tangible: | | | | | | | | | | | | |
| Building | 3,059 | - | - | - | 3,059 | 409 | - | 61 | - | 470 | 2,589 | 2,650 |
| Leasehold Premises | 9,999 | - | - | - | 9,999 | 2 | - | 182 | - | 184 | 9,816 | 9,997 |
| Furniture & Fixture | 3,189 | - | 1,220 | 301 | 4,108 | 1,068 | - | 245 | 186 | 1,127 | 2,981 | 2,121 |
| Office Equipments | 1,445 | - | 907 | 70 | 2,281 | 272 | - | 73 | 19 | 327 | 1,955 | 1,173 |
| Vehicles | 376 | - | - | 168 | 207 | 133 | - | 13 | 69 | 76 | 131 | 243 |
| Computer (Hardware) | 2,491 | - | 321 | 129 | 2,683 | 1,495 | - | 305 | 111 | 1,689 | 994 | 996 |
| Sub Total | 20,558 | - | 2,448 | 668 | 22,338 | 3,378 | - | 879 | 385 | 3,873 | 18,465 | 17,180 |
| Intangible: | | | | | | | | | | | | |
| Computer (Software) | 913 | - | 163 | - | 1,076 | 171 | - | 212 | - | 383 | 693 | 742 |
| Fixed Assets | 21,471 | - | 2,611 | 668 | 23,414 | 3,549 | - | 1,091 | 385 | 4,256 | 19,158 | 17,922 |
| Capital Work in Process | 25,871 | - | 53,743 | - | 79,615 | - | - | - | - | - | 79,615 | 25,871 |
| TOTAL | 47,342 | - | 56,354 | 668 | 103,028 | 3,549 | - | 1,091 | 385 | 4,256 | 98,773 | 43,793 |

| | | (₹ lacs) | |
|----|---|-------------|--------|
| | | 31.03.2014 | |
| 13 | NON CURRENT INVESTMENTS | Nos | Amount |
| | Trade Investments | | |
| | <i>Investment in unquoted equity instruments</i> | | |
| | <i>(Face value of ₹ 10 each)</i> | | |
| | Investment in Associates: | | |
| | Aadhar Housing Finance Private Limited | 14,900,000 | 1,490 |
| | DHFL Vysya Housing Finance Limited | 1,048,989 | 315 |
| | Arthveda Fund Management Private Limited | 4,692,500 | 586 |
| | DHFL Venture Trustee Company Private Limited | 22,500 | 2 |
| | Avanse Financial Services Limited | 7,927,883 | 3,024 |
| | Investment in Joint Venture: | | |
| | DHFL Pramerica Life Insurance Co Ltd. (refer note no 13.2) | 170,187,839 | 1,423 |
| | Investment in others: | | |
| | The Kalyan Janta Sahakari Bank Limited | 10,000 | 1 |
| | (A) | | 6,841 |
| | Investment in unquoted optionally convertible preference share | | |
| | <i>(Face value of ₹ 10 each)</i> | | |
| | Sunborne Energy Services India Private Limited | 31,775 | 1,271 |
| | (B) | | 1,271 |
| | Other Investments | | |
| | Investment in Mutual Funds/Venture Capital Fund - unquoted | | |
| | DHFL Venture Capital Fund (100% Trust Corpus - Settlement Money) (₹ 10,000/- only) | 1 | - |
| | DHFL Real Estate Assets Management Fund - Dream Fund I Units Class A | 25,834 | 2,583 |
| | DHFL Real Estate Assets Management Fund - Dream Fund I Units Class B (₹ 36,370/- only) | - | - |
| | Arthveda Star Fund | 58,876 | 600 |
| | (C) | | 3,183 |
| | Investment in Pass Through Certificates | | |
| | Pass Through certificates -Class B | | 14,215 |
| | (D) | | 14,215 |
| | Investment in Government securities / Approved securities (SLR) - quoted | | |
| | 11.30% HP Infrastructure Development Board | - | - |
| | 0.00% Punjab Infrastructure Development Board ; | 10 | 25 |
| | 8.56% Kerala SDL 2020 | 200,000 | 203 |
| | 8.09% Gujarat SDL 2020 | 500,000 | 504 |
| | 8.52% Tamilnadu SDL 2020 | 200,000 | 206 |
| | 8.42% Andhra Pradesh SDL 2020 | 425,000 | 430 |
| | 8.26% GOI 2027 | - | - |
| | 8.40% Gujarat SDL 2020 | 250,000 | 252 |
| | 8.08% GS 2022 | 100,000 | 98 |
| | 8.28% GS 2032 | 100,000 | 98 |
| | 9.23% Gujarat SDL 2021 | 250,000 | 257 |
| | 8.33% GOI 07/06/2036 | - | - |
| | 9.15% GOI 14/11/2024 | - | - |
| | 8.20% GOI 24/09/2025 | - | - |
| | 8.30% GOI 31/12/2042 | - | - |
| | 9.51% Rajasthan Rajya Vidyut Prasaran Nigam Ltd | 10 | 500 |
| | 9.30% RRVNLD BONDS 2025 | 150 | 1,490 |
| | 8.97% BIHAR SDL 2022 | 570,000 | 584 |
| | 8.66% WEST BENGAL SDL 2023 | 500,000 | 502 |
| | 5.87% GOI 2022 | 3,000 | 3 |
| | 6.05% GOI 2019 | 14,000 | 14 |

6.13% GOI 2028

5,000

5

| | | |
|---|-----------|-------|
| 5.69% GOI 2018 | 41,800 | 39 |
| 7.99% GOI 2017 | 30,000 | 30 |
| 7.16% GOI 20/05/2023 | 1,000,000 | 1,004 |
| 8.33% GOI 09/07/2026 | 2,000,000 | 2,108 |
| 8.97% GOI 05/12/2030 | 2,000,000 | 2,227 |
| 8.71% WSPF Bonds 09/05/2023 | 1,900 | 1,920 |
| 9.72% Kerala SDL 28/08/2013 | 70 | 728 |
| 9.38% MTNL Bonds 05/12/2023 | 38 | 380 |
| 8.80% FCI BONDS (SERIES -VB) 22/03/2028 | 19 | 178 |
| 9.85% TIIC Bonds (TIIC Bonds_2014-I) 07/03/2024 | 83 | 828 |
| 8.24% GOI 15/02/2027 | 500,000 | 473 |

(E) 15,087

Investment in Government/ other securities (Non - SLR) - quoted

| | | |
|--|---------|-------|
| 7.15% UBI Bonds 2015 | 75 | 750 |
| 7.22% REC Bonds 19/12/2022 | 10,000 | 100 |
| 7.19% NHB Tax Free Bonds 14/12/2022 | 10 | 100 |
| 6.82% NHB Tax Free Bonds 28/05/2023 | 5,000 | 500 |
| 8.01% NHB Tax Free Bonds | 50 | 500 |
| 8.26% NHB TAX FREE BONDS | 3,610 | 181 |
| 8.41% NTPC Tax free Bonds - Series 1A | 15,832 | 158 |
| 8.51% HUDCO SECURED NON-CONVERTIBLE TAX FREE BONDS. TRANCHE II. SERIES 1A | 50,000 | 500 |
| 8.23% Indian Railway Finance Corporation 18/02/2024 (Tax Free) | 50,000 | 500 |
| 8.41% IIFCL Bonds 22/01/2024 | 100,000 | 1,000 |

(F) 4,289

(A+B+C+D+E+F) 44,885

Less: Provision for diminution in value of investments -

TOTAL NON CURRENT INVESTMENTS 44,885

| | |
|--|--------|
| Aggregate amount of quoted investments | 19,377 |
| Market value of Quoted investments | 18,327 |
| Aggregate amount of Unquoted investments | 11,295 |

- 13.1 Investment in Government and other SLR Securities aggregating to ₹ 15,087 lacs carry a floating charge created in favour of depositors in the Fixed Deposit schemes of the Company (read with Note 5.2 and Note 5.4 above).
- 13.2 The Company has acquired 16,29,01,250 number of shares being 50% stake in DLF Pramerica Life Insurance Co Ltd, a registered life insurance company in India regulated by IRDA during the year from DLF Limited at deminimus value of ₹ 1. The Company had capitalised ₹ 694 lacs being expenses incurred in relation to the above acquisition as a cost of investment. Subsequently Company has subscribed for 72,86,589 number of shares @ ₹ 10 each for ₹ 729 lacs to maintain its holding at 50% and to augment the resources of the Company. Consequent to this acquisition name of the company has been changed to DHFL Pramerica Life Insurance Co Limited with the approval of IRDA and ROC.

14 HOUSING AND PROPERTY LOANS

| | Non Current Portion | (₹ lacs) Current Portion |
|--|---------------------|-----------------------------|
| Secured, considered good unless stated otherwise | 31.03.2014 | 31.03.2014 |
| Housing Loans | | |
| Standard loans | 3,561,360 | 141,893 |
| Sub-Standard loans | 11,949 | - |
| Doubtful loans | 14,540 | - |
| Loss assets | 140 | - |
| | <u>3,587,989</u> | <u>141,893</u> |
| Less : Securitised Housing Loans & Funded by Syndicate | 387,345 | 17,051 |
| A Total Housing Loans | <u>3,200,644</u> | <u>124,842</u> |
| Other Property Loans | | |
| Standard loans | 670,990 | 61,291 |
| Sub-Standard loans | 3,105 | - |
| Doubtful loans | 2,319 | - |
| Loss assets | 61 | - |
| | <u>676,475</u> | <u>61,291</u> |
| Less : Other Property Securitised Loans | 16,988 | 1,160 |
| B Total Other Property Loans | <u>659,487</u> | <u>60,131</u> |
| Total Loan book (A+B) (*) | <u>3,860,131</u> | <u>184,973</u> |
| Summary: | | |
| Housing Loans | 3,587,989 | 141,893 |
| Other Property Loans | 676,475 | 61,291 |
| | <u>4,264,464</u> | <u>203,184</u> |
| Total Housing & Property Loans under Company's management | | |
| Less : Securitised and Syndicated portion | 404,333 | 18,211 |
| TOTAL HOUSING AND PROPERTY LOANS (*) | <u>3,860,131</u> | <u>184,973</u> |

- 14.1 Property loans consists of non-housing loans such as mortgage loans, project loans, commercial loans, plot loans, lease rental finance and other loans which are all against real estate properties and which are not covered under the housing loan criteria of National Housing Bank.
- 14.2 As certified by the management, loans given by the Company are secured by equitable mortgage/ registered mortgage of the property and assets financed and/or assignment of Life Insurance policies and/or personal guarantees and/or undertaking to create a security and/or hypothecation of assets and are considered appropriate and good.
- 14.3 Composite Loans sanctioned (i.e. loans allowed for purchase of plot and self construction of house) on or before 31st March, 2011, in which construction has not started till 31st March, 2014, as per information available with the Company, is excluded from Housing Loans and regrouped under Other Property Loans (Non Housing) in above outstanding as on 31st March, 2014 aggregating to ₹ 2,206 lacs.
- 14.4 The Company has entered into Loan Syndication arrangements with certain public and private sector banks to provide Housing loan to borrowers wherein DHFL originates the loan files and gets it processed under common credit norms. The said banks have agreed to participate upto 50% of the disbursed loan portfolio under loan syndication arrangement. Entire/partial processing fees and other charges/ income on these loans, depending upon the syndication arrangements, accrues to DHFL. The Company has derecognised the said loan portion syndicated to others in its books.

- 14.5 The Company has also entered into Loan Syndication arrangements with DHFL Vysya Housing Finance Limited and Aadhar Housing Finance Limited to provide Housing and Property Loans to borrowers wherein DHFL originates the loan files through its branches and gets it processed under common credit norms at the Central Processing Unit. The loan syndicate participants have agreed to participate in the disbursed loan portfolio under loan syndication arrangement. The Company has derecognised above loan portion syndicated to others in its books.
- 14.6 The Company has acquired certain assets under SARFAESI which are retained for the purpose of sale under the rules and regulations of SARFAESI involving ₹ 4,419 lacs out of 148 cases which are part of NPA portfolio for which necessary provisions have already been made.
- 14.7 The Company has securitized / assigned pool of certain housing and property loans and managed servicing of such loan accounts. The balance outstanding in the pool, as at the reporting date aggregates to ₹ 422,544 lacs. These assets have been de-recognised in the books of the Company. The Company is responsible for collection and getting servicing of this loan portfolio on behalf of buyers / investors. In terms of the said securitization/assignment agreements, the Company pays to buyer/investor on monthly basis the prorata collection amount as per individual agreement terms.
- 14.8 Housing and other property loans (current and non-current) includes ₹ 139 lacs given to the key managerial persons of the company under the normal course of business.

| | | (₹ lacs) | |
|----|--|-----------------------------------|-------------------------------|
| 15 | OTHER LONG TERM LOANS AND ADVANCES | Non Current Portion 31.03.2014 | Current Portion 31.03.2014 |
| | Secured and considered good | | |
| | Loans against Fixed Deposits | - | 235 |
| | Loans and advances to employees (Refer Note 15.1) | 94 | 2 |
| | Other loans and advances (Refer Note 15.2) | 13 | - |
| | Unsecured, considered good unless stated otherwise | | |
| | Capital advances | 176 | - |
| | Security deposits | 1,285 | 29 |
| | Loans and advances to employees | 40 | 8 |
| | Advances recoverable in cash or in kind | 18,460 | 14,240 |
| | Advance Income Tax (Net of Provisions) | 3,376 | |
| | TOTAL OTHER LONG TERM LOANS AND ADVANCES | 23,444 | 14,514 |
| | Current Portion Disclosed under "short term loans and advances" (refer Note 19) | - | (14,514) |
| | Net Amount | 23,444 | - |

- 15.1 Loans to employees are secured by the hypothecation of respective assets against which these loans have been granted

| | | (₹ lacs) | |
|----|---|------------|--------|
| 16 | CURRENT INVESTMENTS | 31.03.2014 | |
| | | Nos | Amount |
| | Trade Investments | | |
| | <i>Investment in equity instruments- quoted</i> | | |
| | H.D.F.C. Ltd | - | - |
| | ICICI Bank Limited | - | - |
| | Larsen & Toubro Limited | - | - |
| | Tata Motors Limited | - | - |
| | (A) | - | - |
| | Other Investments | | |
| | <i>Investment in Pass Through Certificates</i> | | |
| | Pass Through certificates -Class B | | 344 |
| | (B) | | 344 |
| | <i>Investment in Mutual Funds/Venture Capital Fund - unquoted</i> | | |
| | Axis Equity Fund - Growth | - | - |
| | Birla Sun Life Cash Manager - I P - Growth | 329,615 | 606 |

| | | |
|--|------------|---------------|
| Birla Sun Life Dynamic Bond Fund - Ret - Growth | - | - |
| HDFC Short Term Plan - Growth | - | - |
| ICICI Prudential STP - Growth | - | - |
| Kotak Bond Short Term Plan - Growth | - | - |
| L&T Triple Ace Bond Fund - Bonus | 80,392,314 | 10,000 |
| DSP Merilynch - Lqd Fund - Dividend | 58,701 | 1 |
| IDFC SSIF - MTP - Plan A - Growth | - | - |
| Goldman Sachs Liquid Exchange Traded Scheme | - | - |
| Principal Cash Mgmt Fund - Growth | 505,023 | 5,625 |
| Templeton India STIP - Growth | - | - |
| LIC Nomura MF Liquid Fund - Dir - Growth | 21,709 | 504 |
| Templeton India TMA - Dir - Growth | 10,871 | 208 |
| Baroda Pioneer Liquid Fund - Plan B - Dir - Growth | 22,950 | 337 |
| HDFC FMP - 384D - March 2014 (29) - 1 - Reg - Growth | 50,000,000 | 5,000 |
| Sundaram Money Fund - Dir - Growth | 2,389,799 | 646 |
| SBI Premier Liquid Fund - Dir - Growth | 52,166 | 1,050 |
| Religare Invesco Liquid Fund - Dir - Growth | 45,772 | 807 |
| JPMorgan India Liquid Fund - Dir - Growth | 3,039,858 | 505 |
| ICICI Prudential Liquid -Dir- Growth | 383,022 | 726 |
| DWS Insta Cash Plus Fund - Dir - Growth | 300,396 | 500 |
| Axis Liquid Fund - Dir - Growth | 28,531 | 405 |
| (C) | | <u>26,920</u> |

TOTAL CURRENT INVESTMENTS (A+B+C) 27,264

| | |
|--|--------|
| Aggregate amount of quoted investments | - |
| Market value of Quoted investments | - |
| Aggregate amount of Unquoted investments | 26,920 |

| | | |
|-----------|--|-------------------|
| | | (₹ lacs) |
| 17 | TRADE RECEIVABLES | 31.03.2014 |
| | Secured, considered good, less than six months from the due date | |
| | Receivables due for more than six months from due date (Considered doubtful) | 95 |
| | Others (refer note 36) | 137 |
| | TOTAL TRADE RECEIVABLES | 232 |

| | | |
|-----------|---|-------------------|
| | | (₹ lacs) |
| 18 | CASH AND BANK BALANCES | 31.03.2014 |
| | Cash and Cash Equivalents | |
| | Balances with Banks | |
| | in Current Accounts | 2,578 |
| | in Deposits accounts with original maturity of less than 3 months | 500 |
| | Cheques/ Drafts in hand / Remittances in Transit * | 61,000 |
| | Cash on hand | 551 |
| | Total Cash and Cash Equivalents | A 64,629 |

* Cheques/ Drafts in hand of ₹ 61,000 lacs credited by bank on 2nd April, 2014

| | | |
|--|---|----------------------------|
| | Other Bank Balances | |
| | Other Deposits accounts having balance maturity of less than 12 months | 33,636 |
| | Deposits under lien or having balance maturity of more than 12 months (Refer Note 20) | 19,020 |
| | Balances in unpaid dividend bank accounts | 53 |
| | Total Other Bank Balances | B 52,709 |
| | Total Cash and Bank Balances | C = (A + B) 117,338 |
| | Less : Amounts disclosed under non-current assets (Refer Note 20) | D 19,020 |
| | Total Net Cash and Bank Balances | E = (C - D) 98,318 |

Summary:
Total Cash and Cash Equivalents 64,629

| | |
|--|----------------------|
| Other Bank Balances | 52,709 |
| Amounts disclosed under non-current assets | (19,020) |
| Total Net Cash and Bank Balances | <u>98,318</u> |

18.1 Current portion of balances with Banks in Deposit Accounts includes deposits under lien aggregating to ₹ 4,730 lacs being earmarked for SLR requirements of NHB. ₹ 780 lacs being margin money for bank guarantees, ₹ 24,051 lacs being securitization comforts provided to various Trustees/ buyer, ₹ 2575 lacs towards sinking fund requirement of debenture provided to Trustee of debentures and ₹ 1,300 lacs under lien against Interest rate swaps.

| 19 SHORT TERM LOANS & ADVANCES | | (₹ lacs) |
|---|--|---------------|
| | | 31.03.2014 |
| Secured and considered good | | |
| Current maturities of other long term loans and advances (Refer Note 15) | | 237 |
| EMI/PEM/other receivable (Including Interest) | | 7,745 |
| Unsecured, considered good | | |
| Current maturities of other long term loans and advances (Refer Note 15) | | 37 |
| Loans and advances to related parties Inter Corporate Deposits (Refer Note 8) | | 1,559 |
| Advances recoverable in cash or in kind | | 2,621 |
| | | 14,240 |
| TOTAL SHORT TERM LOANS AND ADVANCES | | 26,439 |

| 20 OTHER NON CURRENT & CURRENT ASSETS | | (₹ lacs) | |
|---|--|-----------------------------------|-------------------------------|
| Unsecured, considered good | | Non Current Portion 31.03.2014 | Current Portion 31.03.2014 |
| Non current portion of balances with banks in deposit accounts (Refer Note 18) | | 19,020 | - |
| Interest accrued but not due | | 431 | 2,494 |
| | | 19,451 | 2,494 |

20.1 Non Current portion of balances with Banks in Deposit Accounts includes deposits under lien aggregating to ₹ 7,088 lacs being securitization comforts provided to various Trustees/ buyer, ₹ 11,153 lacs being earmarked for SLR requirements of NHB, ₹ Nil lacs being margin money for bank guarantees, and ₹ Nil lacs under lien against Interest rate swaps.

| 21 REVENUE FROM OPERATIONS | | (₹ lacs) |
|--|--|----------------|
| | | 31.03.2014 |
| Interest on Housing and Property Loans | | 461,368 |
| Interest on Bank Deposits | | 3,826 |
| Interest on Long Term Investments | | 1,395 |
| Other Interest | | 460 |
| Revenue from other services (Refer note 21.1) | | 22,670 |
| Operational treasury income (Refer note 21.2) | | 6,707 |
| Insurance Commission (Refer note 21.3) | | 132 |
| Total Revenue from operations | | 496,558 |

21.1 Revenue from other services includes

| | |
|--|---------------|
| Loan related Services | 14,355 |
| Advisory Services | 8,315 |
| Total Revenue from other services | 22,670 |

Revenue from other services is net of the amount paid / payable towards Business Sourcing and related expenses ₹ 9,419 lacs

21.2 Operational treasury income includes:

| | |
|--|--------------|
| Net Income from mutual fund & financial / commodity derivatives * | 6,352 |
| Profit on sale of investments | 263 |
| Dividend Income | 92 |
| Total Operational treasury income | 6,707 |

* Amount receivable ₹ 2,476 lacs against the financial / commodity derivatives, written-off from the treasury income pending recoveries from NSEL

21.3 Insurance Commission

| | | |
|-----------|--|----------------|
| | DHFL Pramerica Life Insurance Co. Ltd | 132 |
| | Total Operational treasury income | 132 |
| 22 | OTHER INCOME | |
| | Rent Income | 95 |
| | Liabilities no longer required written back | - |
| | Profit on sale of real estate | - |
| | Miscellaneous Income | 115 |
| | Total Other Income | 210 |
| 23 | INTEREST AND FINANCE COST | |
| | Interest expenses | 373,857 |
| | Premium on redemption of Debentures | 2,841 |
| | Less: Securities premium utilized (Refer note 4.2) | <u>(2,841)</u> |
| | Other Borrowing Costs | 4,401 |
| | Total Interest and Finance charges | 378,258 |
| 24 | EMPLOYEES REMUNERATION AND BENEFITS | |
| | Salaries and Bonus | 16,349 |
| | Contribution to Provident Fund & Other Funds | 1,034 |
| | Staff Welfare Expenses | 367 |
| | Total Employees Remuneration and benefits | 17,750 |
| 25 | ADMINISTRATIVE AND OTHER EXPENSES | |
| | Rent, Rates & Taxes | 2,438 |
| | Training & Conference Expenses | 97 |
| | Travelling & Conveyance | 1,489 |
| | Printing & Stationery | 552 |
| | Advertisement and Business Promotion expenses | 4,514 |
| | Insurance | 412 |
| | Legal & Professional Charges | 5,681 |
| | Communication Expenses | 1,061 |
| | General Repairs & Maintenance | 881 |
| | Electricity | 521 |
| | Directors Sitting Fees | 105 |
| | Loss on sale of Fixed Assets (net) | 197 |
| | Office Maintenance | 571 |
| | Recovery Expenses | 48 |
| | Auditors' Remuneration (Refer Note 39) | 164 |
| | Bad Debts [Net of Provisions ₹ 355 lacs] | 355 |
| | Less provision for Non Performing Assets utilized | <u>355</u> |
| | Miscellaneous Expenses | 427 |
| | Total Administrative and Other expenses | 19,158 |
| 26 | EARNING PER SHARE | |
| | Net Profit Attributable to Equity Shareholders | |
| | Profit after tax | 52,900 |
| | Net Profit attributable to equity shareholders | <u>52,900</u> |
| | No. of Equity shares (Number) | 128,420,240 |
| | Weighted Average No. of Equity Shares | 128,317,737 |
| | Nominal value of Equity Shares (₹) | 10 |
| | Earning Per Share (₹) : | |
| | Basic | 20.61 |
| | Diluted | 20.56 |

- 26.1 The reconciliation between the Basic and the Diluted Earning per Share is as follows:

| For Amount | (Amount in ₹) |
|-------------------------------------|-------------------|
| Particulars | 31.03.2014 |
| Basic Earning per share | 41.23 |
| Effect of outstanding Stock options | (0.12) |
| Diluted Earning per share | 41.11 |

| For number of share | 31.03.2014 |
|---|-------------------|
| Particulars | 31.03.2014 |
| Weighted average number of shares for Basic Earning per share | 128,317,737 |
| Dilutive effect of outstanding Stock options | 360,207 |
| Weighted average number of shares for Diluted Earning per share | 128,677,944 |

27 **LEASES**

Operating Lease

The company has taken certain premises for office and residential use for its employees under cancellable and non cancellable operating lease agreements. Terms of the lease include terms for renewal, increase in rents in future periods and terms of cancellation. The total lease rent recognized as an expense during the year under the lease agreements amounts to ₹ 2,051 lacs.

Expected future minimum commitments during the non-cancellable period under the lease arrangements are as follows:

| | (₹ lacs) |
|---|------------|
| | 31.03.2014 |
| Within one year | 248 |
| Later than one year but not later than five years | 264 |
| Later than five years | 22 |

- 28 Two subsidiaries of the Company were amalgamated into the company during the year 2012-13 pursuant to the Scheme of amalgamation (Scheme) under Section 391 to 394 of the Companies Act, 1956 approved by the Board of directors of all the three companies and sanctioned by the Hon'ble High Court of judicature at Bombay vide its order dated 27th July, 2012 and by the Hon'ble High Court of judicature at Delhi vide its order dated 4th January, 2013 which were filed with the Registrar of Companies on 31st January, 2013 being the effective date for the amalgamation scheme. In terms of the above scheme the Assets and Liabilities of the subsidiary companies were amalgamated with DHFL at their respective fair value in the previous year. Proportionate Fair value appreciation surplus amounting to ₹ 4,162 lacs has been amortized out of the capital reserve in terms of the valuation report of the scheme, based on the documented repayment schedule.

- 29 In the opinion of the Board, the assets of the company have a value on realization in the ordinary course of business atleast equal to the amount at which they are stated, net of contingency provisions.

- 30 The Company's Income Tax Assessment has been completed upto assessment year 2011-12. In respect of amalgamating company, additional demands have been raised by the department which are pending in appeal at various forums. Company has partially deposited the additional tax so demanded under protest. No provision has been made in the books against such demands as the company believes that the cases will be decided in its favour based on legal advice and similar precedent case laws available. (Refer Note 33)

- 31 **Interest rate swaps:**

In compliance with Asset Liability Management Policy, the company had in past entered into interest rate swaps of notional value aggregating to ₹ 9,500 Lacs to hedge its interest rate risk which were designated as fair value hedges, in accordance with the generally accepted accounting principles.

The changes in the fair value of these derivatives are recorded in the income statement, together with any changes in the fair value of the underlying asset or liability that are attributable to the hedged risk. The Mark to Market (MTM) losses on these swaps recognized in past, is amortized over the period of the hedges. Accordingly, net gain in current year on hedging of interest rate swaps and write back of MTM losses amounting to ₹ 27 lacs has been adjusted in "Interest and Finance charges".

32 The Company operates under a single (primary) business segment viz. "Providing loans for construction or purchase of residential property and loans against property". Further, the Company is operating in a single geographical segment. Accordingly, disclosures relating to primary and secondary business segments under the Accounting Standard on Segment Reporting (AS-17) notified u/s 211(3C) of the Companies Act, 1956 are not applicable to the Company.

| | | (₹ lacs) |
|----|---|------------|
| 33 | Contingent liability : | 31.03.2014 |
| | Guarantees provided by the Company | 10,003 |
| | Claims against the Company not acknowledged as debts | 105 |
| | Income Tax Demand (Net of amount deposited under protest ₹ 67 lacs) | 430 |

34 Contingent Liability in respect of undertaking provided by the Company for meeting the shortfall in collection, if any, at the time of securitisation of receivables outstanding as at 31st March, 2014 amounting to ₹ 29,259 lacs. The outflows would arise in the event of short collection, in the Cash inflows of the pool of securitised receivable.

35 Capital Work in Progress includes ₹ 79,615 lacs paid as part consideration for acquiring office premises under construction.

36 The Company has paid dividend ₹ 3 lacs and ₹ 1 lac as tax on distribution of dividend thereon to new shareholders on account of Final Dividend for the year 2012-13 as required under the Listing Agreement as those shares were allotted prior to record date for the dividend payment and after the date of earlier year balance sheet.

37 The managerial remuneration including perquisites, ₹ 171 lacs paid to Chairman and Managing Director and ₹ 30 lacs as commission to other non executive directors.

38 NHB, vide its letter dated 31st March, 2014, in terms of provisions of paragraph 29(5) of the Housing Finance Companies (NHB) direction 2010 had levied a penalty of ₹ 5,000/- (Rupees five thousand), which has been paid by the Company, under protest, in relation to section 29C of the National Housing Bank Act, 1987 on the Company for the year 2012-13.

| | | (₹ lacs) |
|----|------------------------------------|------------|
| 39 | AUDITORS REMUNERATION | 31.03.2014 |
| | Audit Fees | 100 |
| | Tax Audit | 10 |
| | Audit Fees of Branch Auditors | 48 |
| | Audit Fees of amalgamating company | - |
| | Reimbursement of expenses | 6 |
| | | 164 |

| | | (₹ lacs) |
|-------|---------------------------|------------|
| 40 a) | VALUE OF IMPORTS : | 31.03.2014 |
| | Capital Goods | 387 |

| | | (₹ lacs) |
|----|---|------------|
| b) | EXPENDITURE IN FOREIGN CURRENCY: | 31.03.2014 |
| | Foreign Travelling | 49 |
| | Membership and subscription | 195 |
| | Foreign Liaison Office Expenses | 397 |
| | Others | 609 |

| | | (₹ lacs) |
|----|--|------------|
| c) | FOREIGN CURRENCY BORROWING: | 31.03.2014 |
| | ECB from IFC, Washington (Refer Note 5.3) | 41,825 |

41 REMITTANCE IN FOREIGN CURRENCIES ON ACCOUNT OF DIVIDEND

The particulars of dividends payable to non-resident shareholders (including Foreign Institutional Investors) is as under, however, the Company does not have information as to the extent to which remittances, if any, has been made in foreign currencies on account of such dividend during the year on behalf of non-resident share holders.

| | 31.03.2014 |
|--|---|
| No. of Non-Resident Shareholders / FII's | 1,389 |
| No. of equity Shares held | 90,857,024 |
| Amount of Dividend Paid (₹ lacs) | 2,726 |
| Year to which dividend relates | FY 2012-13 Final & FY 2013-14 interim Dividend |

42 RELATED PARTY TRANSACTIONS

As per Accounting Standard (AS 18) on " Related Party Disclosures" details of transactions with related parties as defined therein are given below:

A) List of related parties with whom transactions have taken place during the year and relationship:

1) COMPANIES**(i) Associate Companies**

- a. DHFL Vysya Housing Finance Ltd.
- b. DHFL Property Services Ltd.
- c. Aadhar Housing Finance Ltd.
- d. DHFL Insurance Services Ltd.
- e. Arthveda Fund Management Pvt.Ltd.
- f. Dish Hospitality Pvt. Ltd.
- g. Wadhawan Holdings Pvt. Ltd.
- h. Wadhawan Food Retail Pvt. Ltd.
- i. Avanse Financial Services Limited
- j. DHFL Sales and Services Ltd
- k. DHFL Venture Trustee Co. Pvt Ltd

(ii) Joint Venture Company

- a. DHFL Pramerica Life Insurance Company Ltd.

(iii) Others

- a. Shri Rajesh Kumar Wadhawan Education Trust

2) KEY MANAGEMENT PERSONNEL

- a. Shri Kapil Wadhawan
- b. Shri Anil Sachidanand
- c. Shri Anoop Pabby
- d. Shri Rakesh Makker
- e. Shri Deo Shanker Tripathy

Chairman & Managing Director
President (till 16th September, 2013)
President (till 9th February, 2014)
President
President (w.e.f 6th May, 2013)

B) Details of transactions :

| Nature of Transactions | Joint Ventures | Associate Companies | Key Management |
|---|----------------|---------------------|----------------|
| | 2013-14 | 2013-14 | |
| 1) Investments | | | |
| Opening Balance | - | 6,179 | - |
| Investment Made | 1,423 | 3,039 | - |
| Investment Redeemed | - | 617 | - |
| Closing Balance | 1,423 | 8,600 | - |
| 2) Advances Recoverable in cash or in kind | | | |
| Opening Balance | - | 1,275 | - |
| Advance given during the year | 10 | 1,554 | - |
| Recovered during the year | - | 1,216 | - |
| Closing Balance | 10 | 1,613 | - |
| 2) Amount Payable | | | |
| Opening Balance | - | 43 | |
| Addition during the year | - | 71 | |
| Payment during the year | - | 53 | |
| Closing Balance | - | 61 | |
| 3) Income | | | |
| Dividend | - | 87 | - |
| Interest | - | 7 | - |
| Rent | - | 95 | - |
| Arthveda -Dream Fund and Star Fund | - | 312 | - |
| Other income | - | 58 | - |
| 4) Expenditure | | | |
| Remuneration | - | - | 1431 (482) |
| Rent, Rates & Taxes | - | 12 | - |
| Retainers Charges | - | 4,544 | - |
| Insurance Charges | 36 | - | - |
| Other Expenditures | - | 60 | - |
| Donation | - | 20 | - |

| Details of Transactions | Joint Ventures | Associate Companies | Key Management Personnel |
|---|----------------|---------------------|--------------------------|
| | 2013-14 | 2013-14 | |
| INCOME received from | | | |
| 1) Dividend | | | - |
| DHFL Vysya Housing Finance Limited | - | 79 | - |
| Arthveda Fund (Dream Fund and Star Fund) | - | 8 | - |
| 2) Interest | | | |
| DHFL Vysya Housing Finance Limited | - | - | - |
| Aadhar Housing Finance Private Limited | - | 7 | - |
| 3) Rent | | | |
| DHFL Property Services Ltd | - | 1 | - |
| Arthveda Fund Management Private Limited | - | 1 | - |
| Aadhar Housing Finance Private Limited | - | 69 | - |
| DHFL Insurance Services Limited | - | - | - |
| Avanse Financial Services Pvt Ltd | - | 24 | - |
| Dish Hospitality Private Limited | - | - | - |
| 4) Income from Dream Fund | | | |
| Arthveda Dream Fund | - | 299 | - |
| Arthveda Star Fund | - | 12 | - |
| 5) Other Income | | | |
| Aadhar Housing Finance Private Limited | - | 33 | - |
| DHFL Vysya Housing Finance Limited | - | 24 | - |
| Avanse Financial Services Pvt Ltd | - | 1 | - |
| | | | |
| EXPENDITURE: 1) Rent, Rates & Taxes | | | |
| Wadhawan Holdings Private Limited | - | 12 | - |
| 2) Remuneration | | | |
| Shri Kapil Wadhawan | - | - | 171 (175) |
| Shri Anil Sachidanand | - | - | 225 (172) |
| Shri Anoop Pabby | - | - | 888 (135) |
| Shri Rakesh Markkar | - | - | 84 (Nil) |
| Shri Deo Shankar Tripathy | - | - | 63 (Nil) |
| | | | |
| 2) Retainers Charges (Direct Sales Team) | | | |
| DHFL Sales and Services Limited | - | 4,544 | - |
| | | | |
| 3) Insurance Charges | | | |
| DHFL Pramerica Life Insurance Co Ltd | 36 | - | - |
| | | | |
| 4) Other Expenditures | | | |
| Dish Hospitality Private Limited | - | 54 | - |
| Avanse Financial Services Pvt Ltd | - | 6 | - |
| | | | |
| 5) Donation | | | |
| Shri Rajesh Kumar Wadhawan Education Trust | - | 20 | - |
| | | | |
| ASSETS : 1) Investments in | | | |
| Avanse Financial Services Pvt Ltd | - | 2,439 | - |
| Arthveda Star Fund | - | 600 | - |
| DHFL Pramerica Life Insurance Co Ltd | 1,423 | - | - |
| | | | |
| 2) Advances Recoverable from | | | |
| DHFL Property Services Limited | - | 232 | - |
| Aadhar Housing Finance Private Limited | - | 0 | - |
| DHFL Venture Capital Dream Fund | - | 1,085 | - |
| Arthveda Star Fund | - | 12 | - |
| Wadhawan Retail Private Limited | - | 80 | - |
| Avanse Financial Services Pvt Ltd | - | - | - |
| DHFL Sales and Services Limited | - | 200 | - |
| DHFL Pramerica Life Insurance Co Ltd | 10 | - | - |
| Dish Hospitality Private Limited | - | - | - |
| | | | |
| 3) Amount Payable to | | | |
| Aadhar Housing Finance Private Limited | - | 10 | - |
| Dish Hospitality Private Limited | - | 3 | - |
| Wadhawan Holding Private Limited | - | 47 | - |

Notes

- 1) Advances includes amounts debited towards reimbursement of expenses and income receivable
- 2) Above Income and Expenses are net of Service Tax.

During the year the Company has originated and processed housing / project loans, as a lead syndicator, wherein its two Associate Companies have participated for ₹ 1,801 lacs

Retirement Benefit Plans

The Company makes contributions towards provident fund for qualifying employees to Regional Provident Fund Commissioner. Contribution to Defined Contribution Plan, recognised as expense for the year are as under :

| | 2013-14 |
|---|---------|
| Employer's Contribution to Provident Fund | 481 |
| Employer's Contribution to Pension Fund | 122 |

As required under Accounting Standard 15 [AS-15 Revised, 2005] the Company has made full provision for future gratuity liability & leave encashment liability payable at the time of retirement as on 31st March, 2014 based on the Actuarial valuation done by independent actuary. The Company has made necessary full contribution against the same.

The details of post retirement benefits for the employees (including Key Management Personnel) as mentioned hereunder are based on the above report as provided by Certified Actuary and LIC of India as mentioned above and relied upon by the auditors :

| | Gratuity (Funded) 2013-14 | Leave Encashment (Funded) 2013-14 |
|--|------------------------------|---|
| A. Change in the Defined Benefit Obligations: | | |
| Liability at the beginning of the year | 645 | 550 |
| Acquisition Adjustments | - | - |
| Current Service Cost | 321 | 268 |
| Interest Cost | 44 | 23 |
| Benefits Paid | (423) | (779) |
| Actuarial Loss/ (Gain) | 339 | 801 |
| Liability at the end of the year | 926 | 862 |
| B. Fair Value of Plan Assets : | | |
| Fair Value of Plan Assets at the beginning of the year | 749 | 626 |
| Amalgamation Adjustments | - | - |
| Expected Return on Plan Assets | 67 | 56 |
| Contributions | 160 | 916 |
| Benefits Paid | (315) | (593) |
| Actuarial Loss/ (Gain) | 267 | - |
| Fair Value of Plan Assets at the end of the year | 928 | 1,006 |
| C. Actual Return on Plan Assets: : | 67 | 56 |
| D. Amount Recognised in the Balance Sheet: | | |
| Liability at the end of the year | 926 | 862 |
| Fair Value of Plan Assets at the end of the year | 928 | 1,006 |
| Net Asset recognised in the Balance Sheet | 2 | 144 |
| E. Expense Recognised in the Statement of Profit and Loss: | | |
| Current Service Cost | 321 | 268 |
| Interest Cost | 44 | 23 |
| Expected Return on Plan Assets | (67) | (56) |
| Net Actuarial Loss/(Gain) to be Recognised | 72 | 801 |
| Expense recognised in the Statement of Profit & Loss under staff expenses | 370 | 1,036 |
| F. Reconciliation of the Liability Recognised in the Balance Sheet: | | |
| Opening Net Liability | (104) | (77) |
| Expenses Recognised | 370 | 1,036 |
| Contribution/Benefits Paid | 268 | 1,102 |
| Liability at the end of the year | (2) | (144) |
| G. Actuarial Assumptions | 2006-08 | 2006-08 |
| Mortality Table (LIC) | (Ultimate) | (Ultimate) |
| Discount Rate (P. A.) | 9% | 9% |
| Rate of Escalation in Salary (P.A.) | 5% | 5% |

The estimates of rate of escalation in salary considered in the above report, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

| | 2013-14 |
|--|------------|
| Amount Recognised in the Balance Sheet: | |
| Liability at te end of the year | 926 |
| Fair Value of Plan Assets at the end of the year | 928 |
| Amount recognised in the Balance Sheet | (2) |
| Experience Adjustment: | |
| On Plan Liabilities | 487 |
| On Plan Assets | 263 |

In respect of jointly controlled entity, the Company's share of Assets, Liabilities, Income & Expenses are as follows:

| | |
|------------------------------|---------------------------------------|
| Name of the Entity | DHFL Pramerica Life Insurance Co Ltd. |
| Interest in the above entity | 50% |

| Particulars | (₹ lacs) | |
|-----------------|-----------------------------|--|
| | As at 31st December 2013 | |
| I) Assets | 57,924 | |
| II) Liabilities | 16,795 | |
| III) Income | 14,479 | |
| IV) Expenses | 18,359 | |

The above information is compiled on the basis of available information with the Company as on 31st March, 2014

- 45 As required by the revised guidelines dated 11th October, 2010 by NHB, read with additional requirement/guidelines with reference to the interpretation of various terms/classifications, the following additional disclosures are given as under:

I Capital to Risk Assets Ratio (CRAR):

| Items | As at 31.03.2014 |
|-----------------------------|------------------|
| i) CRAR (%) | 17.16% |
| ii) CRAR - Tier I Capital | 11.94% |
| iii) CRAR - Tier II Capital | 5.22% |

II Exposure to Real Estate Sector:

| Category | | (₹ lacs) As at 31.03.2014 |
|----------|---|------------------------------|
| a) | Direct Exposure | |
| | Residential Mortgages - | |
| | Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented | 1,330,848 |
| | Individual Housing loans upto ₹ 15 lakh | 1,994,638 |
| | (ii) Commercial Real Estate - | |
| | Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or ware house space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits | 719,618 |
| | (iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures - | |
| | a. Residential | 14,559 |
| | b. Commercial Real Estate | Nil |
| b) | Indirect Exposure | |
| | Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs) | Nil |

III Asset Liability Management:

Maturity pattern of certain items of assets and liabilities

| | For the year ended 31st March, 2014 | | (₹ lacs) | | |
|-----------------------------------|-------------------------------------|-------------------|---------------------------|---------------|-----------------------|
| | Liabilities | | Assets | | |
| | Borrowings from Banks | Market Borrowings | Housing & Property Loan * | Investments | Liquid Current Assets |
| 1 day to 14 days | 1,486 | 9,833 | 10,267 | 26,920 | 64,182 |
| 14 days to 30-31 days (one month) | 9,081 | 26,787 | 4,300 | - | - |
| Over one month to 2 months | 21,890 | 45,962 | 14,708 | - | - |
| Over 2 months upto 3 months | 39,303 | 54,670 | 14,896 | - | 500 |
| Over 3 months to 6 months | 93,958 | 60,273 | 45,582 | - | - |
| Over 6 months to 1 year | 232,014 | 123,161 | 95,220 | - | 33,636 |
| Over 1 year to 3 years | 967,476 | 286,017 | 421,339 | 750 | 19,020 |
| Over 3 to 5 years | 676,078 | 77,718 | 463,460 | - | - |
| Over 5 to 7 years | 486,409 | 179,859 | 403,891 | - | - |
| Over 7 to 10 years | 329,641 | 193,353 | 649,317 | 18,626 | - |
| Over 10 years | 7,549 | 20,770 | 1,934,407 | 11,295 | - |
| Unpaid EMI/PEMI on Housing Loan | - | - | 2,276 | - | - |
| Total | 2,864,885 | 1,068,571 | 4,059,663 | 57,590 | 117,338 |

* without considering prepayment of Loans given

- 46 Figures for the previous year have been regrouped, rearranged and reclassified wherever necessary. Figures in brackets

MATERIAL DEVELOPMENTS

There have been no material developments since March 31, 2018 and there have arisen no circumstances that materially or adversely affect the operations, or financial condition or profitability or credit quality of our Company or the value of its assets or its ability to pay its liabilities with the next 12 months except as stated in the chapter “*Financial Information*” beginning on page 121.

SUMMARY OF SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP AND INDAS

The audited financial statements of the Issuer included in this Draft Shelf Prospectus are presented in accordance with Indian GAAP, which differs from Indian Accounting Standards (“**Ind AS**”) in certain respects. The Ministry of Corporate Affairs (“**MCA**”), in its press release dated January 18, 2016, issued a roadmap for implementation of Ind AS converged with IFRS for non-banking financial companies, scheduled 50 commercial banks, insurers, and insurance companies, which was subsequently confirmed by the RBI through its circular dated February 11, 2016. MCA via its notification dated March 30, 2016, has included Housing Finance Companies in the definition of a “Non-Banking Financial Company” (“**NBFCs**”). The notification further explains that NBFCs having a net worth of ₹ 50,000 lakh or more as of March 31, 2016, shall comply with Ind AS for accounting periods beginning on or after April 1, 2018, with comparatives for the periods ending on March 31, 2018. Therefore, the Issuer would be subject to this notification.

National Housing Bank vide its policy Circular No.88/2017-18 dated April 16, 2018 has clarified that HFCs are advised to be guided by the extant provisions of IND AS, including the date of implementation i.e. April 1, 2018. HFCs are also required to follow the extant directions on Prudential Norms, including on asset classification, provisioning etc. issued by the National Housing Bank with regards to the implementation of IND AS.

“Summary of Significant Differences among Indian GAAP and Ind AS”, does not present all differences between Indian GAAP and Ind AS which are relevant to the Issuer. Consequently, there can be no assurance that those are the only differences in the accounting principles that could have a significant impact on the financial information included in this Draft Shelf Prospectus. Furthermore, the Issuer has made no attempt to identify or quantify the impact of these differences or any future differences between Indian GAAP and Ind AS which may result from prospective changes in accounting standards. The Issuer has not considered matters of Indian GAAP presentation and disclosures, which also differ from Ind AS. In making an investment decision, investors must rely upon their own examination of the Issuer’s business, the terms of the offerings and the financial information included in this Draft Shelf Prospectus. Potential investors should consult with their own professional advisors for a more thorough understanding of the differences between Indian GAAP and Ind AS and how those differences might affect the financial information included in this Draft Shelf Prospectus. The Issuer cannot assure that it has completed a comprehensive analysis of the effect of Ind AS on future financial information or that the application of Ind AS will not result in a materially adverse effect on the Issuer’s future financial information.

Summary of Significant Differences among Indian GAAP and Ind AS:

| Sr. No. | Particulars | Treatment as per Indian GAAP | Treatment as per Ind-AS |
|---------|--------------------------------------|--|--|
| 1. | Presentation of Financial Statements | <p>Other Comprehensive Income:</p> <p>There is no concept of ‘Other Comprehensive Income’ under Indian GAAP.</p> | <p><u>Other Comprehensive Income:</u></p> <p>Ind AS 1 introduces the concept of other Comprehensive Income (“OCI”). Other comprehensive income comprises items of income and expense (including reclassification adjustments) that are not recognized in profit or loss as required or permitted by other Ind AS.</p> |
| | | <p><u>Extraordinary items:</u></p> <p>Under Indian GAAP, extraordinary items are disclosed separately in the statement of profit and loss and are included in the determination of net profit or loss for the period.</p> <p>Items of income or expense to be disclosed as extraordinary should be distinct from the ordinary activities and are determined by the nature of the event or transaction in relation to the business ordinarily carried out by an entity.</p> | <p><u>Extraordinary items:</u></p> <p>Under Ind AS, presentation of any items of income or expense as extraordinary is prohibited.</p> |

| Sr. No. | Particulars | Treatment as per Indian GAAP | Treatment as per Ind-AS |
|---------|---|---|--|
| | | <p><u>Change in Accounting Policies:</u></p> <p>Indian GAAP requires changes in accounting policies to be presented in the financial statements on a prospective basis (unless transitional provisions, if any, of an accounting standard require otherwise) together with a disclosure of the impact of the same, if material.</p> <p>If a change in the accounting policy has no material effect on the financial statements for the current period but is expected to have a material effect in the later periods, the same should be appropriately disclosed.</p> | <p><u>Change in Accounting Policies:</u></p> <p>Ind AS requires retrospective application of changes in accounting policies by adjusting the opening balance of each affected component of equity for the earliest prior period presented and the other comparative amounts for each period presented as if the new accounting policy had always been applied, unless transitional provisions of an accounting standard require otherwise.</p> |
| 2. | Deferred Taxes | Under Indian GAAP, the Company determines deferred tax to be recognized in the financial statements with reference to the income statement approach i.e. with reference to the timing differences between profit offered for income taxes and profit as per the financial statements. | <p>As per Ind AS 12 Income Taxes, deferred tax is determined with reference to the balance sheet approach i.e. based on the differences between carrying value of the assets/ liabilities and their respective tax base.</p> <p>Using the balance sheet approach, there could be additional deferred tax charge/ income on account of all Ind AS opening balance sheet adjustments.</p> |
| 3. | Property, plant and Equipment depreciation and residual value – reviewing | Under Indian GAAP, the Company currently provides depreciation on straight line method over the useful lives of the assets estimated by the Management. | <p>Ind AS 16 mandates reviewing the method of depreciation, estimated useful life and estimated residual value of an asset at least once in a year. The effect of any change in the estimated useful and residual value shall be taken prospectively.</p> <p>Ind AS 101 allows current carrying value under Indian GAAP for items of property, plant and equipment to be carried forward as the cost under Ind AS.</p> |
| 4. | Accounting for Employee benefits | Currently, all actuarial gains and losses are recognized immediately in the statement of profit and loss. | <p>Under Ind AS 19, the change in liability is split into changes arising out of service, interest cost and re measurements and the change in asset is split between interest income and re measurements.</p> <p>Changes due to service cost and net interest cost/ income need to be recognized in the income statement and the changes arising out of re-measurements are to be recognized directly in OCI.</p> |
| 5. | Accounting for Investments in | Accounting for investments in subsidiaries/ Associates/JV is governed by Accounting | Accounting for investments in Subsidiaries / Associates / JV is |

| Sr. No. | Particulars | Treatment as per Indian GAAP | Treatment as per Ind-AS |
|---------|--|--|---|
| | Subsidiaries/ Associates/ JV in separate Financial Statements | Standard 13 depending on the classification of the investment as current or long term. | governed by Ind AS 27 which gives an option to account the same at cost or in accordance with Ind AS 109. |
| 6. | Consolidated Financial Statements | <p>Under Indian GAAP the consolidation is driven by the reporting entity's control over its investees namely subsidiaries, associates and joint ventures. Control is:</p> <p>(a) the ownership, directly or indirectly through subsidiary(ies), of more than one-half of the voting power of an entity; or</p> <p>(b) control of the composition of the board of directors in the case of a company or of the composition of the corresponding governing body in case of any other entity so as to obtain economic benefits from its activities. Therefore, a mere ownership of more than 50 per cent of equity shares is sufficient to constitute control under Indian GAAP, whereas this is not necessarily so under Ind AS.</p> | <p>Control is based on whether an investor has:</p> <p>(a) power over the investee;</p> <p>(b) exposure, or rights, to variable return from its involvement with the investee; and</p> <p>(c) the ability to use its power over the investee to affect the amounts of the returns.</p> |
| 7. | Consolidation - Exclusion of subsidiaries, associates and joint ventures | Excluded from consolidation, equity accounting or proportionate consolidation if the subsidiary/ investment/ interest in joint venture was acquired with intent to dispose of in the near future (which, ordinarily means not more than 12 months, unless a longer period can be justified based on facts and circumstances of the case) or if it operates under severe long-term restrictions which significantly impair its ability to transfer funds to the parent/ investor/ venturer. | Consolidated financial statements include all subsidiaries and equity accounted associates and joint ventures. No exemption for "temporary control", "different lines of business" or "subsidiary/ associate/ joint venture that operates under severe long- term funds transfer restrictions" except when the investment is determined as held for sale in accordance with Ind AS. |
| 8. | Consolidation - Joint Ventures | Under Indian GAAP, Proportionate consolidation method is applied when the entity prepares consolidated financial statements. | The equity method, as described in Ind AS 28 is applied when the entity prepares consolidated financial statements. |
| 9. | Provisions, contingent liabilities and contingent assets | Under Indian GAAP, provisions are recognised only under a legal obligation. Also, discounting of provisions to present value is not permitted | Under IND AS, provisions are recognised for legal as well as constructive obligations. IND AS requires discounting the provisions to present value, if the effect of time value of money is material |
| 10. | Share based payments | <p>Under Indian GAAP, company has an option to account for share based payments on the basis of intrinsic value or fair value.</p> <p>The company followed the intrinsic value method and gave a disclosure for the fair valuation.</p> | Under Ind AS, the share based payments have to be mandatorily accounted basis the fair value and the same has to be recorded in the Statement of Profit or Loss over the vesting period. The fair valuation of the unvested options as on the transition date have to be adjusted against retained earnings |
| 11. | The pooling of | Amalgamations in the nature of purchase are | All business combinations, other than |

| Sr. No. | Particulars | Treatment as per Indian GAAP | Treatment as per Ind-AS |
|---------|---|--|---|
| | interests and purchase method | <p>accounted for by recording the identifiable assets and liabilities of the acquiree either at the fair values or at book values.</p> <p>Amalgamations in the nature of merger are accounted under the pooling of interests method.</p> | <p>those between entities under common control, are accounted for using the purchase method. An acquirer is identified for all business combinations, which is the entity that obtains control of the other combining entity.</p> <p>Business combination transactions between entities under common control should be accounted for using the 'pooling of interests' method.</p> |
| 12. | Presentation and classification of Financial Instruments and subsequent measurement | <p>Currently, under Indian GAAP, the financial assets and financial liabilities are recognised at the transaction value. The Company classifies all its financial assets and liabilities as short term or long term.</p> <p>Long term investments are carried at cost less any permanent diminution in the value of such investments determined on a specific identification basis. Current investments are carried at lower of cost and fair value.</p> <p>Financial liabilities are carried at their transaction values. Disclosures under Indian GAAP are limited.</p> <p>Currently under Indian GAAP, loan processing fees and/or fees of similar nature are recognized upfront in the Statement of Profit and Loss.</p> | <p>Ind AS 109 requires all financial assets and financial liabilities to be recognised on initial recognition at fair value.</p> <p>Financial assets have to be either classified as measured at amortized cost or measured at fair value. Where assets are measured at fair value, gains and losses are either recognized entirely in profit or loss (FVTPL) or recognized in other comprehensive income (FVOCI).</p> <p>Financial assets include equity and debts investments, security receipts, interest free deposits, loans, trade receivables etc.</p> <p>Assets classified at amortized cost and FVOCI and the related revenue (including processing fees and fees of similar nature) net of related costs have to be measured using the Effective Interest Rate (EIR) method.</p> <p>There are two measurement categories for financial liabilities - FVTPL and amortized cost. Liabilities classified at amortized cost and the related expenses (processing cost & fees) have to be measured using the Effective Interest Rate (EIR) method.</p> <p>Fair value adjustment on transition shall be adjusted against opening retained earnings on the date of transition. Disclosures under Ind AS are extensive.</p> |
| 13. | Financial Instruments - Impairment | <p>Under Indian GAAP, the Company assesses the provision for doubtful debts at each reporting period, which in practice, is based on relevant information like past experience, financial position of the debtor, cash flows of the debtor, guidelines issued by the regulator etc.</p> | <p>The impairment model in Ind AS is based on expected credit losses and it applies equally to debt instruments measured at amortized cost or FVOCI, lease receivables, contract assets within the scope of Ind AS 109 and certain written loan commitments and financial guarantee contracts.</p> |

FINANCIAL INDEBTEDNESS

Details of Secured Term Loans from Banks:

Our Company's secured term loans from banks as on March 31, 2018 amount to ₹ 39,92,796.57 on a standalone basis. The details of the borrowings are set out below:

All our term loans have been secured by way of security as detailed below. Further, our Promoters, Mr. Kapil Wadhawan and Mr. Dheeraj Wadhawan, have provided personal guarantees to the bank lenders for all of the Company's term loans and to the NHB for all of the Company's borrowings from the NHB. Pursuant to the refinancing arrangement, Mr. Kapil Wadhawan, Mr. Dheeraj Wadhawan, WGCL, Kyta Advisers Private Limited and Ms. Aruna Wadhawan have provided non-disposal undertakings to the NHB. WGCL has also provided Corporate Guarantee for the same.

Term Loans from Banks:

(₹ in lakh)

| Sr. No. | Lender's Name | Amount Sanctioned | Amount Outstanding as on March 31, 2018 | Final Maturity Date/ Repayment Schedule | Pre-payment penalty, if any |
|---------|-----------------|-------------------|---|--|--|
| 1. | Allahabad Bank* | 10,000.00 | 7,495.56 | March 22, 2024 To be repaid in 32 equal quarterly instalments, after a moratorium period of 2 years. | The Company may prepay partly/fully anytime by giving one month's advance intimation to the lender without penalty charges. |
| 2. | Allahabad Bank* | 20,000.00 | 8,489.07 | May 6, 2022 To be repaid in 40 quarterly instalments of ₹ 500 each, commencing from the quarter after disbursement. | The Company may prepay partly/fully anytime by giving two months' advance intimation to the lender without penalty charges. |
| 3. | Andhra Bank* | 25,000.00 | 15,625.00 | February 28, 2023 To be repaid in 32 equal quarterly instalments, after a moratorium period of 2 years. | The Company may prepay the loan without prepayment charges in the following events: (i) If the reset interest rate is not suitable; (ii) In the event of prepayment of loans by the ultimate borrowers. In all other events, prepayment charges will be levied at 2% over the amount outstanding. |
| 4. | Andhra Bank* | 30,000.00 | 12,187.45 | June 27, 2021 To be repaid in 32 equal quarterly instalments, after a moratorium period of 2 years. | The Company may prepay partly/fully anytime by giving two months' advance intimation to the lender without penalty charges. |
| 5. | Andhra Bank* | 10,000.00 | 8,125.00 | August 30, 2024 To be repaid in 32 equal quarterly instalments, after a moratorium period of 2 years. | The Company may prepay partly/fully anytime by giving one month's advance intimation to the lender without penalty charges. Otherwise, prepayment penalty of 2% of the amount prepaid shall be charged. |
| 6. | Andhra Bank* | 20,000.00 | 20,000.00 | 26 December 2026 | The Company may prepay partly/fully anytime by giving |

| Sr. No. | Lender's Name | Amount Sanctioned | Amount Outstanding as on March 31, 2018 | Final Maturity Date/ Repayment Schedule | Pre-payment penalty, if any |
|---------|-----------------|-------------------|---|--|---|
| | | | | To be repaid in 32 equal instalments after moratorium period of 2 years | one month's advance intimation to the lender without penalty charges. Otherwise, prepayment penalty of 2% of the amount prepaid shall be charged. |
| 7. | Andhra Bank* | 20,000.00 | 20,000.00 | 27 December 2027 To be repaid in 32 equal instalments after moratorium period of 2 years | The Company may prepay partly/fully anytime by giving one month's advance intimation to the lender without penalty charges. Otherwise, prepayment penalty of 2% of the amount prepaid shall be charged. |
| 8. | Axis Bank** | 4,166.00 | 1,386.00 | April 29, 2020 - | - |
| 9. | Axis Bank* | 20,000.00 | 6,666.67 | October 9, 2020 To be repaid in 18 equal half yearly instalments, after a moratorium period of 1 year from the date of first disbursement. | In the event, the Company decides to prepay the loan, the prepayment of loan will be accepted on the terms and conditions to be decided by the lender. |
| 10. | Bank of Baroda* | 15,000.00 | 5,625.00 | December 30, 2021 To be repaid in 40 equal quarterly instalments of ₹ 375 each, after a moratorium period of 2 years from the date of the first disbursement. | - |
| 11. | Bank of Baroda* | 50,000.00 | 31,250.00 | March 25, 2023 To be repaid in 32 equal quarterly instalments of ₹ 1,562.50 each, after a moratorium period of 2 years from the date of the first disbursement. | The Company may prepay the loan any time from their internal accruals by giving one month's advance intimation to the lender without any prepayment penalty charges. |
| 12. | Bank of Baroda* | 20,000.00 | 15,000.00 | March 28, 2024 To be repaid in 32 equal quarterly instalments of ₹ 625 each, after a moratorium period of 2 years from the date of the first disbursement. | The Company may prepay the loan any time from their internal accruals by giving one month's advance intimation to the lender without any prepayment penalty charges. |
| 13. | Bank of Baroda* | 15,000.00 | 13,125.00 | March 27, 2025 To be repaid in 32 equal quarterly instalments of ₹ 468.75 each, after a moratorium period of 2 years from the date of the first disbursement. | The Company may prepay the loan any time from their internal accruals by giving one month's advance intimation to the lender without any prepayment penalty charges. |
| 14. | Bank of Baroda* | 50,000.00 | 48,437.50 | December 31, 2025 | The Company may prepay the loan any time from their internal |

| Sr. No. | Lender's Name | Amount Sanctioned | Amount Outstanding as on March 31, 2018 | Final Maturity Date/ Repayment Schedule | Pre-payment penalty, if any |
|---------|-----------------|-------------------|---|--|--|
| | | | | To be repaid in 32 equal quarterly instalments of ₹ 1,562.50 each, after a moratorium period of 2 years from the date of the first disbursement. | accruals by giving one month's advance intimation to the lender without any prepayment penalty charges. |
| 15. | Bank of Baroda* | 100,000.00 | 65,000.00 | April 13, 2021 To be repaid in 20 equal instalments of ₹ 5,000 each, a month after first disbursement. | The Company may prepay the loan any time from their internal accruals by giving one month's advance intimation to the lender without any prepayment penalty charges. |
| 16. | Bank of Baroda* | 100,000.00 | 65,000.00 | April 30, 2021 To be repaid in 20 equal instalments of ₹ 5,000 each, a month after first disbursement. | The Company may prepay the loan any time from their internal accruals by giving one month's advance intimation to the lender without any prepayment penalty charges. |
| 17. | Bank of Baroda* | 1,30,000.00 | 1,30,000.00 | 27 March 2022 To be repaid in 3 ballooning annual instalment of ₹ 400 Crs, ₹ 400 Crs & ₹ 500 Crs commencing after 24 months from the date of first disbursement | The Company may prepay the loan by giving one month's advance intimation to Bank notice towards prepayment penalty. |
| 18. | Bank of India* | 20,000.00 | 3,478.85 | December 31, 2019 To be repaid in 40 equal quarterly instalments of ₹ 500 each, after a moratorium period of 12 months from the first disbursement. | The Company may prepay the loan with one month's notice without incurring any liability towards prepayment penalty. |
| 19. | Bank of India* | 15,000.00 | 6,591.62 | July 11, 2022 To be repaid in 40 quarterly instalments of ₹ 375 each, after a moratorium period of 24 months from the first disbursement. | The Company may prepay the loan with one month's advance intimation to the lender without incurring any liability towards prepayment penalty. |
| 20. | Bank of India* | 50,000.00 | 34,051.61 | June 30, 2023 To be repaid in 32 equal quarterly instalments of ₹ 1,562.50 each, after a moratorium period of 24 months from the first disbursement. | The Company may prepay the loan with one month's advance intimation to the lender without incurring any liability towards prepayment penalty. |
| 21. | Bank of India* | 30,000.00 | 22,491.04 | March 22, 2024 To be repaid in 32 equal quarterly instalments of ₹ | The Company may prepay the loan with one month's advance intimation to the lender without |

| Sr. No. | Lender's Name | Amount Sanctioned | Amount Outstanding as on March 31, 2018 | Final Maturity Date/ Repayment Schedule | Pre-payment penalty, if any |
|---------|----------------------|-------------------|---|---|--|
| | | | | 937.50 each, after a moratorium period of 24 months from the first disbursement. | incurring any liability towards prepayment penalty. |
| 22. | Bank of India* | 30,000.00 | 18,646.24 | March 25, 2024 To be repaid in 40 equal quarterly instalments of ₹ 750 each, after a moratorium period of 12 months from the first disbursement. | - |
| 23. | Bank of India* | 20,000.00 | 17,478.90 | June 18, 2025 To be repaid in 32 equal quarterly instalments of ₹ 625 each, after a moratorium period of 24 months from the first disbursement. | The Company may prepay the loan by giving one month's advance intimation to the lender without incurring any liability towards prepayment charges. |
| 24. | Bank of India* | 50,000.00 | 49,991.90 | 30 September 2026 To be repaid in 32 equal instalments of ₹ 15.625 crore each commencing from 24 months after first disbursement and repayment to start by end of first quarter after moratorium | The Company may prepay the loan by giving one month's advance intimation to the lender without incurring any liability towards prepayment charges. |
| 25. | Bank of India* | 50,000.00 | 49,973.62 | 28 February 2027 To be repaid in 32 equal instalments of ₹ 15.625 crore each commencing from 24 months after first disbursement and repayment to start by end of first quarter after moratorium | The Company may prepay the loan by giving one month's advance intimation to the lender without incurring any liability towards prepayment charges. |
| 26. | Bank of India* | 150000.00 | 149,941.85 | 30 June 2027 To be repaid in 32 equal instalments of ₹ 46.875 crore each commencing from 24 months after first disbursement and repayment to start by end of first quarter after moratorium | The Company may prepay the loan by giving one month's advance intimation to the lender without incurring any liability towards prepayment charges. |
| 27. | Bank of Maharashtra* | 10,000.00 | 2,742.12 | December 30, 2020 | - |

| Sr. No. | Lender's Name | Amount Sanctioned | Amount Outstanding as on March 31, 2018 | Final Maturity Date/ Repayment Schedule | Pre-payment penalty, if any |
|---------|-----------------------|-------------------|---|--|-----------------------------|
| | | | | To be repaid in 40 equal quarterly instalments of ₹ 250 each, after a moratorium period of 1 year from the date of first disbursement. | |
| 28. | Bank of Maharashtra* | 10,000.00 | 2,747.97 | December 30, 2020 To be repaid in 40 equal quarterly instalments of ₹ 250 each, after a moratorium period of 1 year from the date of first disbursement. | - |
| 29. | Bank of Maharashtra * | 20,000.00 | 6,488.84 | June 24, 2021 To be repaid in 40 equal quarterly instalments, after a moratorium period of 1 year from the date of first disbursement. | - |
| 30. | Bank of Maharashtra * | 5,000.00 | 1,996.78 | March 14, 2022 To be repaid in 40 equal quarterly instalments, after a moratorium period of 1 year from the date of first disbursement. | - |
| 31. | Bank of Maharashtra * | 7,000.00 | 3,495.14 | March 25, 2022 To be repaid in 32 equal quarterly instalments, after a moratorium period of 2 years. | - |
| 32. | Bank of Maharashtra * | 10,000.00 | 5,928.24 | November 28, 2022 To be repaid in 32 equal quarterly instalments, after a moratorium period of 2 years. | Prepayment penalty waived. |
| 33. | Bank of Maharashtra * | 20,000.00 | 16,239.93 | September 20, 2024 To be repaid in 32 equal quarterly instalments, after a moratorium period of 2 years. | Prepayment penalty waived. |
| 34. | Bank of Maharashtra * | 15,000.00 | 14,042.28 | August 30, 2025 To be repaid in 31 equal quarterly instalments of ₹ 469 and the last instalment of ₹ 461, after a moratorium period of 2 years from the initial date of disbursement. | Prepayment charges waived. |

| Sr. No. | Lender's Name | Amount Sanctioned | Amount Outstanding as on March 31, 2018 | Final Maturity Date/ Repayment Schedule | Pre-payment penalty, if any |
|---------|-----------------------|-------------------|---|--|---|
| 35. | Bank of Maharashtra * | 20,000.00 | 19,994.07 | June 30, 2026 To be repaid in 32 equal quarterly instalments of ₹ 625 each, after a moratorium period of 2 years from the date of first disbursement. | Prepayment charges waived. |
| 36. | Canara Bank* | 50,000.00 | 18,750.00 | December 1, 2021 To be repaid in 40 quarterly instalments of ₹ 1,250, commencing 3 months after the first disbursement. | Prepayment charges as applicable to be levied. |
| 37. | Canara Bank* | 50,000.00 | 26,250.00 | May 26, 2023 To be repaid in 40 quarterly instalments of ₹ 1,250, commencing 3 months after the first disbursement. | - |
| 38. | Canara Bank* | 30,000.00 | 21,000.00 | March 30, 2025 To be repaid in 40 quarterly instalments of ₹ 750 each, commencing 3 months after the first disbursement. | - |
| 39. | Canara Bank* | 50,000.00 | 41,666.00 | September 16, 2025 To be repaid in equal quarterly instalments, commencing from the first quarter after a moratorium period of 2 years. | The Company may prepay partly/fully any time by giving one month's advance intimation to the lender without incurring any liability towards prepayment penalty. |
| 40. | Canara Bank* | 50,000.00 | 40,625.00 | June 30, 2021 To be repaid in 16 equal quarterly instalments of ₹ 3,125 each, commencing from the first quarter after a moratorium period of 1 year. | The Company may prepay partly/fully any time by giving one month's prior notice to the lender without incurring any liability towards prepayment penalty. |
| 41. | Canara Bank* | 30,000.00 | 30,000.00 | 30 March 2022 To be repaid in 12 equal quarterly instalments by end of first quarter after moratorium period of two years | The Company may prepay partly/fully any time by giving one month's prior notice to the lender without incurring any liability towards prepayment penalty. |
| 42. | Canara Bank* | 50,000.00 | 50,000.00 | 25 August 2024 | The Company may prepay partly/fully any time by giving one month's prior notice to the |

| Sr. No. | Lender's Name | Amount Sanctioned | Amount Outstanding as on March 31, 2018 | Final Maturity Date/ Repayment Schedule | Pre-payment penalty, if any |
|---------|-------------------------------------|-------------------|---|---|---|
| | | | | To be repaid in 20 equal quarterly instalments of ₹ 25.00 crore each commencing from the first quarter after moratorium | lender without incurring any liability towards prepayment penalty. |
| 43. | Central Bank of India* ⁺ | 4,285.63 | 533.49 | November 28, 2018 - | - |
| 44. | Central Bank of India* | 10,000.00 | 704.22 | October 27, 2018 To be repaid in 36 quarterly instalments, after a moratorium period of 1 year. | - |
| 45. | Central Bank of India* | 80,000.00 | 22,447.18 | May 27, 2020 To be repaid in 32 quarterly instalments, after a moratorium period of 2 years from the date of first disbursement. | - |
| 46. | Central Bank of India* | 50,000.00 | 20,268.52 | May 4, 2021 To be repaid in 32 quarterly instalments, after a moratorium period of 2 years from the date of first disbursement. | - |
| 47. | Central Bank of India* | 2,500.00 | 810.91 | May 24, 2021 To be repaid in 12 years, including a moratorium period of 2 years from the date of disbursement. | - |
| 48. | Central Bank of India* | 27,500.00 | 8,920.76 | August 24, 2021 To be repaid in 12 years, including a moratorium period of 2 years from the date of disbursement. | - |
| 49. | Central Bank of India* | 25,000.00 | 23,399.17 | August 30, 2025 To be repaid in 32 equal quarterly instalments, after a moratorium period of 2 years. | The Company may prepay the loan partly/fully anytime by giving one month's advance intimation to the lender without incurring any liability towards prepayment penalty. |
| 50. | Central Bank of India* | 50,000.00 | 43,684.97 | September 29, 2021 | The Company may prepay the loan partly/fully anytime by giving one month's advance |

| Sr. No. | Lender's Name | Amount Sanctioned | Amount Outstanding as on March 31, 2018 | Final Maturity Date/ Repayment Schedule | Pre-payment penalty, if any |
|---------|-------------------|-------------------|---|--|---|
| | | | | To be repaid in 16 equal quarterly instalments of the principle amount from the end of first quarter after moratorium of one year | intimation to the lender without incurring any liability towards prepayment penalty. |
| 51. | Corporation Bank* | 50,000.00 | 14,061.89 | June 29, 2020 To be repaid in 32 equal quarterly instalments of ₹ 1,562.50 each, after a moratorium period of 2 years. | Prepayment penalty of 1% on the amount prepaid to be levied. |
| 52. | Corporation Bank* | 25,000.00 | 9,374.49 | March 30, 2021 To be repaid in 32 equal quarterly instalments of ₹ 781.25 each, after a moratorium period of 2 years. | The Company may prepay the loan anytime by giving one month's advance intimation to the lender without any prepayment penalty. |
| 53. | Corporation Bank* | 50,000.00 | 29,685.13 | November 28, 2022 To be repaid in 32 equal quarterly instalments of ₹ 1,562.50 each, after a moratorium period of 2 years. | The Company may prepay the loan anytime by giving one month's advance intimation to the lender without any prepayment penalty. |
| 54. | Corporation Bank* | 25,000.00 | 17,187.26 | August 30, 2023 To be repaid in 32 equal quarterly instalments of ₹ 781.25 each, after a moratorium period of 2 years. | The Company may prepay the loan anytime by giving one month's advance intimation to the lender without any prepayment penalty. |
| 55. | DCB Bank* | 7,500.00 | 2,272.64 | August 6, 2020 To be repaid in 21 equal quarterly instalments of ₹ 340.91 each and the last instalment of ₹ 340.89, after a moratorium period of 6 months from the date of disbursal. | Prepayment penalty will be charged as follows: 2% on the outstanding for full prepayment or 2% on the full amount/instalment for part prepayment, subject to a minimum of ₹ 10,000.00 in both cases. |
| 56. | Dena Bank* | 10,000.00 | 176.57 | October 1, 2018 To be repaid in 40 quarterly instalments. | - |
| 57. | Dena Bank* | 10,000.00 | 2,812.42 | June 29, 2020 To be repaid in 24 equal quarterly instalments, after a moratorium period of 2 | The Company may prepay the loan any time by giving one month's advance intimation to the lender without incurring any liability towards prepayment penalty. |

| Sr. No. | Lender's Name | Amount Sanctioned | Amount Outstanding as on March 31, 2018 | Final Maturity Date/ Repayment Schedule | Pre-payment penalty, if any |
|---------|--------------------|-------------------|---|--|---|
| | | | | years from the date of disbursement. | |
| 58. | Dena Bank* | 30,000.00 | 15,927.05 | June 28, 2022 To be repaid in 32 equal quarterly instalments, after a moratorium period of 2 years from the date of disbursement. | The Company may prepay the loan any time by giving two months' advance intimation to the lender without incurring any liability towards prepayment penalty. |
| 59. | Dena Bank* | 20,000.00 | 18,928.55 | December 31, 2022 To be repaid in 20 equal quarterly instalments, after a moratorium period of 2 years. | The Company may prepay the loan anytime by giving one month's advance intimation to the lender without incurring any liability towards prepayment penalty. |
| 60. | Dena Bank* | 20,000.00 | 19,929.30 | 31 May 2027 To be repaid in 32 equal quarterly instalments by end of first quarter after moratorium period of two years | The Company may prepay the loan anytime by giving two month's advance intimation to the lender without incurring any liability towards prepayment penalty. |
| 61. | Dena Bank* | 30,000.00 | 15,000.00 | 31 March, 2028 To be repaid in 32 equal quarterly instalments by end of first quarter after moratorium period of two years | Prepayment charges are nil, subject to prior intimation of 30 days |
| 62. | Federal Bank * | 10,000.00 | 2,999.66 | March 17, 2021 To be repaid in 40 equal quarterly instalments from the date of disbursement. | Prepayment charges of 2% on the amount prepaid to be levied. |
| 63. | Federal Bank * | 10,000.00 | 7,499.15 | March 22, 2024 To be repaid in 32 equal quarterly instalments of ₹ 312.50 each after a moratorium period of 2 years. | If the Company prepays the loan without providing two months' prior notice, 1% of the prepayment amount will be charged as prepayment penalty. |
| 64. | Federal Bank* | 10,000.00 | 9,999.36 | 11 August, 2027 To be repaid in 32 equal quarterly instalments of ₹ 3.125 crores each post moratorium of 24 months | Prepayment penalty is nil if it is done at the time of interest reset after serving 1 month's notice |
| 65. | HDFC Bank Limited* | 3,750.00 | 562.50 | December 10, 2018 To be repaid in equal quarterly instalments, commencing from the end of the 3 rd month after the date of the first drawdown. | The Company will be allowed to prepay the loan with 15 days' prior intimation to the lender. A prepayment penalty of 1% would be levied on the loan amount. |

| Sr. No. | Lender's Name | Amount Sanctioned | Amount Outstanding as on March 31, 2018 | Final Maturity Date/ Repayment Schedule | Pre-payment penalty, if any |
|---------|--------------------|-------------------|---|--|---|
| 66. | HDFC Bank Limited* | 5,000.00 | 714.29 | March 22, 2019 To be repaid in equal quarterly instalments, commencing from the end of the 3 rd month after the date of the first drawdown. | The Company will be allowed to prepay the loan with 15 days' prior intimation to the lender. A prepayment penalty of 1% would be levied on the loan amount. |
| 67. | HDFC Bank Limited* | 4,683.00 | 1,071.43 | July 23, 2019 To be repaid in equal quarterly instalments without any moratorium. | The Company will be allowed to prepay the loan with 15 days' prior intimation to the lender. A prepayment penalty of 2% would be levied on the loan amount. |
| 68. | HDFC Bank Limited* | 1,250.00 | 267.86 | September 5, 2019 To be repaid in equal quarterly instalments, commencing from the end of the 3 rd month after the date of the first drawdown. | The Company will be allowed to prepay the loan with 15 days' prior intimation to the lender. A prepayment penalty of 1% would be levied on the loan amount. |
| 69. | HDFC Bank Limited* | 2,500.00 | 535.71 | August 28, 2019 To be repaid in equal quarterly instalments, commencing from the end of the 3 rd month after the date of the first drawdown. | The Company will be allowed to prepay the loan with 15 days' prior intimation to the lender. A prepayment penalty of 1% would be levied on the loan amount. |
| 70. | HDFC Bank Limited* | 5,000.00 | 1,428.57 | March 30, 2020 To be repaid in equal quarterly instalments, commencing from the end of the 3 rd month after the date of the first drawdown. | The Company will be allowed to prepay the loan with 15 days' prior intimation to the lender. A prepayment penalty of 1% would be levied on the loan amount. |
| 71. | HDFC Bank Limited* | 3,750.00 | 1,473.21 | December 10, 2020 To be repaid in equal quarterly instalments, commencing from the end of the 3 rd month after the date of the first drawdown. | The Company will be allowed to prepay the loan with 15 days' prior intimation to the lender. A prepayment penalty of 1% would be levied on the loan amount. |
| 72. | HDFC Bank Limited* | 15,000.00 | 8,250.00 | December 15, 2020 To be repaid in equal quarterly instalments, commencing from the end of the 3 rd month after the date of the first drawdown. | The Company will be allowed to prepay the loan with 15 days' prior intimation to the lender. A prepayment penalty of 1% would be levied on the loan amount. |

| Sr. No. | Lender's Name | Amount Sanctioned | Amount Outstanding as on March 31, 2018 | Final Maturity Date/ Repayment Schedule | Pre-payment penalty, if any |
|---------|---------------------|-------------------|---|--|---|
| 73. | HDFC Bank Limited* | 20,000.00 | 11,428.571 | February 26, 2022 To be repaid in equal quarterly instalments, commencing from the end of the 3 rd month after the date of the first drawdown. | The Company will be allowed to prepay the loan with 15 days' prior intimation to the lender. A prepayment penalty of 1% would be levied on the loan amount. |
| 74. | HDFC Bank Limited* | 40,000.00 | 32,000.00 | 30 March 2022 To be repaid in 20 equal quarterly instalments, commencing from the end of the 3 rd month after the date of the first drawdown. | The Company will be allowed to prepay the loan with 15 days' prior intimation to the lender. A prepayment penalty of 2% would be levied on the term loan facilities. In case of change in spread over MCLR, the company has a right to prepay the loan on the reset date without any prepayment charges. |
| 75. | HDFC Bank Limited* | 10,000.00 | 6,428.57 | August 25, 2022 To be repaid in equal quarterly instalments, commencing from the end of the 3 rd month after the date of the first drawdown. | The Company will be allowed to prepay the loan with 15 days' prior intimation to the lender. A prepayment penalty of 1% would be levied on the loan amount. |
| 76. | HDFC Bank Limited* | 5,000.00 | 3,392.86 | December 15, 2022 To be repaid in equal quarterly instalments, commencing from the end of the 3 rd month after the date of the first drawdown. | The Company will be allowed to prepay the loan with 15 days' prior intimation to the lender. A prepayment penalty of 1% would be levied on the loan amount. |
| 77. | ICICI Bank Limited* | 35,000.00 | 13,125.26 | March 31, 2021 To be repaid in 32 equal quarterly instalments, after a moratorium period of a quarter. | The Company may prepay the loan without any prepayment penalty within 45 days of reset of the spread of the rate of interest by giving an irrevocable notice to prepay the loan within 15 days of such reset. If the Company wishes to prepay the loan otherwise, it may do so with payment of prepayment premium of 1% on principal amount of the loan prepaid, subject to the Company giving at least 15 days' prior written notice to the lender. |
| 78. | IDBI Bank* | 30,000.00 | 18,750.00 | September 30, 2020 To be repaid over 16 quarterly instalments, commencing from the end of first quarter after a | The Company may prepay the financial assistance without prepayment payment of any prepayment premium on the reset dates only when effective interest rate on reset is higher than the |

| Sr. No. | Lender's Name | Amount Sanctioned | Amount Outstanding as on March 31, 2018 | Final Maturity Date/ Repayment Schedule | Pre-payment penalty, if any |
|---------|---------------|-------------------|---|--|--|
| | | | | moratorium period of 1 year. | existing or interest spread on reset is increased. Where increase in the rate of interest is on account of a rating downgrade as per provisions of the agreement, no exemption would be permitted for payment of prepayment premium on reset dates. |
| 79. | IDBI Bank* | 20,000.00 | 403.75 | January 1, 2021 To be repaid in 84 monthly instalments after moratorium period of 18 months from the date of first disbursement. | The Company may prepay the financial assistance without prepayment payment of any prepayment premium on the reset dates only when effective interest rate on reset is higher than the existing or interest spread on reset is increased. Where increase in the rate of interest is on account of a rating downgrade as per provisions of the agreement, no exemption would be permitted for payment of prepayment premium on reset dates. |
| 80. | IDBI Bank* | 30,000.00 | 22,500.00 | March 31, 2021 To be repaid over 16 quarterly instalments, commencing from the end of the first quarter after a moratorium of 1 year. | The Company may prepay the financial assistance, without payment of any prepayment premium, in the event the interest spread, on reset, is increased and such increase is not acceptable to the Company. However, the outstanding principal amount shall not be prepaid without obtaining the prior approval of the lender and paying a premium of 1% for such prepayment. |
| 81. | IDBI Bank* | 30,000.00 | 17,500.00 | September 30, 2021 To be repaid over 16 quarterly instalments, (of ₹ 31.25 crore each) commencing from the end of first quarter after a moratorium of 1 year. | The Company may prepay the financial assistance, without payment of any prepayment premium, in the event the interest spread, on reset, is increased and such increase is not acceptable to the Company. However, the outstanding principal amount shall not be prepaid without obtaining the prior approval of the lender and paying a premium of 1% for such prepayment. |

| Sr. No. | Lender's Name | Amount Sanctioned | Amount Outstanding as on March 31, 2018 | Final Maturity Date/ Repayment Schedule | Pre-payment penalty, if any |
|---------|---------------|-------------------|---|--|---|
| 82. | IDBI Bank* | 60,000.00 | 41,250.00 | September 30, 2023 To be repaid over 32 quarterly instalments, commencing from the end of the first quarter after a moratorium period of 2 years. | The Company may prepay the financial assistance, without payment of any prepayment premium, in the event the interest spread, on reset, is increased and such increase is not acceptable to the Company. However, the outstanding principal amount shall not be prepaid without obtaining the prior approval of the lender and paying a premium for such prepayment. |
| 83. | IDBI Bank* | 30,000.00 | 25,312.50 | December 23, 2024 To be repaid over 32 quarterly instalments, commencing from the end of the first quarter after a moratorium period of 2 years. | The Company may prepay the financial assistance, without payment of any prepayment premium, in the event the interest spread, on reset, is increased and such increase is not acceptable to the Company. However, the outstanding principal amount shall not be prepaid without obtaining the prior approval of the lender and paying a premium of 1% for such prepayment. |
| 84. | Indian Bank* | 20,000.00 | 7,849.64 | December 30, 2020 To be repaid in 28 equal quarterly instalments, after a moratorium period of 2 years from the date of last disbursement. | - |
| 85. | Indian Bank* | 10,000.00 | 4,638.75 | June 24, 2021 To be repaid in 28 equal quarterly instalments, after a moratorium period of 2 years from the date of last disbursement. | - |
| 86. | Indian Bank* | 15,000.00 | 9,834.97 | May 16, 2023 To be repaid in 32 equal quarterly instalments, after a moratorium period of 2 years from the date of last disbursement. | - |

| Sr. No. | Lender's Name | Amount Sanctioned | Amount Outstanding as on March 31, 2018 | Final Maturity Date/ Repayment Schedule | Pre-payment penalty, if any |
|---------|-----------------------|-------------------|---|---|---|
| 87. | Indian Bank* | 25,000.00 | 18,734.08 | March 19, 2024 To be repaid in 32 equal quarterly instalments, after a moratorium period of 2 years from the date of last disbursement. | - |
| 88. | Indian Bank* | 30,000.00 | 23,417.42 | April 26, 2024 To be repaid in 32 equal quarterly instalments, after a moratorium period of 2 years from the date of last disbursement. | - |
| 89. | Indian Bank* | 30,000.00 | 25,290.54 | December 31, 2024 To be repaid in 32 equal quarterly instalments, after a moratorium period of 2 years. | - |
| 90. | Indian Bank* | 55,000.00 | 54,999.27 | September 30, 2027 To be repaid in equal quarterly instalments at the end of first quarter after moratorium period of two years | If the Company prepays the loan during moratorium period, then prepayment penalty of 2.30 % is payable. Thereafter, the company can repay without any charge with 30 days' notice on interest reset date if the interest rate is not acceptable to the company. |
| 91. | Indian Overseas Bank* | 50,000.00 | 26,221.70 | June 16, 2023 To be repaid in 32 quarterly instalments of ₹ 1,562.50 each, after a moratorium period of 2 years from the date of first disbursement. | If the Company prepays the loan in the initial 3 years from the sanction, then applicable prepayment charges will be levied. No prepayment charges shall be levied for prepayments made after 3 years from the date of disbursement. |
| 92. | Indian Overseas Bank* | 50,000.00 | 48,437.50 | October 16, 2025 To be repaid in 32 quarterly instalments of ₹ 1562.50, after a moratorium period of 2 years from the date of first disbursement. | The Company may prepay the loan either fully or partly any time after 3 years from the sanction without incurring any liability towards prepayment penalty, provided that the Company gives a month's advance intimation to the lender. If the Company prepays the loan in the initial 3 years from the sanction, then applicable prepayment charges will be levied. |

| Sr. No. | Lender's Name | Amount Sanctioned | Amount Outstanding as on March 31, 2018 | Final Maturity Date/ Repayment Schedule | Pre-payment penalty, if any |
|---------|----------------------------|-------------------|---|--|--|
| 93. | Karnataka Bank Limited* | 5,000.00 | 3,748.43 | March 27, 2024 To be repaid in 32 equal quarterly instalments of ₹ 156.25 each, after a moratorium period of 2 years. | - |
| 94. | Karnataka Bank Limited* | 10,000.00 | 9,998.65 | July 31, 2024 To be repaid in 20 equal quarterly instalments of ₹ 5.00 crores each, after a moratorium period of 2 years. | - |
| 95. | Karnataka Bank Limited* | 5,000.00 | 4,060.85 | August 28, 2024 To be repaid in 32 equal quarterly instalments of ₹ 156.25 each, after a moratorium period of 2 years. | - |
| 96. | Kotak Mahindra Bank* | 30,000.00 | 15,000.00 | February 28, 2023 To be repaid in 10 equal annual instalments after one year from the date of first drawdown. | The Company has to pay 2% of the loan outstanding if prepayment is done before the date of interest date. No prepayment is applicable if paid on the date of interest reset. |
| 97. | Kotak Mahindra Bank* | 20,000.00 | 12,000.00 | February 28, 2024 To be repaid in 10 equal annual instalments after one year from the date of first drawdown. | The Company has to pay 2% of the loan outstanding if prepayment is done before the date of interest date. No prepayment is applicable if paid on the date of interest reset. |
| 98. | Oriental Bank of Commerce* | 2,500.00 | 312.78 | March 26, 2019 To be repaid in 40 equal quarterly instalments, after a moratorium period of 1 year from the date of first disbursement. | - |
| 99. | Oriental Bank of Commerce* | 25,000.00 | 10,145.42 | June 8, 2021 To be repaid in 32 equal quarterly instalments, after a moratorium period of 2 years from the date of first disbursement. | The Company may prepay partly/fully any time by giving two months' advance intimation to the lender without incurring any liability towards prepayment liability. |
| 100. | Oriental Bank of Commerce* | 35,000.00 | 18,574.77 | May 16, 2022 To be repaid in 32 equal quarterly instalments, after a moratorium period of 2 | The Company may prepay partly/fully any time by giving two months' notice to the lender without incurring any liability towards prepayment liability. |

| Sr. No. | Lender's Name | Amount Sanctioned | Amount Outstanding as on March 31, 2018 | Final Maturity Date/ Repayment Schedule | Pre-payment penalty, if any |
|---------|----------------------------|-------------------|---|--|--|
| | | | | years from the date of first disbursement. | |
| 101. | Oriental Bank of Commerce* | 15,000.00 | 10,770.12 | November 24, 2023 To be repaid in 32 equal quarterly instalments of ₹ 468.75, after a moratorium period of 2 years from the date of first disbursement. | - |
| 102. | Oriental Bank of Commerce* | 30,000.00 | 22,476.51 | March 27, 2024 To be repaid in 32 equal quarterly instalments of ₹ 937.50, after a moratorium period of 2 years from the date of first disbursement. | - |
| 103. | Oriental Bank of Commerce* | 15,000.00 | 13,111.57 | February 24, 2025 To be repaid in 32 equal quarterly instalments of ₹ 468.75, after a moratorium period of 2 years from the date of first disbursement. | - |
| 104. | Oriental Bank of Commerce* | 14,000.00 | 13,111.39 | September 15, 2025 To be repaid in 32 equal quarterly instalments of ₹ 437.50, after a moratorium period of 2 years from the date of first disbursement. | Prepayment penalty waived. |
| 105. | Oriental Bank of Commerce* | 13,000.00 | 12,987.22 | March 30, 2026 To be repaid in 32 equal quarterly instalments of ₹ 406.25 each, after a moratorium period of 24 months from the date of the first disbursement. | Prepayment penalty of 1% on outstanding balance shall be charged. The prepayment penalty will be waived if the prepayment is made by raising debt from banks and other financial institutions. |
| 106. | Oriental Bank of Commerce* | 30,000.00 | 30,000.48 | 30 March 2028 To be repaid in 32 quarterly instalments of ₹ 937.50 each by end of first quarter after moratorium period of 24 months | Prepayment charges are waived with 15 days' notice. |
| 107. | Punjab & Sind Bank* | 10,000.00 | 1,999.99 | March 26, 2020 To be repaid in 40 quarterly instalments of ₹ | - |

| Sr. No. | Lender's Name | Amount Sanctioned | Amount Outstanding as on March 31, 2018 | Final Maturity Date/ Repayment Schedule | Pre-payment penalty, if any |
|---------|------------------------|-------------------|---|---|--|
| | | | | 250 each, after a moratorium period of 3 months. | |
| 108. | Punjab & Sind Bank* | 20,000.00 | 6,583.30 | June 23, 2021 To be repaid in 40 quarterly instalments of ₹ 500 each, after a moratorium period of 3 months. | Prepayment charges - nil. |
| 109. | Punjab & Sind Bank* | 20,000.00 | 10,624.96 | April 8, 2022 To be repaid in 32 quarterly instalments of ₹ 625 each, after a moratorium period of 2 years. | The Company may prepay the loan partly/fully any time by giving two months' advance intimation to the lender without incurring any liability towards prepayment penalty. |
| 110. | Punjab & Sind Bank* | 20,000.00 | 16,249.40 | August 30, 2024 To be repaid in equal quarterly instalments of ₹ 625 each, commencing from the end of the first quarter after a moratorium period of 2 years. | The Company may prepay the loan partly/fully any time by giving two months' advance intimation to the lender without incurring any liability towards prepayment penalty. |
| 111. | Punjab & Sind Bank* | 12,000.00 | 11,625.00 | December 31, 2025 To be repaid in equal quarterly instalments, commencing from the end of first quarter after a period of moratorium of 2 years. | The Company may prepay the loan partly/fully any time by giving two months' advance intimation to the lender without incurring any liability towards prepayment penalty. |
| 112. | Punjab & Sind Bank* | 20,000.00 | 9,996.05 | March 30, 2027 To be repaid in 32 equal quarterly instalments of ₹ 6.25 crore, commencing from the end of first quarter after a period of moratorium of 2 years. | The Company may prepay the loan partly/fully any time by giving two months' advance intimation to the lender without incurring any liability towards prepayment penalty. |
| 113. | Punjab & Sind Bank* | 20,000.00 | 20,000.00 | January 22, 2028 To be repaid in 32 equal quarterly instalments of ₹ 6.25 crore, commencing from the end of first quarter after a period of moratorium of 2 years. | The Company may prepay the loan partly/fully any time by giving two months' advance intimation to the lender without incurring any liability towards prepayment penalty. |
| 114. | Punjab National Bank * | 5,000.00 ## | 321.87 | December 26, 2018 To be repaid in 40 equal quarterly instalments, commencing from the quarter after the disbursement. | - |

| Sr. No. | Lender's Name | Amount Sanctioned | Amount Outstanding as on March 31, 2018 | Final Maturity Date/ Repayment Schedule | Pre-payment penalty, if any |
|---------|----------------------------|-------------------|---|---|--|
| 115. | Punjab National Bank * | 15,000.00 ## | 1,311.12 | March 26, 2019 To be repaid in 40 equal quarterly instalments, commencing from the quarter after the disbursement. | - |
| 116. | Punjab National Bank * | 50,000.00 | 37,467.57 | March 29, 2024 To be repaid in 32 equal quarterly instalments of ₹ 1,562.50, after a moratorium period till March 2016. | The Company may prepay partly/fully any time by giving two months' advance notice to the lender. Prepayment penalty of 2% will be charged in the event of debt swap and nil penalties if repaid from internal accruals. |
| 117. | Punjab National Bank * | 10,000.00 | 8,118.64 | September 30, 2024 To be repaid in 32 equal quarterly instalments of ₹ 312.5, after a moratorium period up to December 2016. | The Company may prepay partly/fully any time by giving two months' advance notice to the lender. Prepayment penalty of 2% will be charged in the event of debt swap and nil penalties if repaid from internal accruals. |
| 118. | Punjab National Bank * | 50,000.00 | 45,278.32 | June 30, 2025 To be repaid in 32 equal quarterly instalments of ₹ 156.25, after a moratorium period up to June 2018. | The Company may prepay partly/fully any time by giving two months' advance notice to the lender. Prepayment penalty of 2% will be charged in the event of debt swap and nil penalties if repaid from internal accruals. |
| 119. | Punjab National Bank * | 40,000.00 | 39,964.46 | March 31, 2026 To be repaid in 32 equal instalments of ₹ 5,000.00 each, commencing from quarter ending June 2018 and ending in March 2026. | The Company may prepay partly/fully any time by giving two months' advance notice to the lender. Prepayment penalty of 2% will be charged in the event of debt swap and nil penalties if repaid from internal accruals. |
| 120. | South Indian Bank Limited* | 10,000.00 | 2,499.98 | June 25, 2019 To be repaid in 20 equal quarterly instalments of ₹ 500 each, after a moratorium period of 2 years. | The Company may prepay the whole or any part outstanding in the loan with 2 months' prior notice without any prepayment penalty. Otherwise, prepayment penalty shall be levied as follows: (i) If prepayment is from own sources after 2 years – nil; (ii) If prepayment is from own sources before 2 years – 1% of the prepaid amount; (iii) If prepayment is through takeover by other banks – 2% of the prepaid amount. |

| Sr. No. | Lender's Name | Amount Sanctioned | Amount Outstanding as on March 31, 2018 | Final Maturity Date/ Repayment Schedule | Pre-payment penalty, if any |
|---------|----------------------------|-------------------|---|---|---|
| 121. | South Indian Bank Limited* | 10,000.00 | 3,999.98 | March 22, 2020 To be repaid in 20 equal quarterly instalments of ₹ 500 each, after a moratorium period of 2 years. | The Company may prepay the whole or any part outstanding in the loan with 2 months' prior notice without any prepayment penalty. In all other events, prepayment penalty as per rules shall be levied on the prepaid amount. |
| 122. | South Indian Bank Limited* | 15,000.00 | 4,868.58 | May 28, 2021 To be repaid in 20 equal quarterly instalments of ₹ 500 each, after a moratorium period of 2 years. | Prepayment penalty shall be levied as follows: (i) If prepayment is from own sources after 2 years – nil; (ii) If prepayment is from own sources before 2 years – 1% of the prepaid amount; (iii) If prepayment is through takeover by other banks – 2% of the prepaid amount. |
| 123. | South Indian Bank Limited* | 7,500.00 | 7,265.00 | December 15, 2025 To be repaid in 32 equal quarterly instalments of ₹ 234.375 each, after a moratorium period of 2 years from initial drawdown. | The Company may prepay the whole or any part outstanding in the loan with one month's advance intimation without any prepayment penalty. In all other events, prepayment penalty as per rules shall be levied on the prepaid amount. |
| 124. | State Bank of India* | 100,000.00 | 3,573.96 | June 30, 2018 To be repaid in 27 equal quarterly instalments of ₹ 3,570 each and a final instalment of ₹ 3,583, commencing from the first quarter after a moratorium period of 1 year from the date of first disbursement. | Prepayment penalty will be levied at 2% of the outstanding amount. However, such penalty will be waived in the event of prepayment when the interest reset by the lender is not acceptable to the Company. |
| 125. | State Bank of India* | 5,000.00 | 379.78 | January 1, 2019 To be repaid in 35 quarterly instalments of ₹ 140 each and a last instalment of ₹ 100, after a moratorium period of 1 year. | - |
| 126. | State Bank of India* | 60,000.00 | 12,849.49 | August 31, 2019 To be repaid in 27 equal quarterly instalments of ₹ 2,143 each and a final instalment of ₹ 2,139, commencing from the first quarter after a moratorium | Prepayment penalty will be levied at 2% of the outstanding amount. However, such penalty will be waived in the event of prepayment when the interest reset by the lender is not acceptable to the Company. |

| Sr. No. | Lender's Name | Amount Sanctioned | Amount Outstanding as on March 31, 2018 | Final Maturity Date/ Repayment Schedule | Pre-payment penalty, if any |
|---------|----------------------|-------------------|---|---|---|
| | | | | period of 1 year from the date of first disbursement. | |
| 127. | State Bank of India* | 50,000.00 | 34,374.87 | October 31, 2020 To be repaid in 16 quarterly instalments of ₹ 3,125.00 each, after a moratorium period from the date of first disbursement. | Prepayment penalty will be levied at 2% of the prepaid amount. |
| 128. | State Bank of India* | 100,000.00 | 52,773.81 | October 31, 2022 To be repaid in 35 equal quarterly instalments of ₹ 2,778 each and a final instalment of ₹ 2,770, commencing from the fourth quarter after a moratorium period of 1 year from the date of first disbursement. | Prepayment penalty will be levied at 2% of the outstanding amount. |
| 129. | State Bank of India* | 100,000.00 | 71,874.75 | November 30, 2023 To be repaid in 32 equal quarterly instalments of ₹ 3,125 each, commencing from the fourth quarter after a moratorium period of 2 years from the date of first disbursement. | Prepayment penalty will be levied at 2% of the outstanding amount. In the event, prepayment is done pursuant to interest reset unacceptable to the Company, prepayment penalty will be waived. |
| 130. | State Bank of India* | 2,50,000.00 | 2,49,999.21 | 30 September 2023 To be repaid in 22 quarterly instalments after 18 months of moratorium period | Prepayment penalty will be levied at 2% of the outstanding amount. In the event, prepayment is done pursuant to interest reset unacceptable to the Company, prepayment penalty will be waived with notice of 30 days. |
| 131. | State Bank of India* | 1,50,000.00 | 1,49,999.55 | 16 June 2024 To be repaid in 22 quarterly instalments by the end of 1 st quarter after 18 months of moratorium period | Prepayment penalty will be levied at 2% of the outstanding amount. In the event, prepayment is done pursuant to interest reset unacceptable to the Company, prepayment penalty will be waived with notice of 30 days. |
| 132. | State Bank of India* | 2,50,000.00 | 2,50,000.00 | 09 February 2023 To be repaid over 20 equal quarterly instalments of ₹ 125 crores each from the date of first drawdown. | Prepayment penalty will be levied at 2% of the outstanding amount. In the event, prepayment is done pursuant to interest reset unacceptable to the Company, prepayment penalty will be waived with notice of 30 days |

| Sr. No. | Lender's Name | Amount Sanctioned | Amount Outstanding as on March 31, 2018 | Final Maturity Date/ Repayment Schedule | Pre-payment penalty, if any |
|---------|----------------------|-------------------|---|---|---|
| 133. | State Bank of India* | 1,00,000.00 | 87,499.67 | March 31, 2025 To be repaid in 32 equal quarterly instalments of ₹ 3,125 each, after a moratorium period of 2 years from the date of first disbursement. | Prepayment penalty will be levied at 2% of the outstanding amount. If the loan is prepaid from own sources, prepayment penalty will not be attracted. |
| 134. | Syndicate Bank* | 20,000.00 | 6,665.21 | September 21, 2018 To be repaid in 3 equal annual instalments of ₹ 6,667 each, after a moratorium period of 4 years. | Prepayment penalty of 1% of the outstanding amount shall be levied. |
| 135. | Syndicate Bank* | 50,000.00 | 23,426.73 | December 22, 2021 To be repaid in 32 equal quarterly instalments after moratorium period of 2 years from the date of first disbursement. | The Company may prepay partly/fully any time by giving two months' advance intimation to the lender without incurring any liability towards prepayment penalty. |
| 136. | Syndicate Bank* | 50,000.00 | 27,334.35 | September 24, 2022 To be repaid in 32 equal quarterly instalments, after a moratorium period of 2 years. | - |
| 137. | Syndicate Bank* | 30,000.00 | 9,371.36 | March 11, 2023 To be repaid in 32 equal quarterly instalments after moratorium period of 2 years from the date of first disbursement. | The Company may prepay within 15 days from the date of interest reset with 7 days' notice. In all other events, prepayment charges of 1% will be levied. |
| 138. | Syndicate Bank* | 10,000.00 | 8,122.11 | September 30, 2024 To be repaid in 32 equal quarterly instalments after a moratorium period of 2 years from the date of first drawdown. | - |
| 139. | Syndicate Bank* | 25,000.00 | 23,427.28 | June 30, 2025 To be repaid in 32 equal quarterly instalments, commencing from the end of the first quarter, after a moratorium period of 2 years. | The Company may prepay partly/fully any time by giving one month's advance intimation to the lender without incurring any liability towards prepayment penalty. |

| Sr. No. | Lender's Name | Amount Sanctioned | Amount Outstanding as on March 31, 2018 | Final Maturity Date/ Repayment Schedule | Pre-payment penalty, if any |
|---------|----------------------|-------------------|---|--|---|
| 140. | Syndicate Bank* | 15,000.00 | 15,000.00 | 30 March 2027 To be repaid in 32 equal quarterly instalments, commencing from the end of the first quarter, after a moratorium period of 2 years. | The Company may prepay partly/fully any time by giving one month's advance intimation to the lender without incurring any liability towards prepayment penalty. |
| 141. | Syndicate Bank* | 50,000.00 | 50,000.00 | 30 September 2027 To be repaid in 32 equal quarterly instalments, commencing from the end of the first quarter, after a moratorium period of 2 years. | The Company may prepay partly/fully any time by giving one month's advance intimation to the lender without incurring any liability towards prepayment penalty. |
| 142. | UCO Bank* | 50,000.00 | 49,988.76 | 31 January, 2028 To be repaid in 32 equal quarterly instalments of ₹ 15.625 crores each by end of first quarter after moratorium period of 2 years | The Company may prepay partly/fully any time by giving one month's advance intimation to the lender without incurring any liability towards prepayment penalty. |
| 143. | Union Bank of India* | 15,000.00 | 745.93 | September 30, 2018 To be repaid in 40 equal quarterly instalments, commencing from the quarter after disbursement. | Prepayment penalty of 2% on the amount prepaid will be levied for the balance period. |
| 144. | Union Bank of India* | 30,000.00 | 8,248.74 | December 31, 2020 To be repaid in 40 equal quarterly instalments, commencing from the quarter after disbursement. | Prepayment penalty of 2% on the amount prepaid will be levied for the balance period. |
| 145. | Union Bank of India* | 30,000.00 | 9,647.57 | June 30, 2021 To be repaid in 40 equal quarterly instalments, commencing from the quarter after disbursement. | Prepayment penalty of 2% on the amount prepaid will be levied for the balance period. |
| 146. | Union Bank of India* | 30,000.00 | 11,249.17 | November 30, 2021 To be repaid in 40 equal quarterly instalments of ₹ 750 each, commencing from the quarter after disbursement. | Prepayment penalty of 2% on the amount prepaid will be levied for the balance period. |

| Sr. No. | Lender's Name | Amount Sanctioned | Amount Outstanding as on March 31, 2018 | Final Maturity Date/ Repayment Schedule | Pre-payment penalty, if any |
|---------|----------------------|-------------------|---|---|---|
| 147. | Union Bank of India* | 50,000.00 | 22,842.36 | September 30, 2022 To be repaid in 40 equal quarterly instalments, commencing from the quarter after disbursement. | Prepayment penalty of 2% on the amount prepaid will be levied for the balance period. |
| 148. | Union Bank of India* | 40,000.00 | 28,746.25 | October 31, 2023 To be repaid in 32 equal quarterly instalments, commencing from the quarter after a moratorium period of 2 years. | Prepayment penalty of 2% on the amount prepaid will be levied for the balance period. |
| 149. | Union Bank of India* | 30,000.00 | 8,124.20 | September 30, 2024 To be repaid in 32 quarterly instalments, commencing from the quarter after a moratorium period of 2 years. | Prepayment penalty of 2% on the amount prepaid will be levied for the balance period, except on yearly reset. |
| 150. | Union Bank of India* | 20,000.00 | 18,748.73 | September 16, 2025 To be repaid in 32 equal quarterly instalments, commencing from the quarter after a moratorium period of 2 years. | Prepayment penalty of 2% on the amount prepaid will be levied for the balance period, except on yearly reset. |
| 151. | Union Bank of India* | 80,000.00 | 79,979.58 | 31 March 2027 To be repaid in equal quarterly instalments by end of first quarter after moratorium period of two years. | The Company may prepay partly/fully any time by giving one month's advance intimation to the lender without incurring any liability towards prepayment penalty. |
| 152. | Union Bank of India* | 10,000.00 | 9,999.84 | 30 June 2027 To be repaid in equal quarterly instalments by end of first quarter after moratorium period of two years. | The Company may prepay partly/fully any time by giving one month's advance intimation to the lender without incurring any liability towards prepayment penalty. |
| 153. | Union Bank of India* | 30,000.00 | 29999.88 | 31 December 2027 To be repaid in 32 equal quarterly instalments, commencing from the first quarter after a moratorium period of 2 years. | The Company may prepay partly/fully any time by giving one month's advance intimation to the lender without incurring any liability towards prepayment penalty. |

| Sr. No. | Lender's Name | Amount Sanctioned | Amount Outstanding as on March 31, 2018 | Final Maturity Date/ Repayment Schedule | Pre-payment penalty, if any |
|---------|-----------------------|-------------------|---|--|---|
| 154. | United Bank of India* | 25,000.00 | 3,100.00 | April 22, 2019 To be repaid in 40 equal quarterly instalments, after a moratorium period of 1 year from the date of first disbursement. | Prepayment charges waived. |
| 155. | United Bank of India* | 20,000.00 | 4,473.29 | May 24, 2020 To be repaid in 40 equal quarterly instalments, after a moratorium period of 1 year from the date of first disbursement. | Prepayment charges waived. |
| 156. | United Bank of India* | 20,000.00 | 8,456.96 | June 16, 2022 To be repaid in 40 equal quarterly instalments, after a moratorium period of 1 year from the date of first disbursement. | Prepayment penalty of 1% will be levied. However, the Company may prepay the loan with one month's prior notice without penalty. |
| 157. | United Bank of India* | 20,000.00 | 13,701.44 | September 25, 2023 To be repaid in 32 equal quarterly instalments, commencing from the end of first quarter after a moratorium period of 2 years. | The Company may prepay partly/fully any time by giving one month's advance intimation to the lender without incurring any liability towards prepayment penalty. |
| 158. | United Bank of India* | 15,000.00 | 12,172.96 | September 30, 2024 To be repaid in 32 equal quarterly instalments, commencing by end of first quarter after a moratorium period of 2 years. | The Company may prepay partly/fully any time by giving one month's advance intimation to the lender without incurring any liability towards prepayment penalty. |
| 159. | United Bank of India* | 5,000.00 | 4,211.76 | November 25, 2024 To be repaid in 32 equal quarterly instalments, commencing from end of first quarter after a moratorium period of 2 years. | The Company may prepay partly/fully anytime by giving one month's advance intimation to the lender without incurring any liability towards prepayment penalty. |
| 160. | United Bank of India* | 25,000.00 | 24,994.31 | 30 March 2028 To be repaid in 32 equal quarterly instalments, from the end of first quarter after a moratorium period of 2 years. | The Company may prepay partly/fully any time by giving two months' advance intimation to the lender without incurring any liability towards prepayment penalty. |

| Sr. No. | Lender's Name | Amount Sanctioned | Amount Outstanding as on March 31, 2018 | Final Maturity Date/ Repayment Schedule | Pre-payment penalty, if any |
|---------|---|------------------------|---|--|--|
| 161. | Vijaya Bank* | 10,000.00 | 4,357.43 | September 30, 2021 To be repaid in equal quarterly instalments, from the end of first quarter after a moratorium period of 2 years. | The Company may prepay partly/fully any time by giving two months' advance intimation to the lender without incurring any liability towards prepayment penalty. |
| 162. | Vijaya Bank* | 10,000.00 | 5,297.38 | May 16, 2022 To be repaid in 32 equal quarterly instalments, after an initial moratorium period of 2 years from the date of the first disbursement. | The Company may prepay partly/fully any time by giving two months' advance intimation to the lender without incurring any liability towards prepayment penalty. |
| 163. | Vijaya Bank* | 20,000.00 | 15,595.44 | April 9, 2024 To be repaid in 32 equal quarterly instalments, after an initial moratorium period of 2 years from the date of the first disbursement. | The Company may prepay partly/fully any time by giving two months' advance intimation to the lender without incurring any liability towards prepayment penalty. |
| 164. | DEG – Deutsche Investitions – Und Entwicklungsgesellschaft MBH# | 31,165.00 ² | 25,970.83 | March 15, 2023 To be repaid in: i. 11 equal instalments of USD 4,166,667 on March 15 and September 15 of every year, from September 15, 2017; and ii. last instalment of USD 4,166,663 on March 15, 2023. | The Company may prepay the whole or any part of the loan amount on any payment date by giving not less than one month's prior written notice to the lender. Any notice of prepayment shall specify the payment date upon which the prepayment is to be made and the amount of such prepayment. The prepaid amount shall be in an amount of not less than one repayment instalment or a multiple thereof. The Company shall repay the indicated amount of the loan and all accrued interest and any other fees and/or payments outstanding on the principal amount to be prepaid on the payment date specified in the notice. |
| 165. | International Finance Corporation# | 41,825.00 ³ | 27,883.33 | March 29, 2022 To be repaid in 12 consecutive equal semi-annual instalments on each interest payment date, commencing from the 15 th day of the month which is | The Company may prepay on any interest payment date all or any part of the loan, on not less than 30 days' prior notice to the lender, simultaneously with the payment of all accrued interest on the amount of the loan to be prepaid, together with all amounts payable as unwinding costs and a |

| Sr. No. | Lender's Name | Amount Sanctioned | Amount Outstanding as on March 31, 2018 | Final Maturity Date/ Repayment Schedule | Pre-payment penalty, if any |
|---------|--|-----------------------|---|--|---|
| | | | | after 30 months from the month of disbursement. | prepayment premium of 2% of the amount to be prepaid. Any partial prepayment shall be in an amount not less than USD 7,083,000. |
| 166. | Bank of Baroda, Dubai [#] | 6,562.00 ⁴ | 6,562.00 | November 5, 2020 Bullet payment to be made on November 5, 2020. | The Company may, if it gives the agent not less than 5 business days' (or such shorter period as the majority lenders may agree) prior notice, prepay the whole or any part of any loan (but, if in part, being an amount that reduces the amount of the loan by a minimum amount of USD 5,000,000. A loan may only be prepaid after the last day of the availability period. |
| 167. | Chang Hwa Commercial Bank Limited [#] | 3,281.00 ⁴ | 3,281.00 | November 5, 2020 Bullet payment to be made on November 5, 2020. | The Company may, if it gives the agent not less than 5 business days' (or such shorter period as the majority lenders may agree) prior notice, prepay the whole or any part of any loan (but, if in part, being an amount that reduces the amount of the loan by a minimum amount of USD 5,000,000. A loan may only be prepaid after the last day of the availability period. |
| 168. | Chang Hwa Commercial Bank Limited, Singapore branch [#] | 3,362.00 ⁵ | 3,362.00 | June 3, 2021 Bullet payment to be made on June 3, 2021. | The Company may, if it gives the agent not less than 5 business days' (or such shorter period as the majority lenders may agree) prior notice, prepay the whole or any part of any loan (but, if in part, being an amount that reduces the amount of the loan by a minimum amount of USD 5,000,000. A loan may only be prepaid after the last day of the availability period. |
| 169. | CTBC Bank Co Limited [#] | 3,281.00 ⁴ | 3,281.00 | November 5, 2020 Bullet payment to be made on November 5, 2020. | The Company may, if it gives the agent not less than 5 business days' (or such shorter period as the majority lenders may agree) prior notice, prepay the whole or any part of any loan (but, if in part, being an amount that reduces the amount of the loan by a minimum amount of USD 5,000,000. A loan may only be prepaid after the last day of the availability period. |
| 170. | Korea Development Bank [#] | 6,724.00 ⁵ | 6,724.00 | June 3, 2021 Bullet payment to be made on June 3, 2021. | The Company may, if it gives the agent not less than 5 business days' (or such shorter period as the majority lenders may agree) prior notice, prepay the whole or any part of any loan (but, if in |

| Sr. No. | Lender's Name | Amount Sanctioned | Amount Outstanding as on March 31, 2018 | Final Maturity Date/ Repayment Schedule | Pre-payment penalty, if any |
|---------|--|-----------------------|---|--|---|
| | | | | | part, being an amount that reduces the amount of the loan by a minimum amount of USD 5,000,000. A loan may only be prepaid after the last day of the availability period. |
| 171. | KDB Ireland Ltd, Ireland [#] | 3,281.00 ⁴ | 3,281.00 | November 5, 2020 Bullet payment to be made on November 5, 2020. | The Company may, if it gives the agent not less than 5 business days' (or such shorter period as the majority lenders may agree) prior notice, prepay the whole or any part of any loan (but, if in part, being an amount that reduces the amount of the loan by a minimum amount of USD 5,000,000. A loan may only be prepaid after the last day of the availability period. |
| 172. | Korea Development Bank, Korea [#] | 9,843.00 ⁴ | 9,843.00 | November 5, 2020 Bullet payment to be made on November 5, 2020. | The Company may, if it gives the agent not less than 5 business days' (or such shorter period as the majority lenders may agree) prior notice, prepay the whole or any part of any loan (but, if in part, being an amount that reduces the amount of the loan by a minimum amount of USD 5,000,000. A loan may only be prepaid after the last day of the availability period. |
| 173. | Korea Development Bank, Singapore branch [#] | 6,724.00 ⁵ | 6,724.00 | June 3, 2021 Bullet payment to be made on June 3, 2021. | The Company may, if it gives the agent not less than 5 business days' (or such shorter period as the majority lenders may agree) prior notice, prepay the whole or any part of any loan (but, if in part, being an amount that reduces the amount of the loan by a minimum amount of USD 5,000,000. A loan may only be prepaid after the last day of the availability period. |
| 174. | Mega International Commercial Bank Co Ltd [#] | 3,281.00 ⁴ | 3,281.00 | November 5, 2020 Bullet payment to be made on November 5, 2020. | The Company may, if it gives the agent not less than 5 business days' (or such shorter period as the majority lenders may agree) prior notice, prepay the whole or any part of any loan (but, if in part, being an amount that reduces the amount of the loan by a minimum amount of USD 5,000,000. A loan may only be prepaid after the last day of the availability period. |

| Sr. No. | Lender's Name | Amount Sanctioned | Amount Outstanding as on March 31, 2018 | Final Maturity Date/ Repayment Schedule | Pre-payment penalty, if any |
|---------|---|------------------------|---|--|---|
| 175. | The State Bank of India, Mauritius Ltd. # | 6,724.00 ⁵ | 6,724.00 | June 3, 2021 Bullet payment to be made on June 3, 2021. | The Company may, if it gives the agent not less than 5 business days' (or such shorter period as the majority lenders may agree) prior notice, prepay the whole or any part of any loan (but, if in part, being an amount that reduces the amount of the loan by a minimum amount of USD 5,000,000. A loan may only be prepaid after the last day of the availability period. |
| 176. | The State Bank of India, Antwerp Branch # | 16,810.00 ⁵ | 16,810.00 | June 3, 2021 Bullet payment to be made on June 3, 2021. | The Company may, if it gives the agent not less than 5 business days' (or such shorter period as the majority lenders may agree) prior notice, prepay the whole or any part of any loan (but, if in part, being an amount that reduces the amount of the loan by a minimum amount of USD 5,000,000. A loan may only be prepaid after the last day of the availability period. |
| 177. | The State Bank of India, South Africa # | 36,091.00 ⁴ | 36,091.00 | November 5, 2020 Bullet payment to be made on November 5, 2020. | The Company may, if it gives the agent not less than 5 business days' (or such shorter period as the majority lenders may agree) prior notice, prepay the whole or any part of any loan (but, if in part, being an amount that reduces the amount of the loan by a minimum amount of USD 5,000,000. A loan may only be prepaid after the last day of the availability period. |
| 178. | The State Bank of India, Singapore # | 43,708.00 ⁵ | 43,708.00 | June 3, 2021 Bullet payment to be made on June 3, 2021. | The Company may, if it gives the agent not less than 5 business days' (or such shorter period as the majority lenders may agree) prior notice, prepay the whole or any part of any loan (but, if in part, being an amount that reduces the amount of the loan by a minimum amount of USD 5,000,000. A loan may only be prepaid after the last day of the availability period. |
| 179. | Taiwan Co-operative Bank, Offshore Banking Bank, Taiwan # | 6,562.00 ⁴ | 6,562.00 | November 5, 2020 Bullet payment to be made on November 5, 2020. | The Company may, if it gives the agent not less than 5 business days' (or such shorter period as the majority lenders may agree) prior notice, prepay the whole or any part of any loan (but, if in part, being an amount that reduces the amount of the loan by a minimum amount of USD |

| Sr. No. | Lender's Name | Amount Sanctioned | Amount Outstanding as on March 31, 2018 | Final Maturity Date/ Repayment Schedule | Pre-payment penalty, if any |
|---------|--|------------------------|---|--|---|
| | | | | | 5,000,000. A loan may only be prepaid after the last day of the availability period. |
| 180. | Taiwan Co-operative Bank, Offshore Banking Bank [#] | 3,362.00 ⁵ | 3,362.00 | June 3, 2021 Bullet payment to be made on June 3, 2021. | The Company may, if it gives the agent not less than 5 business days' (or such shorter period as the majority lenders may agree) prior notice, prepay the whole or any part of any loan (but, if in part, being an amount that reduces the amount of the loan by a minimum amount of USD 5,000,000. A loan may only be prepaid after the last day of the availability period. |
| 181. | Abu Dhabi Commercial Bank PJSC [#] | 18,822.00 ¹ | 16,731.00 | March 17, 2022 To be repaid each semi-annual anniversary of the date falling 6 months after the date of the first disbursement, after a moratorium of 30 months from the date of the first disbursement, up to and including the final maturity date. | The Company may, if it gives the agent not less than 5 business days' (or such shorter period as the majority lenders may agree) prior notice, prepay the whole or any part of any loan (but, if in part, being an amount that reduces the amount of the loan by a minimum amount of USD 5,000,000. A loan may only be prepaid after the last day of the availability period. |
| 182. | Afrasia Bank Limited [#] | 9,411.00 ¹ | 8,365.00 | March 17, 2022 To be repaid each semi-annual anniversary of the date falling 6 months after the date of the first disbursement, after a moratorium of 30 months from the date of the first disbursement, up to and including the final maturity date. | The Company may, if it gives the agent not less than 5 business days' (or such shorter period as the majority lenders may agree) prior notice, prepay the whole or any part of any loan (but, if in part, being an amount that reduces the amount of the loan by a minimum amount of USD 5,000,000. A loan may only be prepaid after the last day of the availability period. |
| 183. | Barclays Bank PLC [#] | 12,548.00 ¹ | 11,154.00 | March 17, 2022 To be repaid each semi-annual anniversary of the date falling 6 months after the date of the first disbursement, after a moratorium of 30 months from the date of the first disbursement, up to and including the final maturity date. | The Company may, if it gives the agent not less than 5 business days' (or such shorter period as the majority lenders may agree) prior notice, prepay the whole or any part of any loan (but, if in part, being an amount that reduces the amount of the loan by a minimum amount of USD 5,000,000. A loan may only be prepaid after the last day of the availability period. |
| 184. | CTBC Bank Co Limited [#] | 6,274.00 ¹ | 5,577.00 | March 17, 2022 To be repaid each semi-annual anniversary of the date falling 6 months after | The Company may, if it gives the agent not less than 5 business days' (or such shorter period as the majority lenders may agree) prior notice, prepay the whole or |

| Sr. No. | Lender's Name | Amount Sanctioned | Amount Outstanding as on March 31, 2018 | Final Maturity Date/ Repayment Schedule | Pre-payment penalty, if any |
|---------|--|-----------------------|---|--|---|
| | | | | the date of the first disbursement, after a moratorium of 30 months from the date of the first disbursement, up to and including the final maturity date. | any part of any loan (but, if in part, being an amount that reduces the amount of the loan by a minimum amount of USD 5,000,000. A loan may only be prepaid after the last day of the availability period. |
| 185. | Taiwan Business Bank, Offshore Banking Branch [#] | 3,137.00 ¹ | 2,788.00 | March 17, 2022 To be repaid each semi-annual anniversary of the date falling 6 months after the date of the first disbursement, after a moratorium of 30 months from the date of the first disbursement, up to and including the final maturity date. | The Company may, if it gives the agent not less than 5 business days' (or such shorter period as the majority lenders may agree) prior notice, prepay the whole or any part of any loan (but, if in part, being an amount that reduces the amount of the loan by a minimum amount of USD 5,000,000. A loan may only be prepaid after the last day of the availability period. |
| 186. | Taiwan Co-operative Bank, Offshore Banking Bank [#] | 3,137.00 ¹ | 2,788.00 | March 17, 2022 To be repaid each semi-annual anniversary of the date falling 6 months after the date of the first disbursement, after a moratorium of 30 months from the date of the first disbursement, up to and including the final maturity date. | The Company may, if it gives the agent not less than 5 business days' (or such shorter period as the majority lenders may agree) prior notice, prepay the whole or any part of any loan (but, if in part, being an amount that reduces the amount of the loan by a minimum amount of USD 5,000,000. A loan may only be prepaid after the last day of the availability period. |
| 187. | The Korea Development Bank [#] | 9,411.00 ¹ | 8,365.00 | March 17, 2022 To be repaid each semi-annual anniversary of the date falling 6 months after the date of the first disbursement, after a moratorium of 30 months from the date of the first disbursement, up to and including the final maturity date. | The Company may, if it gives the agent not less than 5 business days' (or such shorter period as the majority lenders may agree) prior notice, prepay the whole or any part of any loan (but, if in part, being an amount that reduces the amount of the loan by a minimum amount of USD 5,000,000. A loan may only be prepaid after the last day of the availability period. |
| 188. | The Korea Development Bank, Singapore Branch [#] | 9,411.00 ¹ | 8,365.00 | March 17, 2022 To be repaid each semi-annual anniversary of the date falling 6 months after the date of the first disbursement, after a moratorium of 30 months from the date of the first disbursement, up to and including the final maturity date. | The Company may, if it gives the agent not less than 5 business days' (or such shorter period as the majority lenders may agree) prior notice, prepay the whole or any part of any loan (but, if in part, being an amount that reduces the amount of the loan by a minimum amount of USD 5,000,000. A loan may only be prepaid after the last day of the availability period. |

| Sr. No. | Lender's Name | Amount Sanctioned | Amount Outstanding as on March 31, 2018 | Final Maturity Date/ Repayment Schedule | Pre-payment penalty, if any |
|---------|---|------------------------|---|--|---|
| | | | | including the final maturity date. | prepaid after the last day of the availability period. |
| 189. | Eastspring Investments SICAV-FIS Asia Pacific Loan Fund [#] | 6,274.00 ¹ | 5,577.00 | March 17, 2022 To be repaid each semi-annual anniversary of the date falling 6 months after the date of the first disbursement, after a moratorium of 30 months from the date of the first disbursement, up to and including the final maturity date. | The Company may, if it gives the agent not less than 5 business days' (or such shorter period as the majority lenders may agree) prior notice, prepay the whole or any part of any loan (but, if in part, being an amount that reduces the amount of the loan by a minimum amount of USD 5,000,000. A loan may only be prepaid after the last day of the availability period. |
| 190. | DEG – Deutsche Investitions – Und Entwicklungsgesellschaft MBH [#] | 13,344.00 ⁶ | 13,344.00 | October 17, 2021 Bullet payment to be made on October 17, 2021. | The Company may prepay the whole or any part of the loan amount on any interest payment date by giving not less than one month's prior written notice to the lender. Any notice of prepayment shall specify the payment date upon which the prepayment is to be made and the amount of such prepayment. The prepaid amount shall be an amount of not less than USD 20,000,000 or a multiple thereafter. The Company shall repay the indicated amount of the loan and all accrued interest and any other fees and/or payments outstanding on the principal amount to be prepaid on the payment date specified in the notice. |
| | Total | 53,53,187.66 | 39,92,796.57 | | |

**secured by first ranking pari-passu charge by way of mortgages on the Company's immovable properties and hypothecation of the Company's present and future movable properties, including book debts, in favour of lenders (excluding the floating charge on the specific assets as per the provisions of section 29B of the National Housing Bank Act, from time to time and exclusive charge created by First Blue Home Finance Limited (since merged with our Company, in favour of NHB as security for due repayment for financial assistance by way of refinancing granted by NHB to First Blue Home Finance Limited)*

[#] secured by first pari-passu charge by way of hypothecation of book debts, housing loans including instalments and/or other receivables with consortium banks and/or debenture trustees/National Housing Bank and other secured lenders (excluding the floating charge on the specific assets as per the provisions of Section 29B of the National Housing Bank Act, from time to time and exclusive charge created by First Blue Home Finance Limited (since merged with our Company, in favour of NHB as security for due repayment for financial assistance by way of refinancing granted by NHB to First Blue Home Finance Limited)

⁺ pursuant to the scheme of amalgamation dated January 1, 2013. These loans, originally sanctioned to First Blue, continue to be serviced by our Company, although the documentation for the same are not available with us.

[^] pursuant to the scheme of amalgamation dated January 1, 2013. These were the outstanding amounts carried forward from the books of First Blue.

*** this term loan is pending disbursement*

^{##} the remaining sanctioned limit of ₹10,000 under the sanction letter dated December 17, 2008 was not utilized.

¹ the sanctioned amount is in USD converted into INR @ 1 \$ = ₹62.74 (as per RBI rate on the date of drawdown)

² the sanctioned amount is in USD converted into INR @ 1 \$ = ₹62.33 (as per RBI rate on the date of drawdown)

³ the sanctioned amount is in USD converted into INR @ 1 \$ = ₹59.75 (as per RBI rate on the date of drawdown)

⁴ the sanctioned amount is in USD converted into INR @ 1 \$ = ₹65.62 (as per RBI rate on the date of drawdown)

⁵ the sanctioned amount is in USD converted into INR @ 1 \$ = ₹67.2427 (as per RBI rate on the date of drawdown)

⁶ the sanctioned amount is in USD converted into INR @ 1 \$ = ₹66.72 (as per RBI rate on the date of drawdown)

Refinance from National Housing Bank*:

(₹ in lakh)

| Sr. No. | Amount Sanctioned | Amount Outstanding as on March 31, 2018 | Final Maturity Date/ Repayment Schedule | Pre-payment penalty, if any |
|--------------|--------------------|---|--|--|
| 1. | 44,05,00.00 | 2,84,820.00 | To be repaid in a maximum of sixty (60) equal quarterly instalments, starting with the quarter succeeding the one in which the refinance was drawn or in such other number of instalments as may be advised by the National Housing Bank to the Company. | The Company, may repay the whole or any part of the amount earlier than the due date by giving two months' notice in writing to the National Housing Bank of its intention to effect such repayment before the due date. |
| 2. | 25,00,00.00 | Nil [#] | | |
| Total | 69,05,00.00 | 2,84,820.00 | | |

[#] this refinance amount is pending disbursement

*secured by first ranking pari-passu charge by way of mortgages on the Company's immovable properties and hypothecation of the Company's present and future movable properties, including book debts, in favour of lenders (excluding the floating charge on the specific assets as per the provisions of section 29B of the National Housing Bank Act, from time to time and exclusive charge created by First Blue Home Finance Limited (since merged with our Company, in favour of NHB as security for due repayment for financial assistance by way of refinancing granted by NHB to First Blue Home Finance Limited)

Working Capital Demand Loans from Banks*:

(₹ in lakh)

| Sr. No. | Lender's Name | Type of Facility | Amount Sanctioned | Amount outstanding as on March 31, 2018 | Repayment terms |
|---------|---------------------|-----------------------------|-------------------|---|-----------------------------------|
| 1. | Union Bank of India | Cash Credit | 40,000.00 | 40,053.09 | - |
| 2. | IDBI Bank | Cash Credit | 15,000.00 | 0.00 | On Demand |
| 3. | Bank of India | Cash Credit | 10,000.00 | 10,000.00 | 12 Months line |
| 4. | HDFC Bank | Working Capital Demand Loan | 6,000.00 | 4997.88 | - |
| 5. | Dena Bank | Cash Credit | 2,500.00 | 2,508.72 | On demand |
| 6. | YES Bank | Cash Credit I | 20,000.00 | 31.70 | 12 months |
| | | Cash Credit II | 10,000.00 | 1.00 | 12 months |
| 7. | Syndicate Bank | Working Capital Demand Loan | 20,000.00 | 20,000.00 | To be valid up to 31 January 2019 |
| 8. | Karnataka Bank | Overdraft facility | 20,000.00 | 20,012.26 | 30 August, 2019 |

| Sr. No. | Lender's Name | Type of Facility | Amount Sanctioned | Amount outstanding as on March 31, 2018 | Repayment terms |
|---------|-------------------------------|----------------------------------|--------------------|---|---|
| 9. | The South Indian Bank Limited | Cash Credit Book Debt | 3,000.00 | 3,000.95 | Renewed within 12 months from the date of sanction letter i.e. 05 October, 2015 |
| 10. | Axis Bank | Working Capital facility | 20,000.00 | 4.66 | on demand |
| 11. | Canara Bank | Fund Based Working Capital Limit | 20,000.00 | 20,041.15 | - |
| 12. | Bank of Baroda | Overdraft Facility | 50,000.00 | 50,041.70 | 12 months |
| 13. | Punjab & Sind Bank | Secured Cash Credit Limit | 8,500.00 | 8,500.19 | 12 months |
| 14. | Punjab National Bank | Cash Credit | 10,000.00 | 10,061.07 | 12 Months line |
| 15. | United Bank of India | Working Capital | 10,000.00 | 0.00 | To be decided at the time of availment |
| 16. | State Bank of India | Working Capital Limit | 7,500.00 | 7,526.60 | payable on demand |
| 17. | Kotal Mahindra Bank | Working Capital Demand Loan | 10,000.00 | 0.00 | Tenor is maximum 180 days. |
| 18. | Standard Chartered Bank | Working Capital | 12,000.00 | 0.00 | Maximum upto one year |
| 19. | Indian Overseas Bank | Cash Credit | 2,000.00 | 1,959.07 | 12 Months line |
| 20. | ICICI Bank | Cash Credit | 5,000.00 | 5,002.34 | 360 days |
| 21. | ICICI Bank | Cash Credit | 20,000.00 | 20,000.00 | 360 days |
| | Total | | 3,21,500.00 | 2,23,741.38 | |

**secured by first ranking pari-passu charge by way of mortgages on the Company's immovable properties and hypothecation of the Company's present and future movable properties, including book debts, in favour of lenders (excluding the floating charge on the specific assets as per the provisions of section 29B of the National Housing Bank Act, from time to time and exclusive charge created by First Blue Home Finance Limited (since merged with our Company, in favour of NHB as security for due repayment for financial assistance by way of refinancing granted by NHB to First Blue Home Finance Limited)*

Our Company has issued secured^s redeemable non-convertible debenture of face value of ₹ 10,00,000.00 each on a private placement basis of which ₹ 13,45,760.00 lakh is outstanding as on March 31, 2018, the details of which are set forth below. Redemption date represents actual maturity date and does not consider call/put option:

(₹ ₹ in lakh)

| Sr. No. | Description (Debenture Series) | Tenor (in Years) | Coupon | Amount Outstanding (in ₹ Lakh) | Date of Allotment | Final Redemption Date | Latest Credit Rating |
|---------|--------------------------------|------------------|--------|--------------------------------|--------------------|-----------------------|----------------------|
| 1. | 5 Tranche 09 | 10 | 10.10% | 10,000.00 | September 15, 2009 | September 14, 2019 | 'CARE AAA' by CARE |
| 2. | 7 Tranche 1 | 10 | 9.70% | 26,500.00 | October 22, 2010 | October 21, 2020 | 'CARE AAA' by CARE |

| Sr. No. | Description (Debenture Series) | Tenor (in Years) | Coupon | Amount Outstanding (in ₹ Lakh) | Date of Allotment | Final Redemption Date | Latest Credit Rating |
|---------|--------------------------------|------------------|--------|--------------------------------|--------------------|-----------------------|--|
| 3. | 09 Tranche 2 | 10 | 11.00% | 6,290.00 | June 29, 2012 | June 29, 2022 | CARE AAA' by CARE & 'BWR AAA' by Brickwork |
| 4. | 09 Tranche 4 | 10 | 11.20% | 2,500.00 | August 27, 2012 | August 27, 2022 | CARE AAA' by CARE & 'BWR AAA' by Brickwork |
| 5. | 10 Tranche 1 | 7 | 11.00% | 35,000.00 | September 12, 2012 | September 12, 2019 | 'CARE AAA' by CARE |
| 6. | 9 Tranche 6 | 10 | 10.70% | 24,000.00 | December 12, 2012 | December 11, 2022 | 'CARE AAA' by CARE |
| 7. | 12 Tranche 1 (C) | 5 | 9.80% | 1,000.00 | June 4, 2013 | June 4, 2018 | CARE AAA' by CARE & 'BWR AAA' by Brickwork |
| 8. | 12 Tranche 1 (E) | 5 | 9.80% | 50.00 | June 17, 2013 | June 17, 2018 | CARE AAA' by CARE & 'BWR AAA' by Brickwork |
| 9. | 12 Tranche II (A) | 5 | 9.80% | 1,500.00 | June 28, 2013 | June 28, 2018 | BWR AAA' by Brickwork |
| 10. | XII TRANCHE II (B) | 5 | 9.80% | 5,000.00 | July 3, 2013 | July 3, 2018 | BWR AAA' by Brickwork |
| 11. | XII TRANCHE I (G) | 10 | 10.00% | 400.00 | September 25, 2013 | September 25, 2023 | CARE AAA' by CARE & 'BWR AAA' by Brickwork |
| 12. | XII TRANCHE 3 | 10 | 5.50% | 25,000.00 | September 25, 2013 | September 24, 2023 | CARE AAA' by CARE & 'BWR AAA' by Brickwork |
| 13. | XII TRANCHE 5 | 10 | 10.70% | 1,200.00 | September 25, 2013 | September 25, 2023 | BWR AAA' by Brickwork |
| 14. | XII TRANCHE 6 | 10 | 10.70% | 500.00 | September 25, 2013 | September 25, 2023 | CARE AAA' by CARE & 'BWR AAA' by Brickwork |
| 15. | XII TRANCHE 7 | 10 | 10.70% | 500.00 | October 31, 2013 | October 31, 2023 | CARE AAA' by CARE & 'BWR AAA' by Brickwork |
| 16. | XII TRANCHE 8 | 10 | 10.70% | 2,200.00 | October 31, 2013 | October 31, 2023 | BWR AAA' by Brickwork |
| 17. | XII TRANCHE 9 | 10 | 10.70% | 2,500.00 | November 22, 2013 | November 22, 2023 | BWR AAA' by Brickwork |
| 18. | XII TRANCHE 10 | 15 | 10.80% | 2,200.00 | February 5, 2014 | February 5, 2029 | BWR AAA' by Brickwork |
| 19. | XII TRANCHE 11 | 10 | 10.70% | 4,000.00 | February 5, 2014 | February 5, 2024 | BWR AAA' by Brickwork |
| 20. | XII TRANCHE 12 | 7 | 10.70% | 7,500.00 | February 5, 2014 | February 5, 2021 | BWR AAA' by Brickwork |
| 21. | XII TRANCHE 13 | 5 | 10.60% | 500.00 | February 5, 2014 | February 5, 2019 | BWR AAA' by Brickwork |
| 22. | XII TRANCHE 19 | 10 | 10.70% | 300.00 | March 28, 2014 | March 28, 2024 | CARE AAA' by CARE & 'BWR AAA' by Brickwork |

| Sr. No. | Description (Debt Series) | Tenor (in Years) | Coupon | Amount Outstanding (in ₹ Lakh) | Date of Allotment | Final Redemption Date | Latest Credit Rating |
|---------|---------------------------|------------------|--------|--------------------------------|-------------------|-----------------------|--|
| 23. | XII TRANCHE 20 | 10 | 10.70% | 5,340.00 | March 28, 2014 | March 28, 2024 | CARE AAA' by CARE & 'BWR AAA' by Brickwork |
| 24. | XII TRANCHE 21 | 5 | 0.00% | 1,000.00 | March 28, 2014 | March 19, 2019 | CARE AAA' by CARE & 'BWR AAA' by Brickwork |
| 25. | XII TRANCHE 25 | 7 | 10.70% | 5,000.00 | April 30, 2014 | April 30, 2021 | BWR AAA' by Brickwork |
| 26. | XII TRANCHE 26 | 7 | 10.70% | 500.00 | April 30, 2014 | April 30, 2021 | CARE AAA' by CARE & 'BWR AAA' by Brickwork |
| 27. | XIII TRANCHE 01 | 5 | 0.00% | 50,000.00 | April 30, 2014 | April 30, 2019 | CARE AAA' by CARE & 'BWR AAA' by Brickwork |
| 28. | XIII TRANCHE 03 | 5 | 0.00% | 15,000.00 | June 4, 2014 | June 4, 2019 | 'CARE AAA' by CARE |
| 29. | XIII TRANCHE 04 | 5 | 0.00% | 25,000.00 | June 4, 2014 | June 4, 2019 | 'CARE AAA' by CARE |
| 30. | XII TRANCHE 35 | 10 | 10.70% | 2,000.00 | June 10, 2014 | June 10, 2024 | BWR AAA' by Brickwork |
| 31. | XII TRANCHE 36 | 7 | 10.70% | 1,500.00 | June 10, 2014 | June 10, 2021 | BWR AAA' by Brickwork |
| 32. | XII TRANCHE 37 | 10 | 10.70% | 5,500.00 | June 12, 2014 | June 12, 2024 | CARE AAA' by CARE & 'BWR AAA' by Brickwork |
| 33. | XII TRANCHE 40 | 7 | 10.70% | 900.00 | June 18, 2014 | June 18, 2021 | CARE AAA' by CARE & 'BWR AAA' by Brickwork |
| 34. | XII TRANCHE 41 | 10 | 10.70% | 2,500.00 | June 24, 2014 | June 24, 2024 | CARE AAA' by CARE & 'BWR AAA' by Brickwork |
| 35. | XII TRANCHE 42 | 10 | 10.00% | 4,500.00 | August 14, 2014 | August 14, 2024 | CARE AAA' by CARE & 'BWR AAA' by Brickwork |
| 36. | XII TRANCHE 43 | 10 | 10.00% | 500.00 | August 20, 2014 | August 20, 2024 | CARE AAA' by CARE & 'BWR AAA' by Brickwork |
| 37. | XII TRANCHE 71 | 5 | 9.80% | 7,500.00 | November 19, 2014 | November 18, 2019 | CARE AAA' by CARE & 'BWR AAA' by Brickwork |
| 38. | XII TRANCHE 72 | 10 | 9.90% | 1,500.00 | November 19, 2014 | November 18, 2024 | CARE AAA' by CARE & 'BWR AAA' by Brickwork |
| 39. | XII TRANCHE 76 | 4 | 0.00% | 15,000.00 | November 21, 2014 | November 21, 2018 | 'CARE AAA' by CARE |
| 40. | XII TRANCHE 78 | 4 | 0.00% | 35,000.00 | November 21, 2014 | November 25, 2018 | 'CARE AAA' by CARE |
| 41. | XII TRANCHE 18 | 7 | 10.70% | 3,500.00 | March 28, 2014 | March 28, 2021 | CARE AAA' by CARE & 'BWR AAA' by Brickwork |
| 42. | XII TRANCHE 16 | 7 | 10.70% | 2,000.00 | March 21, 2014 | March 21, 2021 | BWR AAA' by Brickwork |

| Sr. No. | Description (Debenture Series) | Tenor (in Years) | Coupon | Amount Outstanding (in ₹ Lakh) | Date of Allotment | Final Redemption Date | Latest Credit Rating |
|---------|--------------------------------|------------------|--------|--------------------------------|-------------------|-----------------------|--|
| 43. | XIII TRANCHE 19 | 3.5 | 9.50% | 7,200.00 | January 28, 2015 | July 19, 2018 | 'CARE AAA' by CARE |
| 44. | XIII TRANCHE 24 | 3.4 | 0.00% | 4,700.00 | March 10, 2015 | August 1, 2018 | 'CARE AAA' by CARE |
| 45. | XIII TRANCHE 25 | 3.1 | 0.00% | 1,800.00 | March 10, 2015 | April 24, 2018 | 'CARE AAA' by CARE |
| 46. | XIII TRANCHE 26 | 3.1 | 0.00% | 700.00 | March 10, 2015 | April 10, 2018 | 'CARE AAA' by CARE |
| 47. | XIII TRANCHE 27 | 3.1 | 0.00% | 550.00 | March 10, 2015 | April 18, 2018 | 'CARE AAA' by CARE |
| 48. | XIII TRANCHE 4 | 3.1 | 9.50% | 500.00 | March 12, 2015 | April 16, 2018 | 'CARE AAA' by CARE |
| 49. | XIII TRANCHE 13 | 3 | 0.00% | 1,000.00 | March 31, 2015 | April 4, 2018 | 'CARE AAA' by CARE |
| 50. | XIII TRANCHE 16 | 3.2 | 9.70% | 5,000.00 | April 9, 2015 | June 11, 2018 | 'CARE AAA' by CARE |
| 51. | XIII TRANCHE 19 | 3 | 0.00% | 1,500.00 | April 9, 2015 | April 9, 2018 | 'CARE AAA' by CARE |
| 52. | XIII TRANCHE 22 | 3 | 0.00% | 400.00 | April 20, 2015 | April 17, 2018 | 'CARE AAA' by CARE |
| 53. | XIII TRANCHE 24 | 3 | 0.00% | 300.00 | April 28, 2015 | April 24, 2018 | 'CARE AAA' by CARE |
| 54. | XIII TRANCHE 26 | 5 | 9.30% | 500.00 | April 28, 2015 | April 28, 2020 | 'CARE AAA' by CARE |
| 55. | XIII TRANCHE 28 | 3 | 0.00% | 730.00 | May 14, 2015 | April 30, 2018 | 'CARE AAA' by CARE |
| 56. | XIII TRANCHE 29 | 5 | 9.50% | 75,000.00 | May 20, 2015 | May 20, 2020 | CARE AAA' by CARE & 'BWR AAA' by Brickwork |
| 57. | XIII TRANCHE 30 | 5 | 9.50% | 50,000.00 | May 21, 2015 | May 21, 2020 | CARE AAA' by CARE & 'BWR AAA' by Brickwork |
| 58. | XV (15) TRANCHE 01 | 10 | 9.50% | 1,00,000.00 | May 29, 2015 | May 29, 2025 | 'CARE AAA' by CARE |
| 59. | XIII TRANCHE 34 | 3 | 0.00% | 1,200.00 | June 2, 2015 | May 24, 2018 | 'CARE AAA' by CARE |
| 60. | XIII TRANCHE 35 | 3 | 0.00% | 250.00 | June 2, 2015 | May 31, 2018 | 'CARE AAA' by CARE |
| 61. | XIII TRANCHE 36 | 3.6 | 9.30% | 2,500.00 | June 2, 2015 | December 24, 2018 | 'CARE AAA' by CARE |
| 62. | XIII TRANCHE 37 | 3 | 9.40% | 10,000.00 | June 23, 2015 | June 22, 2018 | 'CARE AAA' by CARE |
| 63. | XIII TRANCHE 39 | 3.5 | 9.30% | 1,500.00 | June 23, 2015 | December 28, 2018 | 'CARE AAA' by CARE |
| 64. | XIII TRANCHE 43 | 3 | 0.00% | 260.00 | June 23, 2015 | June 14, 2018 | 'CARE AAA' by CARE |
| 65. | XIII TRANCHE 44 | 3 | 9.50% | 15,000.00 | June 23, 2015 | June 26, 2018 | 'CARE AAA' by CARE |
| 66. | XIII TRANCHE 45 | 4.7 | 9.50% | 5,000.00 | July 3, 2015 | March 7, 2020 | 'CARE AAA' by CARE |
| 67. | XV (15) TRANCHE 02 | 5.1 | 9.50% | 9,500.00 | July 8, 2015 | August 7, 2020 | CARE AAA' by CARE & 'BWR AAA' by Brickwork |

| Sr. No. | Description (Debenture Series) | Tenor (in Years) | Coupon | Amount Outstanding (in ₹ Lakh) | Date of Allotment | Final Redemption Date | Latest Credit Rating |
|---------|--------------------------------|------------------|--------|--------------------------------|-------------------|-----------------------|--|
| 68. | XV (15) TRANCHE 03 | 10.1 | 9.50% | 20,500.00 | July 8, 2015 | August 7, 2025 | CARE AAA' by CARE & 'BWR AAA' by Brickwork |
| 69. | XV (15) TRANCHE 04 | 3.3 | 0.00% | 8,200.00 | July 8, 2015 | October 7, 2018 | 'CARE AAA' by CARE |
| 70. | XV(15) TRANCHE 06 | 3 | 0.00% | 250.00 | July 16, 2015 | July 31, 2018 | 'CARE AAA' by CARE |
| 71. | XV(15) TRANCHE 07 | 3.5 | 0.00% | 650.00 | July 16, 2015 | January 14, 2019 | 'CARE AAA' by CARE |
| 72. | XV(15) TRANCHE 08 | 5 | 9.50% | 5,000.00 | July 16, 2015 | July 16, 2020 | 'CARE AAA' by CARE |
| 73. | XV(15) TRANCHE 09 | 5 | 9.50% | 11,000.00 | July 16, 2015 | July 16, 2020 | CARE AAA' by CARE & 'BWR AAA' by Brickwork |
| 74. | XV(15) TRANCHE 10 | 10 | 9.50% | 9,000.00 | July 16, 2015 | July 16, 2025 | CARE AAA' by CARE & 'BWR AAA' by Brickwork |
| 75. | XV(15) TRANCHE 11 | 4.8 | 9.50% | 5,000.00 | August 6, 2015 | June 8, 2020 | 'CARE AAA' By CARE |
| 76. | XV(15) TRANCHE 13 | 3.1 | 9.30% | 3,400.00 | August 20, 2015 | August 9, 2018 | 'CARE AAA' By CARE |
| 77. | XV(15) TRANCHE 14 | 3 | 9.20% | 1,430.00 | August 20, 2015 | August 16, 2018 | 'CARE AAA' By CARE |
| 78. | XV(15) TRANCHE 15 | 2.9 | 9.20% | 470.00 | August 20, 2015 | July 31, 2018 | 'CARE AAA' By CARE |
| 79. | XV(15) TRANCHE 16 | 3 | 9.10% | 5,000.00 | August 25, 2015 | August 24, 2018 | 'CARE AAA' By CARE |
| 80. | XV(15) TRANCHE 17 | 5 | 9.50% | 10,000.00 | August 25, 2015 | August 25, 2020 | CARE AAA' by CARE & 'BWR AAA' by Brickwork |
| 81. | XV(15) TRANCHE 18 | 10 | 9.50% | 5,000.00 | August 25, 2015 | August 25, 2025 | CARE AAA' by CARE & 'BWR AAA' by Brickwork |
| 82. | XV(15) TRANCHE 19 | 5 | 9.50% | 1,000.00 | September 8, 2015 | September 8, 2020 | 'CARE AAA' by CARE |
| 83. | XV(15) TRANCHE 20 | 5.5 | 9.50% | 1,500.00 | September 8, 2015 | February 18, 2021 | 'CARE AAA' by CARE |
| 84. | XV(15) TRANCHE 21 | 3 | 9.20% | 500.00 | September 8, 2015 | August 30, 2018 | 'CARE AAA' by CARE |
| 85. | XV(15) TRANCHE 22 | 2.9 | 9.00% | 400.00 | October 30, 2015 | September 13, 2018 | 'CARE AAA' by CARE |
| 86. | XV(15) TRANCHE 23 | 2.9 | 9.00% | 900.00 | October 30, 2015 | October 3, 2018 | 'CARE AAA' by CARE |
| 87. | XV(15) TRANCHE 24 | 5.4 | 9.20% | 300.00 | October 30, 2015 | March 5, 2021 | 'CARE AAA' by CARE |
| 88. | XV(15) TRANCHE 25 | 5 | 9.30% | 13,700.00 | October 30, 2015 | October 30, 2020 | CARE AAA' by CARE & 'BWR AAA' by Brickwork |
| 89. | XV(15) TRANCHE 26 | 7 | 9.30% | 1,500.00 | October 30, 2015 | October 28, 2022 | CARE AAA' by CARE & 'BWR AAA' by Brickwork |

| Sr. No. | Description (Debenture Series) | Tenor (in Years) | Coupon | Amount Outstanding (in ₹ Lakh) | Date of Allotment | Final Redemption Date | Latest Credit Rating |
|---------|--------------------------------|------------------|--------|--------------------------------|-------------------|-----------------------|--|
| 90. | XV(15) TRANCHE 27 | 10 | 9.30% | 10,500.00 | October 30, 2015 | October 30, 2025 | CARE AAA' by CARE & 'BWR AAA' by Brickwork |
| 91. | XV(15) TRANCHE 28 | 10 | 8.50% | 50,000.00 | November 30, 2015 | November 28, 2025 | 'CARE AAA' by CARE |
| 92. | XV(15) Tranche 29 | 5 | 9.00% | 20,000.00 | January 12, 2016 | January 21, 2021 | CARE AAA' by CARE & 'BWR AAA' by Brickwork |
| 93. | XVI(16) Tranche 01 | 5 | 9.20% | 5,000.00 | March 8, 2016 | March 8, 2021 | 'CARE AAA' by CARE |
| 94. | XVI(16) Tranche 02 | 5.4 | 9.20% | 550.00 | March 15, 2016 | July 23, 2021 | 'CARE AAA' by CARE |
| 95. | XVI(16) Tranche 03 | 3.1 | 9.20% | 200.00 | March 15, 2016 | April 3, 2019 | 'CARE AAA' by CARE |
| 96. | XVI(16) Tranche 04 | 10 | 9.00% | 2,500.00 | March 23, 2016 | March 23, 2026 | CARE AAA' by CARE & 'BWR AAA' by Brickwork |
| 97. | XVI(16) Tranche 05 | 3 | 9.20% | 2,850.00 | March 23, 2016 | March 28, 2019 | CARE AAA' by CARE & 'BWR AAA' by Brickwork |
| 98. | XVI(16) Tranche 06 | 3.5 | 9.20% | 6,000.00 | March 23, 2016 | September 20, 2019 | CARE AAA' by CARE & 'BWR AAA' by Brickwork |
| 99. | XVI(16) Tranche 08 | 2.2 | 9.80% | 75,000.00 | March 30, 2016 | May 30, 2018 | 'CARE AAA' by CARE |
| 100. | XVI(16) Tranche 09 | 3.5 | 9.20% | 2,500.00 | April 5, 2016 | September 20, 2019 | 'CARE AAA' by CARE |
| 101. | XVI(16) Tranche 10 | 5 | 9.00% | 3,320.00 | April 25, 2016 | April 23, 2021 | CARE AAA' by CARE & 'BWR AAA' by Brickwork |
| 102. | XVI(16) Tranche 11 | 10 | 9.00% | 1,150.00 | April 25, 2016 | April 24, 2026 | CARE AAA' by CARE & 'BWR AAA' by Brickwork |
| 103. | XVI(16) Tranche 12 | 3 | 9.00% | 1,300.00 | April 27, 2016 | April 22, 2019 | 'CARE AAA' by CARE |
| 104. | XVI(16) Tranche 13 | 3 | 9.00% | 650.00 | June 3, 2016 | May 28, 2019 | CARE AAA' by CARE & 'BWR AAA' by Brickwork |
| 105. | XVI(16) Tranche 14 | 3 | 9.00% | 3,000.00 | June 3, 2016 | June 3, 2019 | CARE AAA' by CARE & 'BWR AAA' by Brickwork |
| 106. | XVI(16) Tranche 15 | 10 | 9.00% | 2,000.00 | June 3, 2016 | June 3, 2026 | CARE AAA' by CARE & 'BWR AAA' by Brickwork |
| 107. | XVI(16) Tranche 16 | 3 | 9.00% | 3,500.00 | June 10, 2016 | June 10, 2019 | CARE AAA' by CARE & 'BWR AAA' by Brickwork |
| 108. | XVI(16) Tranche 17 | 10 | 9.00% | 3,500.00 | June 10, 2016 | June 10, 2026 | CARE AAA' by CARE & 'BWR AAA' by Brickwork |
| 109. | XVI(16) Tranche 19 | 2.2 | 9.10% | 6,000.00 | June 17, 2016 | August 16, 2018 | CARE AAA' by CARE & 'BWR AAA' by Brickwork |

| Sr. No. | Description (Debenture Series) | Tenor (in Years) | Coupon | Amount Outstanding (in ₹ Lakh) | Date of Allotment | Final Redemption Date | Latest Credit Rating |
|---------|--------------------------------|------------------|--------|--------------------------------|--------------------|-----------------------|---|
| 110. | XVI(16) Tranche 20 | 2.168 | 9.10% | 10,000.00 | June 17, 2016 | March 18, 2019 | CARE AAA' by CARE & 'BWR AAA' by Brickwork |
| 111. | XVI(16) Tranche 21 | 3 | 9.10% | 500.00 | June 17, 2016 | June 18, 2019 | CARE AAA' by CARE & 'BWR AAA' by Brickwork |
| 112. | XVI(16) Tranche 22 | 3.8 | 9.10% | 5,000.00 | June 17, 2016 | April 16, 2020 | CARE AAA' by CARE & 'BWR AAA' by Brickwork |
| 113. | XVI(16) Tranche 23 | 5 | 9.10% | 10,400.00 | June 17, 2016 | June 17, 2021 | CARE AAA' by CARE & 'BWR AAA' by Brickwork |
| 114. | XVI(16) Tranche 24 | 10 | 9.10% | 110.00 | June 17, 2016 | June 17, 2026 | CARE AAA' by CARE & 'BWR AAA' by Brickwork |
| 115. | NCD – 35 | 10 | 9.80% | 10,000.00 | November 13, 2009 | November 13, 2019 | 'CARE AAA' by CARE |
| 116. | NCD – 41 | 10 | 9.40% | 10,000.00 | August 16, 2010 | August 16, 2020 | 'CARE AAA' by CARE |
| 117. | NCD – 43 | 10 | 9.40% | 10,000.00 | September 15, 2010 | September 15, 2020 | 'CARE AAA' by CARE |
| 118. | NCD – 55 | 10 | 10.70% | 25,000.00 | February 14, 2012 | February 14, 2022 | 'CARE AAA' by CARE |
| 119. | XVII (17) | 5 | 9.07% | 27,400.00 | July 28, 2016 | July 28, 2021 | 'CARE AAA' by CARE and 'BWR AAA' by Brickwork |
| 120. | XVII(17) Tranche 3 | 2.9 | 8.83% | 280.00 | August 22, 2016 | July 02, 2019 | CARE AAA' by CARE & 'BWR AAA' by Brickworks |
| 121. | XVII(17) Tranche 4 | 2.9 | 8.84% | 630.00 | August 22, 2016 | July 23, 2019 | CARE AAA' by CARE & 'BWR AAA' by Brickworks |
| 122. | XVII(17) Tranche 5 | 3.0 | 8.84% | 250.00 | August 22, 2016 | August 05, 2019 | CARE AAA' by CARE & 'BWR AAA' by Brickworks |
| 123. | XVII(17) Tranche 6 | 3.0 | 8.85% | 1,100.00 | August 22, 2016 | August 06, 2019 | CARE AAA' by CARE & 'BWR AAA' by Brickworks |
| 124. | XVII(17) Tranche 2 | 5.0 | 8.85% | 12,500.00 | August 22, 2016 | August 20, 2021 | CARE AAA' by CARE & 'BWR AAA' by Brickworks |
| 125. | XVIII(18) | 10.0 | 8.00% | 1,50,000.00 | March 01, 2017 | March 01, 2027 | CARE AAA' by CARE |
| 126. | XIX(19) | 3.0 | 8.00% | 15,000.00 | June 23, 2017 | June 23, 2020 | CARE AAA' by CARE & 'BWR AAA' by Brickworks |
| 127. | XIXI(20) | 3.0 | 8.00% | 17,500.00 | July 17, 2017 | July 17, 2020 | CARE AAA' by CARE & 'BWR AAA' by Brickworks |
| 128. | (21) | 3.0 | 7.70% | 12,500.00 | July 26, 2017 | August 26, 2020 | CARE AAA' by CARE |

| Sr. No. | Description (Debt Series) | Tenor (in Years) | Coupon | Amount Outstanding (in ₹ Lakh) | Date of Allotment | Final Redemption Date | Latest Credit Rating |
|--------------|---------------------------|------------------|--------|--------------------------------|--------------------|-----------------------|---|
| 129. | (22) Tranche 1 | 3.0 | 7.25% | 2,500.00 | September 27, 2017 | September 25, 2020 | CARE AAA' by CARE & 'BWR AAA' by Brickworks |
| 130. | (22) Tranche 2 | 1.5 | 7.55% | 20,000.00 | October 24, 2017 | April 10, 2019 | CARE AAA by CARE |
| 131. | (22) Tranche 3 | 3.2 | 7.97% | 8,400.00 | December 22, 2017 | February 15, 2021 | CARE AAA by CARE |
| 132. | (23) Tranche 1 | 1.8 | 8.40% | 25,000.00 | March 14, 2018 | December 27, 2019 | CARE AAA by CARE |
| 133. | (23) Tranche 2 | 1.0 | 8.04% | 30,000.00 | March 22, 2018 | March 25, 2019 | CARE AAA by CARE |
| Total | | | | 13,45,760.00 | | | |

[§]Security: a first pari-passu charge over the Company's immovable and movable properties, including book debts (excluding the floating charge on the specific assets as per the provisions of Section 29B of the National Housing Bank Act, from time to time and exclusive charge created by First Blue Home Finance Limited (since merged with our Company, in favour of NHB as security for due repayment for financial assistance by way of refinancing granted by NHB to First Blue Home Finance Limited)

Our Company has issued secured[§] redeemable non-convertible debenture of face value of ₹ 1,00,000 each on a private placement basis of which ₹ 52,500.00 lakh is outstanding as on March 31, 2018, the details of which are set forth below. Redemption date represents actual maturity date and does not consider call/put option:

(₹ in lakh)

| Sr. No. | Description (Debt Series) | Tenor | Coupon | Amount Outstanding (in ₹ lakh) | Date of Allotment | Final Redemption Date | Latest Credit Rating |
|--------------|---------------------------|-------|--------|--------------------------------|--------------------|-----------------------|--|
| 1. | 6 & 7 Tranche 2 | 10.0 | 11.0% | 1,000.00 | July 29, 2011 | July 29, 2021 | CARE AAA' by CARE & 'BWR AAA' by Brickwork |
| 2. | 6 & 7 Tranche 3 | 10.0 | 11.0% | 3,500.00 | August 12, 2011 | August 12, 2021 | CARE AAA' by CARE & 'BWR AAA' by Brickwork |
| 3. | 08 Tranche | 10.0 | 10.7% | 48,000.00 | September 22, 2011 | September 21, 2021 | 'CARE AAA' by CARE |
| Total | | | | 52,500.00 | | | |

[§]Security: a first pari-passu charge over the Company's immovable and movable properties, including book debts (excluding the floating charge on the specific assets as per the provisions of Section 29B of the National Housing Bank Act, from time to time and exclusive charge created by First Blue Home Finance Limited (since merged with our Company, in favour of NHB as security for due repayment for financial assistance by way of refinancing granted by NHB to First Blue Home Finance Limited)

Our Company has issued unsecured redeemable subordinated non-convertible debenture of face value of ₹ 10,00,000 each on a private placement basis of which ₹ 98,180.00 lakh is outstanding as on March 31, 2018 the details of which are set forth below. Redemption date represents actual maturity date:

(₹ in lakh)

| Sr. No. | Series | Tenor | Coupon | Amount outstanding (₹ in lakh) | Date of Allotment | Date of redemption | Credit rating |
|---------|--------|-------|--------|--------------------------------|-------------------|--------------------|-------------------|
| 1. | 1 | 15 | 11.40% | 1,530.00 | October 23, 2008 | October 23, 2023 | CARE AA+' by CARE |
| 2. | 4 | 10 | 10.00% | 2,500.00 | January 8, 2010 | January 8, 2020 | CARE AA+' by CARE |
| 3. | 5 | 10 | 10.00% | 3,000.00 | January 15, 2010 | January 15, 2020 | CARE AA+' by CARE |

| Sr. No. | Series | Tenor | Coupon | Amount outstanding (₹ in lakh) | Date of Allotment | Date of redemption | Credit rating |
|---------|------------------|-------|--------|--------------------------------|-------------------|--------------------|--|
| 4. | 6 | 10 | 9.80% | 1,600.00 | February 22, 2010 | February 22, 2020 | CARE AA+' by CARE |
| 5. | 7 | 10 | 9.90% | 5,000.00 | April 27, 2010 | April 27, 2020 | CARE AA+' by CARE |
| 6. | 6 (a) Tranche 01 | 5.5 | 11.20% | 4,550.00 | November 2, 2012 | May 2, 2018 | BWR AAA' by Brickwork |
| 7. | 6 (b) | 5.5 | 11.20% | 800.00 | November 2, 2012 | May 2, 2018 | BWR AAA' by Brickwork |
| 8. | 6 (a) Tranche 02 | 10 | 11.20% | 1,500.00 | November 2, 2012 | November 2, 2022 | BWR AAA' by Brickwork |
| 9. | 7 (A) Tranche 01 | 5.5 | 11.20% | 500.00 | November 22, 2012 | May 22, 2018 | BWR AAA' by Brickwork |
| 10. | 7 (B) Tranche 01 | 5.5 | 11.20% | 1,000.00 | November 22, 2012 | May 22, 2018 | CARE AA+' by CARE & 'BWR AAA' by Brickwork |
| 11. | 7 (B) Tranche 02 | 10 | 11.20% | 1,800.00 | November 22, 2012 | November 22, 2022 | CARE AA+' by CARE & 'BWR AAA' by Brickwork |
| 12. | 7 (A) Tranche 02 | 10 | 11.20% | 500.00 | November 22, 2012 | November 22, 2022 | BWR AAA' by Brickwork |
| 13. | 8 (A) | 10 | 11.20% | 3,900.00 | December 14, 2012 | December 14, 2022 | CARE AA+' by CARE & 'BWR AAA' by Brickwork |
| 14. | 9 (A) | 10 | 11.20% | 2,500.00 | December 14, 2012 | December 14, 2022 | BWR AAA' by Brickwork |
| 15. | 8 (C) | 5.5 | 10.80% | 230.00 | February 15, 2013 | August 15, 2018 | CARE AA+' by CARE & 'BWR AAA' by Brickwork |
| 16. | 9 (C) | 5.5 | 10.50% | 1,000.00 | February 15, 2013 | August 15, 2018 | BWR AAA' by Brickwork |
| 17. | 8 (B) | 10 | 11.00% | 3,100.00 | February 15, 2013 | February 15, 2023 | CARE AA+' by CARE & 'BWR AAA' by Brickwork |
| 18. | 8 (D) | 10 | 10.60% | 1,670.00 | February 15, 2013 | February 15, 2023 | CARE AA+' by CARE & 'BWR AAA' by Brickwork |
| 19. | 9 (B) | 10 | 11.00% | 2,500.00 | February 15, 2013 | February 15, 2023 | BWR AAA' by Brickwork |
| 20. | 9 (D) | 10 | 10.60% | 1,500.00 | February 15, 2013 | February 15, 2023 | BWR AAA' by Brickwork |
| 21. | 8 (F) | 5.5 | 10.60% | 200.00 | March 28, 2013 | September 28, 2018 | CARE AA+' by CARE & 'BWR AAA' by Brickwork |
| 22. | 9 (E) | 5.5 | 10.60% | 2,500.00 | March 28, 2013 | September 28, 2018 | BWR AAA' by Brickwork |
| 23. | 8 (E) | 10 | 10.80% | 1,300.00 | March 28, 2013 | March 28, 2023 | CARE AA+' by CARE & 'BWR AAA' by Brickwork |
| 24. | 11(b) | 5.5 | 10.60% | 500.00 | April 22, 2013 | October 22, 2018 | CARE AA+' by CARE & 'BWR AAA' by Brickwork |

| Sr. No. | Series | Tenor | Coupon | Amount outstanding (₹ in lakh) | Date of Allotment | Date of redemption | Credit rating |
|--------------|--------|-------|--------|--------------------------------|-------------------|--------------------|--|
| 25. | 11(a) | 10 | 10.80% | 3,600.00 | April 22, 2013 | April 22, 2023 | CARE AA+' by CARE & 'BWR AAA' by Brickwork |
| 26. | 11(C) | 10 | 10.50% | 4,400.00 | April 22, 2013 | April 22, 2023 | CARE AA+' by CARE & 'BWR AAA' by Brickwork |
| 27. | 12(A) | 10 | 9.40% | 40,000.00 | May 10, 2016 | May 8, 2026 | CARE AA+' by CARE & 'BWR AAA' by Brickwork |
| Total | | | | 98,180.00 | | | |

Our Company has issued unsecured redeemable subordinated non-convertible debenture of face value of ₹ 1,00,000 each on a private placement basis of which ₹40,000.00 lakh is outstanding as on March 31, 2018 the details of which are set forth below. Redemption date represents actual maturity date:

(₹ in lakh)

| Sr. no. | Series | Tenor | Coupon | Amount outstanding (₹ in lakh) | Date of Allotment | Date of redemption | Credit rating |
|--------------|--------|-------|--------|--------------------------------|-------------------|--------------------|-----------------------|
| 1. | 3 | 10 | 10.40% | 17,500.00 | November 24, 2010 | November 24, 2020 | BWR AAA' by Brickwork |
| 2. | 4 | 10 | 11.00% | 15,000.00 | March 31, 2011 | March 31, 2021 | BWR AAA' by Brickwork |
| 3. | 5 | 10 | 11.00% | 7,500.00 | March 27, 2012 | March 27, 2022 | BWR AAA' by Brickwork |
| Total | | | | 40,000.00 | | | |

Our Company has issued public non-convertible debenture of face value of ₹ 1,000 each of which ₹ 14,00,000.00 lakh is outstanding as on March 31, 2018 the details of which are set forth below. Redemption date represents actual maturity date:

(₹ in lakh)

| Sr no | Debenture Series | Date of Allotment | Date of Redemption | Coupon Rate | Principal Amount Outstanding | Credit Rating |
|-------|------------------------------------|-------------------|--------------------|-------------|------------------------------|---|
| 1 | Series I and Category I and II | August 16, 2016 | August 16, 2019 | 8.74% | 66.70 | CARE AAA' by CARE & 'BWR AAA' by Brickworks |
| 2 | Series I and Category III and IV | August 16, 2016 | August 16, 2019 | 8.83% | 1,609.48 | CARE AAA' by CARE & 'BWR AAA' by Brickworks |
| 3 | Series II and Category I and II | August 16, 2016 | August 16, 2021 | 8.74% | 33.62 | CARE AAA' by CARE & 'BWR AAA' by Brickworks |
| 4 | Series II and Category III and IV | August 16, 2016 | August 16, 2021 | 8.88% | 1,075.94 | CARE AAA' by CARE & 'BWR AAA' by Brickworks |
| 5 | Series III and Category I and II | August 16, 2016 | August 16, 2026 | 8.74% | 48.34 | CARE AAA' by CARE & 'BWR AAA' by Brickworks |
| 6 | Series III and Category III and IV | August 16, 2016 | August 16, 2026 | 8.93% | 4,453.96 | CARE AAA' by CARE & 'BWR AAA' by Brickworks |
| 7 | Series IV and Category I and II | August 16, 2016 | August 16, 2019 | 9.10% | 94,628.00 | CARE AAA' by CARE & 'BWR AAA' by Brickworks |

| Sr no | Debenture Series | Date of Allotment | Date of Redemption | Coupon Rate | Principal Amount Outstanding | Credit Rating |
|-------|------------------------------------|-------------------|--------------------|---------------------------------|------------------------------|---|
| 8 | Series IV Category III and IV | August 16, 2016 | August 16, 2019 | 9.20% | 6,083.87 | CARE AAA' by CARE & 'BWR AAA' by Brickworks |
| 9 | Series V and Category I and II | August 16, 2016 | August 16, 2021 | 9.10% | 26,860.39 | CARE AAA' by CARE & 'BWR AAA' by Brickworks |
| 10 | Series V Category III and IV | August 16, 2016 | August 16, 2021 | 9.25% | 18,655.54 | CARE AAA' by CARE & 'BWR AAA' by Brickworks |
| 11 | Series VI and Category I and II | August 16, 2016 | August 16, 2026 | 9.10% | 36,733.79 | CARE AAA' by CARE & 'BWR AAA' by Brickworks |
| 12 | Series VI Category III and IV | August 16, 2016 | August 16, 2026 | 9.30% | 2,03,605.72 | CARE AAA' by CARE & 'BWR AAA' by Brickworks |
| 13 | Series VII and Category I and II | August 16, 2016 | August 16, 2019 | 9.10% | 10.12 | CARE AAA' by CARE & 'BWR AAA' by Brickworks |
| 14 | Series VII Category III and IV | August 16, 2016 | August 16, 2019 | 9.20% | 1,782.41 | CARE AAA' by CARE & 'BWR AAA' by Brickworks |
| 15 | Series VIII Category III and IV | August 16, 2016 | August 16, 2021 | 9.25% | 1,157.07 | CARE AAA' by CARE & 'BWR AAA' by Brickworks |
| 16 | Series IX and Category I and II | August 16, 2016 | August 16, 2026 | 9.10% | 2.16 | CARE AAA' by CARE & 'BWR AAA' by Brickworks |
| 17 | Series IX and Category III and IV | August 16, 2016 | August 16, 2026 | 9.30% | 1,382.32 | CARE AAA' by CARE & 'BWR AAA' by Brickworks |
| 18 | Series X and Category I and II | August 16, 2016 | August 16, 2019 | Reference CPI + spread of 4.08% | 1,616.88 | CARE AAA' by CARE & 'BWR AAA' by Brickworks |
| 19 | Series X and Category III and IV | August 16, 2016 | August 16, 2019 | Reference CPI + spread of 4.18% | 193.69 | CARE AAA' by CARE & 'BWR AAA' by Brickworks |
| 20 | Series I and Category I and II | September 9, 2016 | September 9, 2019 | 9.05% | 2,53,677.65 | CARE AAA' by CARE & 'BWR AAA' by Brickworks |
| 21 | Series I and Category III and IV | September 9, 2016 | September 9, 2019 | 9.10% | 1,07,187.85 | CARE AAA' by CARE & 'BWR AAA' by Brickworks |
| 22 | Series II and Category I and II | September 9, 2016 | September 9, 2021 | 9.05% | 36,992.90 | CARE AAA' by CARE & 'BWR AAA' by Brickworks |
| 23 | Series II and Category III and IV | September 9, 2016 | September 9, 2021 | 9.15% | 29,208.83 | CARE AAA' by CARE & 'BWR AAA' by Brickworks |
| 24 | Series III and Category I and II | September 9, 2016 | September 9, 2023 | 9.05% | 1,66,101.66 | CARE AAA' by CARE & 'BWR AAA' by Brickworks |
| 25 | Series III and Category III and IV | September 9, 2016 | September 9, 2023 | 9.25% | 4,06,831.11 | CARE AAA' by CARE & 'BWR AAA' by Brickworks |

| Sr no | Debenture Series | Date of Allotment | Date of Redemption | Coupon Rate | Principal Amount Outstanding | Credit Rating |
|-------|------------------|-------------------|--------------------|--------------|------------------------------|---------------|
| | | | | Total | 14,00,000.00 | |

List of Top 10 Debenture Holders (secured and unsecured) as on March 31, 2018:

(₹ in lakh)

| Sr. No. | Name of Debenture Holders | Amount |
|---------|--|-------------|
| 1 | Life Insurance Corporation of India | 4,620,00.00 |
| 2 | Coal Mines Provident Fund Organisation | 1,39,025.00 |
| 3 | Employee Provident Fund Organisation | 1,36,177.00 |
| 4 | UTI Mutual Fund | 1,26,493.00 |
| 5 | Postal Life Insurance Limited | 1,02,000.00 |
| 6 | Axis Mutual Fund | 94,314.00 |
| 7 | Aditya Birla Sun Life Mutual Fund | 62,652.00 |
| 8 | Reliance Mutual Fund | 59,876.00 |
| 9 | IDFC Bank Limited | 55,000.00 |
| 10 | Kotak Mahindra Mutual Fund | 53,000.00 |

As on March 31, 2018, the amount of corporate guarantee issued by our Company in favour of its Subsidiaries, Joint Venture entity, group company, etc. is Nil.

The Company has issued DSRA guarantee in favour of one of our wholly owned subsidiaries of ₹ 22,500 lakh.

The total face value of Commercial Papers Outstanding as on March 31, 2018

(₹ in lakh)

| Sr. No. | Maturity Date | Amount Outstanding |
|--------------|--------------------|--------------------|
| 1 | April 09, 2018 | 2,500.00 |
| 2 | April 10, 2018 | 7,500.00 |
| 3 | May 02, 2018 | 30,000.00 |
| 4 | May 04, 2018 | 2,500.00 |
| 5 | May 14, 2018 | 50,000.00 |
| 6 | May 21, 2018 | 17,500.00 |
| 7 | May 23, 2018 | 10,000.00 |
| 8 | May 25, 2018 | 1,40,000.00 |
| 9 | May 30, 2018 | 50,000.00 |
| 10 | May 31, 2018 | 75,000.00 |
| 11 | June 01, 2018 | 10,000.00 |
| 12 | June 05, 2018 | 20,000.00 |
| 13 | June 06, 2018 | 37,500.00 |
| 14 | June 15, 2018 | 57,500.00 |
| 15 | June 18, 2018 | 47,500.00 |
| 16 | July 30, 2018 | 10,000.00 |
| 17 | August 07, 2018 | 17,500.00 |
| 18 | September 28, 2018 | 47,500.00 |
| 19 | December 04, 2018 | 7,500.00 |
| 20 | March 07, 2019 | 10,000.00 |
| Total | | 6,05,000.00 |

Details of Rest of the borrowing (if any, including hybrid debt like FCCB, Optionally Convertible Debentures/Preference Shares) as on March 31, 2018:

Unsecured, Subordinated, Perpetual, Hybrid Securities in the form of Non-Convertible Debentures of face value ₹10,00,000

(₹ in lakh)

| Sr. No. | Type of Facility/ Instrument | Allotment Date | Coupon Rate | Principal Amount Outstanding | Credit Rating |
|--------------------|---------------------------------|--------------------|-------------|------------------------------|--|
| 1 | I | September 23, 2011 | 12.80% | 10,000.00 | 'CARE AA' by CARE & 'BWR AA+' by Brickwork |
| 2 | II | November 9, 2011 | 12.80% | 2,520.00 | 'CARE AA' by CARE & 'BWR AA+' by Brickwork |
| 3 | III C | March 28, 2013 | 12.20% | 330.00 | 'CARE AA' by CARE & 'BWR AA+' by Brickwork |
| 4 | III A | March 28, 2013 | 12.80% | 630.00 | 'CARE AA' by CARE & 'BWR AA+' by Brickwork |
| 5 | III B | March 28, 2013 | 12.40% | 40.00 | 'CARE AA' by CARE & 'BWR AA+' by Brickwork |
| 6 | III D | March 28, 2013 | 12.00% | 1,500.00 | 'CARE AA' by CARE & 'BWR AA+' by Brickwork |
| 7 | III E | May 10, 2013 | 12.00% | 1,500.00 | 'CARE AA' by CARE & 'BWR AA+' by Brickwork |
| 8 | III F | May 10, 2013 | 12.20% | 300.00 | 'CARE AA' by CARE & 'BWR AA+' by Brickwork |
| 9 | IV A | October 31, 2013 | 12.80% | 240.00 | 'CARE AA' by CARE & 'BWR AA+' by Brickwork |
| 10 | IV B | October 31, 2013 | 12.20% | 390.00 | 'CARE AA' by CARE & 'BWR AA+' by Brickwork |
| 11 | IV C | October 31, 2013 | 12.10% | 120.00 | 'CARE AA' by CARE & 'BWR AA+' by Brickwork |
| 12 | IV D | December 19, 2013 | 12.80% | 120.00 | 'CARE AA' by CARE & 'BWR AA+' by Brickwork |
| 13 | IV E | December 19, 2013 | 12.20% | 50.00 | 'CARE AA' by CARE & 'BWR AA+' by Brickwork |
| 14 | IV F | December 19, 2013 | 12.10% | 330.00 | 'CARE AA' by CARE & 'BWR AA+' by Brickwork |
| 15 | IV G | March 31, 2014 | 12.80% | 100.00 | 'CARE AA' by CARE & 'BWR AA+' by Brickwork |
| 16 | IV H | March 31, 2014 | 12.20% | 100.00 | 'CARE AA' by CARE & 'BWR AA+' by Brickwork |
| 17 | IV I | March 31, 2014 | 12.10% | 300.00 | 'CARE AA' by CARE & 'BWR AA+' by Brickwork |
| 18 | V I | August 23, 2016 | 10.75% | 47,500.00 | 'CARE AA' by CARE & 'BWR AA+' by Brickwork |
| 19 | VI | August 3, 2017 | 9.85% | 50,000.00 | 'CARE AA' by CARE & 'BWR AA+' by Brickwork |
| Grand Total | | | | 1,16,070.00 | |

As on the date of this Draft Shelf Prospectus, there has been no rescheduling, default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by our Company, in the past 5 years.

There are no outstanding borrowings taken/ debt securities issued where taken/ issued (i) for consideration other than cash, whether in whole or in part, (ii) at a premium or discount, or (iii) in pursuance of an option as on March 31, 2018.

The total amount of loans and advances from related parties (ICDs) outstanding as of March 31, 2018 is 'Nil'.

Fixed Deposit Scheme of our Company:

Our Company has launched unsecured fixed deposit programmes. The FD Programmes have a rating of CARE AAA (FD) from CARE and BWR FAAA from Brickwork, which indicate highest degree of safety regarding

timely servicing of financial obligations. The tenure of fixed deposits accepted by our Company are in the range of 12 to 120 months and present rate of interest is in the range of 7.35% to 8.05%. Privilege customers, which include senior citizens, widows, defence personnel and DHFL loan borrowers, are entitled to an additional rate of 0.40%. As on March 31, 2018, our Company's outstanding fixed deposits amount to ₹ 10,33,949 lakh.

Restrictive Covenants under our Financing Arrangements:

Some of the corporate actions for which our Company requires the prior written consent of lenders include the following:

1. to effect any change in its capital structure;
2. to formulate any scheme of amalgamation or reconstruction;
3. to undertake any new project or expansion scheme, unless the expenditure on such expansion is covered by the Company's net cash accruals after providing for debt servicing or from long term funds received for financing such new projects or expansion;
4. to invest by way of share capital in or lend or advance funds to or place deposits with any other concern;
5. to enter into borrowing arrangements, either secured or unsecured, with any other bank, financial institution, company or otherwise;
6. to undertake guarantee obligations on behalf of any other company, firm or person;

to create any charge, lien or encumbrance over its undertaking or any part thereof in favour of any financial institution, bank, company, firm or persons apart from the arrangement indicated in the funds flow statements submitted to the lenders from time to time and approved by the lenders.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND DEFAULTS

Our Company is subjected to various legal proceedings from time to time, mostly arising in the ordinary course of its business. The legal proceedings are initiated by us and also by customers and other parties. These legal proceedings are primarily in the nature of (a) consumer complaints, (b) petitions pending before appellate authorities, (c) criminal complaints, and (d) civil suits. We believe that the number of proceedings in which we are involved in is not unusual for a company of our size in the context of doing business in India.

As on the date of this Draft Shelf Prospectus, there are no failures or defaults to meet statutory dues, institutional dues and dues towards instrument holders including holders of debentures, fixed deposits, and arrears on cumulative preference shares, etc., by our Company. Further, there are no outstanding Tax litigations against the Company.

Effective from December 1, 2015, the Board of Directors of our Company has adopted policy for determination of materiality for disclosure of events or information (“**Materiality Policy**”). With respect to litigations / disputes/ regulatory actions with impact, the Materiality Policy sets thresholds which are determined on the basis of consolidated financial statements of last audited Fiscal. There are various civil proceedings instituted by and against our Company from time to time, mostly arising in the ordinary course of its business. None of the pending civil proceedings by or against our Company involve an amount more than 2% of the consolidated profit after tax for the Fiscal 2018.

Save as disclosed below, there are no:

1. litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any Promoter of our Company during the last five years immediately preceding the year of the issue of this Draft Prospectus and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action;
2. inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous companies law in the last five years immediately preceding the year of issue of this Draft Shelf Prospectus against our Company and our Subsidiaries (including where there were any prosecutions filed); fines imposed on or compounding of offences done by our Company and our Subsidiaries in the last five years immediately preceding the year of this Draft Shelf Prospectus;
3. litigation involving our Company, Promoters, Directors, Subsidiaries, group companies or any other person, whose outcome could have material adverse effect on the position of our Company; and
4. pending proceedings initiated against our Company for economic offences.

Litigations involving our Company

Litigations against our Company

Criminal

1. Mr. Abhinav Chaudhary (the “**Complainant**”) lodged an FIR with the Police Station, Ghazipur, Lucknow District under Section 406, 417 and 420 of the IPC, against Mr. Arvind Kumar (a recovery agent of our Company) and Mr. Ashutosh Sinha (a senior branch operations manager of our Company) (“**Accused**”), alleging that the Complainant had made payment towards the settlement of the loan availed by the Complainant from the Company in accordance with the instructions of the Accused, however the payment so made had been unlawfully usurped by the Accused (“**Complaint**”). Pursuant to the Complaint and the charge sheet submitted by the investigating officer in pursuance of the Complaint, the Chief Judicial Magistrate, Lucknow had passed an order taking cognizance of the offence and summoning the Accused (“**CJM Order**”). Pursuant to the CJM Order, the Accused each preferred criminal miscellaneous applications under section 482 of the Criminal Procedure Code, 1973 with the High Court, Lucknow (in relation to the petition of Mr. Arvind Kumar) and Criminal Misc. Case No. 4503 of 2013 (in relation to the petition of Mr. Ashutosh Sinha) (“**Petitions**”), to quash the charge sheet and to set aside the CJM Order. Under the common order dated September 23, 2014, the High Court, Lucknow directed the Accused to file a discharge application, with the

Chief Judicial Magistrate, Lucknow pending which no coercive steps would be taken against the Accused. The Accused have filed the discharge application with the Chief Judicial Magistrate (Customs), Lucknow in connection with the CJM Order. The matter is currently pending.

- Our Company had filed a complaint under section 138 of the Negotiable Instrument Act, 1881 against Mr. Chandragupta S. Ghansawant (“**Appellant**”) before the 3rd Jt. J.M.F.C. Parbhani (“**Parbhani Court**”), pursuant to which the Parbhani Court had passed the order S.C.C. No. 232/2009 on August 19, 2014, imposing a fine of ₹50,000 and simple imprisonment of one (1) month against the Appellant. The Appellant has filed an appeal against the order of the Parbhani Court with the Sessions Judge at Parbhani. The matter is currently pending
- Being a housing finance company, our company has been impleaded as a formal party in the following cases:

| Sr. No. | Parties | Court | Case no. |
|---------|---|---|---------------|
| 1. | Rachel Kamalam v. Reeta Chandran and Others | Court of the Additional District Munsif at Madurai Town | 474 of 2014 |
| 2. | Sushma v. Rajesh and DHFL | Civil Judge (Senior Division), Narnaul | Not available |

Civil

There are various civil proceedings instituted against our Company from time to time, mostly arising in the ordinary course of its business. None of the pending civil proceedings against our Company involve an amount more than 2% of the consolidated profit after tax for the Fiscal 2018.

Litigations by our Company

Criminal

- Our Company has filed a criminal with the Chief Judicial Magistrate, Akola against Mr. Chandrashekhar Deshmukh (“**Accused No. 1**”) and Ms. Pushpa Dhoble (“**Accused No. 2**”) under sections 206, 406, 420, 418, 120-A and 34 of the IPC. Accused No. 1 had borrowed ₹ 85,000 from our Company under to the terms of a housing loan facility availed from our Company. Our Company alleged that the Accused No. 1 had defaulted in the payment of the instalments of the loan facility and had alienated the property mortgaged in favour of Company to the Accused No. 2 in contravention of the terms of the facility. The matter is pending.
- Our Company filed a criminal complaint against Mr. Dipak Bajirao Gosavi (“**Accused**”) with the Sarkarwada police station. Our Company alleged that the Accused had *inter alia* fraudulently collected the original title documents of the property to be mortgaged in favour of our Company in connection with the facility granted by our Company, and thereafter neither re-submitted the original title documents (as required under the terms of the facility) nor repaid the total outstanding dues owed to our Company. Alleging that there was neither any investigation nor any action being taken by the police station, our Company filed a criminal complaint with the Court of the Chief Judicial Magistrate, Nashik. The matter is currently pending.
- Our Company filed a first information report with the Karveer Police station, Kolhapur against Mr. Siraj Jaffer Sayyed and Mr. Mushrat Siraj Sayyed (“**Accused**”), in connection with the default in payment of outstanding dues under section 448 and read with Section 34 of IPC. The Police have filed a chargesheet 68/2015 before the Judicial Magistrate First Class, Kolhapur. The matter is currently pending.
- Our Company filed a criminal complaint against Mr. Rajendra Dagdu Sonawane and Ms. Rekha Rajendra Sonawane (the “**Accused**”) with the Judicial Magistrate First Class, Nashik. Our Company alleged that the Accused had been granted a loan by our Company of ₹ 16,90,000 (with an additional amount of ₹87,966 by way of interest outstanding) for the purposes of purchase an apartment (the “**Apartment**”). Our Company alleged that the Accused had failed to make payments of certain instalments and had stopped servicing the loan. Our Company had sought to approach the Sarkarwada police station, Nashik and the Police Commissionerate, Nashik (collectively the “**Police**”). However, alleging that the Police had refused to take action and lodge a complaint, our Company filed the Complaint, request that *inter alia* that the Sarkarwada police station be directed to register the complaint sought to be field by our Company, seize possession of the Apartment and prevent the Accused from absconding from India. The matter is currently pending.

5. Our Company filed a criminal complaint (the “**Complaint**”) against Mr. Minhaz Abdul Rahim Kureshi and Mrs. Firdos Minhaz Kureshi (collectively the “**Accused**”) before the Chief Judicial Magistrate, Aurangabad. Our Company had granted the accused a loan facility of ₹3,73,140. Our Company alleged that the Accused had failed to repay the facility and had fraudulently mortgaged the property mortgaged in favour of our Company for the grant of the Facility with another bank. Our Company had sought to file a complaint with the Kranti Chowk Police Station, Aurangabad (the “**Police Station**”). However, alleging that the Police Station refused to take cognizance or lodge a complaint, our Company filed the Complaint, request that *inter alia* that the Police Station be directed to register the complaint sought to be filed by our Company under section 420 of the IPC. The matter is currently pending.
6. Our Company has filed a criminal complaint (“**Complaint**”) with the Additional Chief Judicial Magistrate at Pune, against Mr. Rajesh Trimukhe (“**Accused No.1**”) Mrs. Savithri Rajesh Trimukhe (“**Accused No. 2**”), M/s Dhanvantri Hospital (“**Accused No. 3**”), Mr. Shridhar Udhavrao Kolpe (“**Accused No. 4**”) and Mr. Anant Murlidhar Hippargekar (“**Accused No. 5**”) under section 156(3) of the CrPC. The Accused No. 1 and Accused No. 2 are partners in the Accused No. 3. The Accused No. 1 and Accused No. 2 were sanctioned a loan against property by our Company, with the property to be purchased from the Accused No. 4, with whom the Accused No. 1 and Accused No. 2 had regular business dealings. The Accused No. 4 executed in favor of the Accused No. 3 (acting through the Accused No. 1) a sale deed with respect to the said property. The disbursement of the loan was made directly into the bank account of the Accused No. 4 towards the sale price of the property (out of which a portion was transferred to the Accused No. 5. It only later emerged that the instrument pursuant to which the property was acquired by the Accused No. 4 was a forged document. The Company was made aware that a portion of the disbursed amount had already been transferred by the Accused No. 4 in favour of the Accused No. 5 (the Chartered Accountant of the Accused No. 4) and that the Accused No. 4 had issued a letter to its bank (to which the amount had been disbursed) that the transaction between the Accused No. 1 and Accused No. 2 on the one hand and the Accused No. 3 on the other hand regarding the transaction of the said property mortgaged with our Company has been cancelled (which would only be possible pursuant to repayment of the disbursed amount). Pursuant to this the Company had filed the Complaint against the collusive actions of the Accused with the intent to defraud the Company. The Company has requested under the Complaint that an investigation under Section 156(3) of CrPC be ordered, the matter be sent back to the police for investigation and that the police be ordered to register the FIR and to investigate and submit its report. The Shivajinagar Police Station, Pune has registered a charge sheet with the Additional Chief Judicial Magistrate at Pune. The matter is currently pending.
7. Our Company has filed a criminal complaint (“**Complaint**”) with the Additional Chief Judicial Magistrate at Jalgaon, against Mr. Rajesh Dindorkar (“**Accused No.1**”) Mr. Mohammad Bashir Shaikh Ismail (“**Accused No. 2**”) and Ms. Nasrin Bano Bashir (“**Accused No. 3**”) (together the “**Accused**”), for collusive actions with the intent to defraud the Company. The Accused No 1 was an employee of the Company and he colluded with the Accused No. 2 and Accused No. 3 to approve grant of loan of an amount of ₹ 1,50,000 for properties that were not existent and for which paperwork was incomplete or fraudulent. Our Company has moved the Complaint praying for the Accused to be tried for cheating and causing fraud with an intention to cheat under section 420 and 34 of IPC. The matter is currently pending.
8. Our Company has filed a criminal complaint (“**Complaint**”) with the Additional Chief Judicial Magistrate at Jalgaon, against Mr. Rajesh Dindorkar (“**Accused No.1**”) Mr. Naelson Maurice (“**Accused No. 2**”) and Ms. Ikramary Maurice (“**Accused No. 3**”) (together the “**Accused**”), for collusive actions with the intent to defraud the Company. The Accused No 1 was an employee of the Company and he colluded with the Accused No. 2 and Accused No. 3 to approve grant of loan of an amount of ₹ 2,15,000 for properties that were not existent and for which paperwork was incomplete or fraudulent. Our Company has moved the Complaint praying for the Accused to be tried for cheating and causing fraud with an intention to cheat under section 420 and 35 of IPC. The matter is currently pending.
9. Our Company had filed a criminal complaint (“**Complaint**”) under section 156(3) of the CrPC with the Metropolitan Magistrate, Saket Courts, New Delhi (“**Magistrate**”) against Mr. Kuldeep Rai Dutt and others (“**Accused**”). The accused had availed a loan facility of ₹ 1,52,69,060 originally from another financial institution, which was taken over our Company. The said loan was secured by a registered mortgage over certain properties owned by the Accused. However, after disbursement of the loan facility, the Accused defaulted in repayment of the loan and the provided to the Company bounced. The Company has separately filed complaints under section 138 of the Negotiable Instruments Act 1881. It later emerged that the Property against which the loan had been granted was in fact not owned by the Accused but by other persons and that

the Accused had forged the title documents. The Company filed a complaint with the relevant police station (“**Police Station**”). However, the police station did not register the FIR. Subsequently, the Company filed the Criminal Complaint asking the Magistrate to direct the Police Station to register an FIR under sections 403, 417, 465, 470, 120(b) read with section 34 of the IPC or alternatively for the court try and punish the accused persons in accordance with law. However, the Magistrate dismissed the Complaint of our Company. Against the order of the Magistrate, the Company has filed a criminal revision petition with the District and Sessions Judge, Saket Court, seeking the setting aside of the order of the Magistrate. This matter is currently pending.

10. Mr. Madan Lal and Ms. Vimla Rani (“**Accused 1 and 2**”) had approached First Blue Home Finance Limited (which got amalgamated into our Company pursuant to the Scheme of Amalgamation) (“**Complainant**”) for a loan of ₹25,00,000 to purchase a property at Dwarka, New Delhi (“**the Property**”) from Mr. Amit Kumar (“**Accused 3**”), the owner of the Property. Pursuant to the disbursement of the loan, Accused 1 and 2 were unable to pay monthly EMI. On further investigation, it was revealed that Mr. H.S. Gulati (“**Accused 4**”) never sold the Property to Accused 3 and all the documents furnished by Accused 1 to 4 were fabricated and forged. Further, an FIR was filed at Dwarka Police station but the same was not registered. Our Company has thus filed a Criminal complaint in A.C.M.M, Dwarka, New Delhi praying that, the Police Station be directed to register crime under section 406, 415, 417, 420, 403, 419, 471, and offence U/s 120-B and section 34 of IPC against all the Accused from 1 to 4. The matter is currently pending.
11. Mr. Sanjeev Dixit and Ms Reena Dixit (“**Accused 1 and 2**”) had approached our Company (“**Complainant**”) for a loan of ₹ 1,05,00,000 to purchase a property at Jagriti Enclave, New Delhi (“**the Property**”) from Ms Archana Jain (“**Accused 3**”), the owner of the Property. Accused 1 and 2 introduced Mr. Rajeev Sharma (“**Accused 4**”) as the guarantor. Pursuant to the disbursement of the loan, Accused 3 filed an FIR in Anand Vihar Police station against our Company claiming herself as the real owner of the property. Further, our Company lodged an FIR at Connaught Palace Police station (“**Police Station**”) dated December 15, 2012 against Accused 1 and 2 but the same was never registered. Pursuant to that, our Company filed Criminal Complaint praying that, the Police Station be directed to register crime under section 406, 468, 415, 417, 420, 403, 419, 471, and offence U/s 120-B and section 34 of IPC. The matter is currently pending.
12. Our Company has filed a criminal complaint (“**Complaint**”) with the Additional Commissioner of Police, Economic Offences Wing, Crime Branch, CID against Mr. Basant Shiv Kumar (“**Accused No. 1**”) and his wife Ms. Manisha Basant Kumar (“**Accused No. 2**”) (together “**Accused**”) under sections 420, 406, 465, 467, 468, 470, 471 and 472 of the IPC read with sections 120-B and 34 of the IPC. The Accused had availed a housing loan of ₹ 89,53,000 from our Company for the purchase of a certain property in Santacruz, Mumbai (“**Property**”). However, the Accused defaulted in the payment of the instalments of the loan. The Accused No. 1 had represented that he was an employee with Air India, however it emerged that the Accused No. 1 was not in fact an employee of Air India and the documents (including the salary slip of the accused No. 1 showing a gross salary of ₹ 1,37,600 per month and the property documents for the Property) submitted by the Accused were forged with an intention to defraud the Company. The Company’s representative visited the correspondence address of the Accused, however the said representative was informed that the Accused did not live in the provided address. In pursuance of this the Company has filed the Complaint. The matter is currently pending.
13. Our Company has filed a criminal complaint (“**Complaint**”) with the Chief Judicial Magistrate, Lucknow (“**Magistrate**”) against Mr. Ravishankar Yadav (“**Accused 1**”) and Mr. Satish Kumar Sharma (“**Accused 2**”). The Accused 1 was an employee of our Company in the accounts office of the Company. The Accused 1 was entrusted with the duty to accept the cash deposits from Borrowers towards payments for loans and depositing the said cash deposits personally or together with the Accused 2, who was an office boy of the Company, who had fraudulently misused the cash receipts of the Company, which resulted in the Company terminating his employment. The Company has prayed that the Magistrate direct the investigation and registration of a criminal case under sections 420, 406 and 462 of the IPC. The matter is currently pending.
14. Our Company has filed a criminal complaint (“**Complaint**”) under section 406, 419, 420, 467, 468 and 471 of the IPC against Mr. Apoorv Mishra, Mr. Rajesh Pandey, Ms Bachi Pandey and Ms. Bina Mishra (“**Accused**”) with the Hazrat Gunj, Lucknow police station. The Accused had availed a loan of ₹ 17,00,000 from our Company. However, while taking such loan, our Company alleged that the Accused had fabricated and forged their employment and income related documentations, and had stopped paying the loan installments and were found to be absconding. The matter is currently pending before the Chief Judicial Magistrate, Lucknow.

15. Our Company has filed a criminal complaint under Section 156(3) of the CrPC with the Court of ACMM, Rohini Court Delhi (“Court”) against Mr. Jamil Ahmed, Ms. Shanjahan Begum Fatima (“**Accused 1 and 2**”) and Ms. Meenu Devi (“**Accused No. 3**”) (collectively the “**Accused**”). The Accused 1 and 2 have obtained a Home loan facility from our Company of ₹ 15,28,750 for a plot no. 135, Rohini Extension, Pocket-1, Ground Floor at Sector 20, New Delhi (“**the Property**”). Under the terms of the loan agreement entered into between our Company on the one hand and the Accused 1 and 2 on the other hand, the Accused 1 and 2 were to refrain from alienating the Property. The Accused 1 and 2 were in continuous default of the loan and hence the loan account of the Accused 1 and 2 was declared to be a non-performing asset and a notice under the SARFAESI Act However, to the surprise of the Company, it received a notice from the Court of Civil Judge, Rohini in a case titled Meenu Devi Vs. Shanjahan Begum. It emerged that the Accused 1 and 2 had sold the Property to the Accused No. 3 without the consent of the Company. The Company filed a complaint with the police station at Begumpur as well with the Commissioner of Police, Delhi (“**Police Station**”). However, the Police Station did not register the FIR. Subsequently, the Company has filed the Complaint, praying that the Court direct the Police Station to register an FIR as requested under sections 406, 420, 468, 471, 120B of the IPC (and investigate the matter) and investigate the Complaint in terms of Section 202 of the CrPC and take cognizance of the offences under Section 406, 420, 468, 471 and 120B of the IPC.
16. Our Company has filed a criminal complaint (“**Complaint**”) with the Chief Metropolitan Magistrate, Bandra against Mr. Vikas Oza and Mrs Sarita Vikas Oza (“**Accused 1 and 2**”), Rakesh D. Upadhyay (“**Accused 3**”), Mr. Pravin Khavilar and Mr. Gaurav Jain (“**Accused 4 and 5**”) (collectively the “**Accused**”). Our Company disbursed ₹ 51,31,000 to Accused 1 and 2 for Home loan regarding property at Sai Co-operative Housing Society, Navi Mumbai (“**the Property**”) to be purchased from Accused 3. Accused 4 and 5 confirmed and ratified the representations made by Accused 1 and 2. Further, Accused 1 and 2 defaulted in payment of the monthly loan installments to our Company. It further emerged that the Accused had forged documents such as the NOC of the society as well as NOC of the City & Industrial Development Corporation Further, the Accused had also availed loans from other financial institutions by submitting forged documents. Subsequently, our Company has filed this complaint with Chief Metropolitan Magistrate, Bandra filed u/s 467,468,471,420 r/w section 34 of IPC. Our Company, *vide* the complaint, prays inter alia: (i) to take cognizance of the offences; (ii) to issue directions u/s 156(3) of the CrPC to Bandra Police to make necessary investigations; (iii) to direct the Bandra Police Station to confiscate the passport of the Accused 1 to 5. The matter is currently pending.
17. Our Company filed a criminal complaint before the Metropolitan Magistrate, Patiala House Courts, New Delhi against Mr Arvind Ahuja and others (“**Accused**”) under Section 156(3) of the CrPC. The Accused had borrowed ₹ 1,02,47,691 from our Company in terms of the loan facility availed from our Company. However, the Accused had defaulted in repayment of the loan. Thereafter, the Accused also illegally sold the mortgaged property in contravention of the terms of the facility and without obtaining the consent of our Company. Our Company requested that the magistrate to inter alia register the complaint, take cognizance of the offences committed by the Accused and try the Accused in accordance with the Complaint. The matter is pending.
18. Our Company filed a criminal complaint (“**Complaint**”) before the Ilaqa Magistrate, Gurgaon against Era Landmarks Limited (“**Accused**”) under Section 156(3) of the CrPC. The Accused had entered in to a tripartite agreement with prospective buyers and our Company. Our Company agreed to finance the apartments subject to the commitments made by the Accused to the buyers of the apartments in the project, including that the project shall be completed and possession would be handed over within 36 months of entering in to the tripartite agreement. However, the Accused failed to hand over the possession of the apartment to the buyers who had availed loans from our Company. Our Company alleged that the Accused violated the terms of the tripartite agreement in respect of the possession of the apartment and the refund of moneys advanced as loans by our Company to the buyers. Our Company request the magistrate to direct that the Accused be tried for cheating and fraud with an intention to cheat under Sections 420 and 34 of the IPC. The matter is currently pending.
19. Our Company filed a criminal complaint (“**Complaint**”) before the Chief Metropolitan Magistrate, Patiala House Courts, New Delhi against Era Landmarks Limited and others (“**Accused**”) under Section 156(3) of the CrPC. Our Company entered in to various tripartite agreements with the prospective buyers of plots in the project “Era Green World” being developed by the Accused. The Accused represented to our Company that the said project was free from all encumbrances and all necessary clearances. The Accused also issued no-objection certificates permitting our Company to create mortgage as security for the loans advanced by our Company to various prospective buyers. However, our Company learnt that possession of the property was taken by IFCI and there was an existing charge created in favour of IFCI. Our Company alleged that the

Accused had entered in to a criminal conspiracy to cheat our Company by creating a charge on the property mortgaged in favour of our Company illegally and concealed important facts committing criminal breach of trust under Section 420 and Section 120B of the IPC. The matter is currently pending.

20. Our Company filed a criminal complaint (“**Complaint**”) before the Chief Metropolitan Magistrate, Saket Courts, New Delhi against Mr Rahul Puri (“**Accused No. 1**”), Mr Rajiv Puri (“**Accused No. 2**”) and Ms Tripta Puri (“**Accused No. 3**”) under Section 156(3) of the CrPC. The Accused No. 1 and Accused No. 2 availed a loan aggregating to ₹.3,25,00,000 with Accused No. 3 acting as a guarantor for the loan. The loan was availed against a mortgage created in favour of our Company. Our Company alleged that when it was noticed that the Accused had started defaulting on the loan, an inspection of the mortgaged property, apprised our Company that the Accused was in the process of selling the mortgaged property without obtaining the consent of our Company. The Accused has reconstructed the entire mortgaged property and created charge in favour of third parties. Our Company moved the Complaint praying that the Accused had illegally sold the mortgaged property in order to cheat our Company with a *malafide* intention under Section 420 and Section 421 of the IPC. The matter is currently pending.
21. Our Company filed a criminal complaint (“**Complaint**”) before the Illaqa Magistrate, Gurgaon against Shri Hemant Kumar Verma (“**Accused No. 1**”), Ms. Mallika Verma (“**Accused No. 2**”), Ms. Nirmal Verma (“**Accused No. 3**”), M/s Ace Tel Linkers Private Limited (“**Accused No. 4**”) and Shreeji Co-operative Housing Society (“**Accused No. 5**”) under Sections 156(3) of the CrPC. Accused Nos. 1 to 3 availed a housing loan from our Company aggregating to ₹96,98,741 to purchase an apartment in a building constructed by the Accused No. 5 (the “**Apartment**”). Pursuant to the loan, the Accused Nos. 1 to 3 created a mortgage on the Apartment in favour of our Company. The Accused Nos. 1 to 3 started defaulting in repaying the loan. The Accused Nos. 1 to 3 with Accused No. 4 had also taken another loan from another bank, also for the purchase of the Apartment. Our Company moved the Complaint praying that the Accused persons had planned a conspiracy to cheat our Company under Section 420 and Section 34 of the IPC. Our Company requested that the magistrate direct the relevant police station to register a complaint against the Accused and investigate the matter. The matter is currently pending.
22. Our Company filed a criminal complaint (“**Complaint**”) before the Illaqa Magistrate, Gurgaon against Value Infracon Private Limited (“**Accused**”) under Sections 156(3) of the CrPC. The Accused had approached our Company for providing housing loans to prospective buyers in the project “**Meadows Vista**” being developed by the Accused and also entered in to tripartite agreements with our Company. The Accused, in violation of the tripartite agreement, did not hand over the possession of the apartments to the various buyers who had taken loans from our Company and did not refund the loans advanced. Our Company filed the Complaint against the Accused praying that the Accused to be tried for cheating and causing fraud with an intention to cheat under Sections 420 and 34 of the IPC. The matter is currently pending.
23. Our Company filed a criminal complaint (“**Complaint**”) before the Metropolitan Magistrate, Patiala House Court, New Delhi against Jai Bhargwan Singhal (“**Accused No. 2**”), Mrs Shanti Singhal (“**Accused No. 2**”), Kapil Plastic Industry (“**Accused No. 3**”), Monika Singhal (“**Accused No. 4**”), Ms V. Sunita Rao (“**Accused No. 5**”), and Ms Anju Saluja (“**Accused No. 6**”) under Sections 156(3) of the CrPC. The Accused Nos 1 to 3 approached our Company to avail a loan aggregating to Rs 4,95,00,000 against property by depositing the original title deeds. The Accused No. 4 is the guarantor for the loan. The Accused Nos. 5 and 6 were the subsequent buyers of the property mortgaged with our Company. After availing the loan from our Company, the Accused Nos. 1 to 3 stopped making payments of the loan instalments. The Accused nos. 1 to 4 also colluded with Accused no. 5 and 6 and illegally sold the property without obtaining the consent of our Company. Our Company filed the Complaint praying that the Accused persons be tried for cheating and entering in to criminal conspiracy to cheat our Company by disposing of the mortgaged property committing criminal breach of trust under Section 120B and Section 420 of the IPC. The matter is currently pending.
24. Our Company has filed a criminal complaint (“**Complaint**”) before the Judicial Magistrate First Class, Pune against Mrs Shital Mulji Naram (“**Accused No. 1**”), Mr Jitendra Omprakash Goyal (“**Accused No. 2**”), M/s Ceratec Constructions (“**Accused No. 3**”), Mr Jai Shah (“**Accused No. 4**”) and Ms Leena Mulji Thakkar (“**Accused No. 5**”) under Section 156(3) of the CrPC. The Accused Nos. 1 and 2 approached our Company for a housing loan to purchase an apartment being developed by the Accused No. 3. Our Company disbursed the loan after receipt of all the original title and property documents and issued a cheque in favour of Accused No. 3. The Accused No. 1 and 2 approached other financial institutions and created a mortgage on the property already charged in favour of our Company in terms of the loan granted by our Company. Our Company filed the Complaint praying that the Accused Nos 1 and 2 be tried for cheating and for entering in to criminal

conspiracy with Accused No. 3 to 5 to cheat our Company by disposing of the mortgaged property committing criminal breach of trust. The matter is currently pending.

25. Our Company had filed a first information report with the Hazrat Ganj Police Station, Lucknow (the “**Police Station**”) against Mr. Kratriya Prasad Verma and Mr. Abhinav Chaudhary (the “**Accused**”), Our been disbursed a loan of ₹4,05,000 for purchasing a plot of land of Lucknow Development Authority (“**LDA**”). After three years, LDA cancelled the scheme and refunded the amount to the Accused. The Accused concealed the facts from our Company and further stopped paying the dues left. Our Company filed a protest application against the charge sheet filed by the Police Station. The protest application was disposed of by the Chief Judicial Magistrate, Lucknow, directing that the criminal complaint be investigated by the police station. The matter is currently pending.
26. Our Company filed a first information report with Kranti Chowk Police Station against Mr. Mohammed Usaman Abdul Sattar Khan and another (collectively the “**Accused**”). Our Company alleged, we had sanction a loan of ₹ 72,32,720 (the “**Loan**”) to the Accused. However, the Accused failed to deposit the original title documents for the property to be mortgaged in connection with the Loan. A charge sheet has been filed by the Kranti Chowk Police Station with the Chief Judicial Magistrate, Aurangabad. The matter is currently pending.
27. Our Company filed a first information report against Mr. Sujit Kumar Prajapati with the Lalpur Police Station, Ranchi. Our Company alleged that the Accused had availed a loan facility from our Company utilizing a fake identity and had fabricated title and other documents. The matter is currently pending.

Cases filed by the Company under Section 138 of the Negotiable Instruments Act, 1881

Our Company has filed various complaints and notices under section 138 of the Negotiable Instruments Act, 1881 for recovering amounts due from various entities on account of dishonouring of cheques issued by such entities. As of the date of this Draft Shelf Prospectus, there are 355 such complaints pending before various courts. The total amount involved in such cases is approximately ₹ 1,340.19 lakh.

Civil

There are various civil proceedings instituted by our Company from time to time, mostly arising in the ordinary course of its business. Other than as disclosed below, there are no pending civil proceedings instituted by our Company that involve an amount more than 2% of the consolidated profit after tax for the Fiscal 2018.

Inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous companies law in the last five years immediately preceding the year of issue of this Draft Shelf Prospectus against our Company and our Subsidiaries (including where there were any prosecutions filed)

Other than as mentioned below, there have been no inquiries, inspections or investigations initiated or conducted under the Companies Act or any previous companies law in the last five years immediately preceding the year of this Draft Shelf Prospectus against our Company and our Subsidiaries:

The Ministry of Corporate Affairs, Government of India (“**MCA**”) issued a show cause notice dated September 27, 2016 against our Company alleging that our Company had failed to make adequate corporate social responsibility expenditure in Fiscal 2015 and had failed to state the reasons for such deficiency in the board report for Fiscal 2015. Hence, alleging violation of Section 134(3)(O) of the Companies Act, the MCA asked our Company to show cause as to why action under Section 134(8) of the Companies Act should not be initiated against our Company. Our Company had through its letter dated October 5, 2016 stating our compliance with the relevant provisions of the Companies Act, *inter* stating the shortfall in corporate social responsibility expenditure in Fiscal 2015, constitution of the corporate social responsibility committee and indicating that our Company had in Fiscal 2016 carried out significant corporate social responsibility expenditure.

Actions taken in the past by NHB against our Company in the last five years

1. The NHB had through its letters dated May 29, 2014 and October 15, 2014 imposed a penalty of ₹20,000 on our Company. The NHB stated that our Company had contravened the provisions of the Housing Finance Companies Directions, 2010 with respect to the closure of our branch/office without publishing such the intention to do so in any national level newspaper and in one vernacular newspaper. Our Company has paid

the penalty imposed by the NHB

2. The NHB had through its letters dated March 14, 2014 and March 31, 2014 imposed a penalty of ₹5,000 on our Company. The NHB stated that our Company had contravened to disclose separately the reserve fund from Fiscal 2013 as required under Section 29C of the National Housing Bank Act, 1987. Our Company has paid the penalty imposed by the NHB.
3. The NHB through its letters dated October 15, 2014 and November 14, 2014, had imposed a penalty of ₹25,000 on our Company. The NHB stated that our Company had contravened provisions of the Guidelines on Asset Liability Management Systems for HFCs by failing to submit to the NHB *inter alia* a quarterly statement of short term dynamic liquidity within the 10 days of the close of the quarter to which it relates. Our Company has paid the penalty imposed by the NHB.

Litigations involving our Group Companies

Litigations against our Group Companies

Criminal Proceedings

AHFL

1. Mr. Narendra Kumar (the “**Complainant**”) filed a criminal complaint under section 156(3) of the CrPC with the Magistrate Court, Meerut against AHFL. The Complainant alleged that AHFL, Mr. Deepak Sharma and Mr. Pradeep Sharma (the “**Brokers**”) and Mr. Mithilesh Devi (the “**Seller**”) had cheated the Complainant, who had availing home loan from AHFL. The Complainant alleged that the loan amount had been disbursed to the seller’s account without the execution of the sale deed with the Complainant, and the Complainant had not received possession of the relevant property till date, It was alleged that AHFL was guilty of violation of Section 406, 420, 467, 468, 471 and 120(B), 504 and 506 of the IPC. The matter is currently pending
2. Mr. Nandkishor (the “**Complainant**”) filed a criminal complaint with the Magistrate Court, Meerut against AHFL. The Complainant alleged that AHFL had cheated the Complainant by failing to refund the processing fees paid to AHFL despite the failure of AHFL to disburse the loan sanctioned to the Complainant. The matter is currently pending.
3. Ms. Nilima Das (the “**Complainant**”) filed a complaint under Section 144 of the CrPC against AHFL. The Complainant was a co-sharer of a property mortgaged in favour of AHFL and sought the issuance of an order preventing AHFL from taking possession of such property by the AHFL officials, alleging that if there were such attempts at taking possession, there could be a breach of peace and law. The matter is currently pending.
4. Ms. Rashmi Kanwar (the “**Complainant**”) filed a first information report with the Vidhayak Puri Police Station, Jaipur. The Complainant alleged that certain documents of the Complainant were lost by the Complainant and claimed that AHFL was guilty of offences under Sections 406 and 420 of the IPC.
5. Mr.Devraj Naagar (the “**Complainant**”) filed a criminal complaint with the Magistrate Court, Gautam Budh Nagar against AHFL. The Complainant alleged that AHFL had cheated the Complainant by failing to refund the processing fees paid to AHFL despite the failure of AHFL to disburse the loan sanctioned to the Complainant. The matter is currently pending.

Insolvency Proceedings

Wadhawan Holding Private Limited (“WHPL”)

1. S.N. Plumbing Private Limited (through Mr. Sanjay Kumar Ruia, the insolvency resolution professional) filed an application against WHPL under Section 9 of the IB Code before the National Company Law Tribunal, Mumbai alleging failure by our Company to repay debts aggregating to ₹ 113.57 lakh. The matter is currently pending.
2. Deluxe Interior Infrastructure Private Limited filed an application against WHPL under Section 9 of the IB Code before the National Company Law Tribunal, Mumbai alleging failure by our Company to repay debts aggregating to ₹206.50 lakh. The matter is currently pending.

Litigations by our Group Companies

Criminal Proceedings

AHFL

1. AHFL has filed a first information report with the Meerut Police Station against Mr. Narendra Kumar (the “**Borrower**”) and Mr. Mithilesh Devi (the “**Seller**”), alleging that the Borrower and Seller with conspiracy had approached AHFL for a home loan for the purchase of certain property by the Borrower from the Seller. However, AHFL alleged that the Borrower and Seller submitted forged property documents to AHFL. It is alleged that subsequent to the disbursement of the loan the Borrower were unable to pay the monthly instalments, and on further investigation it was revealed that the Seller had never sold the property to the Borrower, and the documents submitted to AHFL was forged and fabricated. Accordingly, the first information report has been filed under Sections 406, 420, 467, 468, 471, 120B of the IPC. The matter is currently pending.
2. AHFL filed a first information report against Mr. Pradeep Bomunugunta (the “**Accused**”) with the Abids Police Station, Hyderabad. AHFL argued that the Accused had created fake documents against which AHFL had granted a loan of ₹20 lakh. The matter is currently pending.
3. AHFL filed a first information report against Mr. Reddy Prasanna Kumar (the “**Accused**”) with the Abids Police Station, Hyderabad. AHFL argued that the Accused had created fake documents against which AHFL had granted a loan and used a fake identity. The matter is currently pending.
4. AHFL filed a first information report against Mr. Durgesh Naidu (the “**Accused**”) with the Hebbagudi Police Station. AHFL alleged that the Accused (a marketing executive of AHFL at the time) had fraudulently misappropriated certain amounts belong to customers of AHFL and fabricated certain documents included title deeds. The matter is currently pending.
5. AHFL has filed various complaints and notices under section 138 of the Negotiable Instruments Act, 1881 for recovering amounts due from various entities on account of dishonouring of cheques issued by such entities. As of the date of this Draft Shelf Prospectus, there are 257 such complaints pending before various courts. The total amount involved in such cases is approximately ₹ 1,381.42 lakh.

DPLIC

6. DPLIC has filed 17 criminal complaints in its ordinary course of business for claims *inter alia* relating to forgery, fraud and cheating by certain
7. DPLIC has filed one complaint under Section 138 of the Negotiable Instruments Act, 1881 with the amount involved being ₹6.40 lakh.

Actions taken by statutory or regulatory authorities against our Group Companies in the last five years:

1. The IRDAI issued an order dated December 11, 2013 against DPLIC, imposing a penalty of ₹ 1 lakh. DPLIC had violated Section 40(1) of the Insurance Act, 1938 with respect to the expenses incurred towards gifts/rewards for the employees of the brokers, and also misled the IRDAI.
2. The IRDAI issued an order dated April 13, 2016 against DPLIC imposing a penalty of ₹ 15 lakh. DPLIC was found to have *inter alia* engaged unlicensed entities in soliciting/procuring insurance business and to be in violation of *inter alia* Section 40(1) of the Insurance Act, 1938 and Regulation 9(2)(ii)(a) of the IRDA (Corporate Agency) Regulations, 2002.
3. The IRDAI issued an order dated February 12, 2018 against DPLIC pursuant to the inspection of DPLIC, in relation to certain provisions of the Insurance Act, 1938, the IRDAI (Protection of Policyholders Interests) Regulations, 2002 and the IRDAI (Preparation of Financial Statements and Auditor’s Report on Insurance Companies) Regulations, 2002. While not pressing the grounds raised including the failure to mature claims/annuity claims within prescribe timelines, IRDAI issuing certain advisories to DPLIC. DPLIC issued a letter dated March 1, 2018 confirming compliance with the order.

Reservations or qualifications or adverse remarks of the auditors of our Company in the last five financial years: Nil

Details of acts of material frauds committed against our Company in the last five years, if any, and if so, the action taken by our Company

There have been instances of fraud, which are inherent in the nature of the business of our Company. However, there is no material fraud committed against our Company in the last five Fiscals. The total amount involved in all acts of fraud committed against our Company in the last five Fiscals is set forth below:

| | Fiscal 2018 | Fiscal 2017 | Fiscal 2016 | Fiscal 2015 | Fiscal 2014 |
|-----------------------|---|--|--|---|--|
| Amount (₹ in lakh) | 51.01 | 437.37 | 266 | 108 | 42 |
| Nature of Fraud | Fake identity created by the perpetrator, who prepared fake KYC documents. Further, title documents provided for loan were not original, rather they were a coloured photocopy. | Misrepresentation by borrowers by fabricating relevant property documents at the time of availing loan from the Company and the sale by a builder of the property connected to a loan sanctioned to multiple customers. | Misrepresentation by borrowers by fabricating the financial and property documents at the time of loan approval by our Company in the earlier year. | Misrepresentation by borrower by fabricating the financial and property documents at the time of loan approval by our Company in the earlier year. | Misrepresentation by borrower by fabricating the financial and property documents at the time of loan approval by our Company in the earlier year. |
| Corrective Actions | The KYC process has been revisited and strengthened and a first information report has been filed against the relevant customer on December 13, 2017 under No. 397/17. | Our Company has formed risk containment units at various branches level who will continuously monitor the documents and authorization levels and issue an early warning report to c zonal/ regional offices in case of any deficiency. We have blacklisted/de-panelled the relevant external technical agency involved in one of the above mentioned instances. | Our Company has formed risk containment units at various branches level who will continuously monitor the documents and authorization levels and issue an early warning report to c zonal/ regional offices in case of any deficiency. | Our Company has established zonal/ regional offices to being uniformity and minimize local subjectivity by giving adequate training and making them aware to use techniques like early default analysis, product analysis and probability of default. | Our Company has explored the possibility of putting as policy for getting true copies from the Registrar's Office and getting the same compared with the documents tendered as Title Deed. |

Litigations against our Promoter and Directors

Litigation or legal action pending or taken by any ministry or department of the Government of India or a statutory authority against any Promoter of our Company during the last five years immediately preceding the year of the issue of this Draft Shelf Prospectus and any direction issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action:

1. The Deputy Commissioner of Income Tax had filed a complaint with the Additional Chief Metropolitan Magistrate, 38th Court, Ballard Pier, Mumbai (“**Magistrate**”) (“**Complaint**”) against Dish Hospitality Private Limited (“**Dish Hospitality**”) and the directors of Dish Hospitality (at the time of filing of the Complaint) including Mr. Dheeraj Wadhawan and Mr. Kapil Wadhawan (“**Directors**”) under sections 276-B and 278-B of the Income Tax Act, 1961 (“**IT Act**”). The Directors were responsible for the deduction of tax, including contract, rent and professional fees paid/credited (in relation to Dish Hospitality) in accordance with Sections 194C, 194I and 194J of the IT Act and for the payment or deposit of tax so deducted. Dish Hospitality has deposited a sum of ₹ 10,34,593 into the relevant government account after a delay of more than 1 year. In the Complaint it is alleged that as a result of such omission and contravention, Dish Hospitality and its Directors are in default of Section 276-B read with Section 278-B of the IT Act. Pursuant to the Complaint, Dish Hospitality and the Directors have been summoned to show cause as to why actions under Section 276-B and Section 278-B of the IT Act should not be initiated against Dish Hospitality and its Directors. The matter is currently pending. Further, Dish Hospitality has *vide* its application dated July 26, 2016 applied to the Chief Commissioner of Income Tax, Mumbai for compounding of the offence under Section 279(2) of Income Tax Act, 1961 and withdrawal of the aforementioned prosecution. Subsequently, the Chief Commissioner of Income Tax, Mumbai passed an order for compounding the offence, directing Dish Hospitality to pay an amount of ₹7.58 lakh which was duly paid by Dish Hospitality. The proceeding before the Additional Chief Metropolitan Magistrate, 38th Court, has been disposed of on April 22, 2018. Mr. Kapil Wadhawan and Mr. Dheeraj Wadhawan are no longer directors in Dish Hospitality and have both resigned from their respective directorship in Dish Hospitality with effect from November 14, 2014.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

At the meeting of the Board of Directors of our Company, held on April 30, 2018, the Directors approved the issue of NCDs to the public, upto an amount not exceeding ₹ 15,00,000 lakh including a green shoe option, in one or more tranches. Further, the present borrowing is within the borrowing limits under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders' at the AGM held on July 21, 2017.

Prohibition by SEBI

Our Company, persons in control of our Company and/or our Directors and/or our Promoters have not been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force. Further, no member of our promoter group has been prohibited or debarred by SEBI from accessing the securities market or dealing in securities due to fraud.

Disclaimer Clause of SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKERS, EDELWEISS FINANCIAL SERVICES LIMITED, A.K. CAPITAL SERVICES LIMITED, AXIS BANK LIMITED, GREEN BRIDGE CAPITAL ADVISORY PRIVATE LIMITED, ICICI BANK LIMITED, ICICI SECURITIES LIMITED, INDUSIND BANK LIMITED, IIFL HOLDINGS LIMITED, SBI CAPITAL MARKETS LIMITED, TRUST INVESTMENT ADVISORS PRIVATE LIMITED AND YES SECURITIES (INDIA) LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKERS, EDELWEISS FINANCIAL SERVICES LIMITED, A.K. CAPITAL SERVICES LIMITED, AXIS BANK LIMITED, GREEN BRIDGE CAPITAL ADVISORY PRIVATE LIMITED, ICICI BANK LIMITED, ICICI SECURITIES LIMITED, INDUSIND BANK LIMITED, IIFL HOLDINGS LIMITED, SBI CAPITAL MARKETS LIMITED, TRUST INVESTMENT ADVISORS PRIVATE LIMITED AND YES SECURITIES (INDIA) LIMITED, HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED [•].

- 1. WE CONFIRM THAT NEITHER THE ISSUER NOR ITS PROMOTERS OR DIRECTORS HAVE BEEN PROHIBITED FROM ACCESSING THE CAPITAL MARKET UNDER ANY ORDER OR DIRECTION PASSED BY SEBI. WE ALSO CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.**
- 2. WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN THE PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE TRANCHE 1 ISSUE OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE NCDS OFFERED THROUGH THE ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN ALL**

THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.

- 3. WE CONFIRM THAT THE PROSPECTUS CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008.**
- 4. WE ALSO CONFIRM THAT ALL RELEVANT PROVISIONS OF THE COMPANIES ACT, 2013, AS AMENDED AND TO THE EXTENT NOTIFIED, SECURITIES CONTRACTS, (REGULATION) ACT, 1956, SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES, REGULATIONS, GUIDELINES, CIRCULARS ISSUED THEREUNDER ARE COMPLIED WITH.**

WE CONFIRM THAT NO COMMENTS/ COMPLAINTS WERE RECEIVED ON THE DRAFT SHELF PROSPECTUS DATED MAY 4, 2018 FILED WITH THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED AND BSE LIMITED.

(for the purposes of due diligence certificate, term 'Prospectus' shall constitute Shelf Prospectus and Tranche 1 Prospectus).

Disclaimer Clause of NSE

AS REQUIRED, A COPY OF THIS OFFER DOCUMENT HAS BEEN SUBMITTED TO NATIONAL STOCK EXCHANGE OF INDIA LIMITED (HEREINAFTER REFERRED TO AS NSE). NSE HAS GIVEN *VIDE* ITS LETTER REF.: [●] DATED [●] PERMISSION TO THE ISSUER TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS ISSUER'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS DRAFT OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS ISSUER. IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE AFORESAID PERMISSION GIVEN BY NSE SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY NSE; NOR DOES IT IN ANY MANNER WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; NOR DOES IT WARRANT THAT THIS ISSUER'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; NOR DOES IT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS ISSUER, ITS PROMOTERS, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS ISSUER.

EVERY PERSON WHO DESIRES TO APPLY FOR OR OTHERWISE ACQUIRE ANY SECURITIES OF THIS ISSUER MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION /ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR ANY OTHER REASON WHATSOEVER.

Disclaimer Clause of BSE

BSE LIMITED ("THE EXCHANGE") HAS GIVEN *VIDE* ITS LETTER DATED [●], PERMISSION TO THIS COMPANY TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS THE STOCK EXCHANGE ON WHICH THIS COMPANY'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS COMPANY. THE EXCHANGE DOES NOT IN ANY MANNER:

- A. WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; OR**
- B. WARRANT THAT THIS COMPANY'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; OR**
- C. TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS COMPANY, ITS PROMOTER, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS COMPANY;**

AND IT SHOULD NOT FOR ANY REASON BE DEEMED OR CONSTRUED THAT THIS OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY THE EXCHANGE. EVERY PERSON WHO DESIRES TO APPLY FOR OR OTHERWISE ACQUIRES ANY SECURITIES OF THIS COMPANY MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION/ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR FOR ANY OTHER REASON WHATSOEVER.

Disclaimer Clause of the NHB

THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION DATED JULY 31, 2001 ISSUED BY THE NATIONAL HOUSING BANK UNDER SECTION 29A OF THE NATIONAL HOUSING BANK ACT, 1987. HOWEVER, THE NHB DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF THE COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE COMPANY AND FOR REPAYMENT OF DEPOSITS/DISCHARGE OF LIABILITIES BY THE COMPANY.

Track record of past public issues handled by the Lead Managers

The track record of past issues handled by the Lead Managers, as required by SEBI circular number CIR/MIRSD/1/2012 dated January 10, 2012, are available at the following websites:

| Name of Lead Manager | Website |
|---|--|
| Edelweiss Financial Services Limited | www.edelweissfin.com |
| A.K. Capital Services Limited | www.axisbank.com |
| Axis Bank Limited | www.akcapindia.com |
| Green Bridge Capital Advisory Private Limited | N/A |
| ICICI Securities Limited | www.icicisecurities.com |
| ICICI Bank Limited | www.icicibank.com |
| IIFL Holdings Limited | www.iiflcap.com |
| IndusInd Bank Limited | www.indusind.com |
| SBI Capital Markets Limited | www.sbicaps.com |
| Trust Investment Advisors Private Limited | www.trustgroup.in |
| Yes Securities (India) Limited | yesinvest.in/YES/aboutus.jsp |

Listing

The NCDs proposed to be offered through this Issue are proposed to be listed on BSE and NSE. An application has been made to the Stock Exchanges for permission to deal in and for an official quotation of our NCDs. BSE has been appointed as the Designated Stock Exchange.

If permissions to deal in and for an official quotation of our NCDs are not granted by Stock Exchanges, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Shelf Prospectus and the relevant Tranche Prospectus(es).

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges mentioned above are taken within 12 Working Days from the date of closure of the relevant Tranche Issue.

For the avoidance of doubt, it is hereby clarified that in the event of under subscription to any one or more of the series, such NCDs with series shall not be listed.

Consents

Consents in writing of: (a) the Directors, (b) our Company Secretary and Compliance Officer (c) Lead Managers; (d) the Registrar to the Issue, (e) Legal Advisor to the Issue, (f) Credit Rating Agencies, (g) the Debenture Trustee

(h) Chief Financial Officer (i) Banker to the Issue, (j) Banker to the Company, (k) Refund Banker in respective tranche, (l) Consortium Members in respective tranche and (m) CRISIL, in respective tranche to act in their respective capacities, have been obtained and the same will be filed along with a copy of the Shelf Prospectus and Tranche Prospectus with the RoC.

The consent of the Statutory Auditors of our Company, namely M/s. Chaturvedi and Shah, *Chartered Accountants* for (a) inclusion of their name as the Statutory Auditors, (b) examination reports on Reformatted Financial Statements in the form and context in which they appear in this Draft Shelf Prospectus, and (c) statement of tax benefits have been obtained and has not withdrawn such consent and the same will be filed with RoC, along with a copy of the Shelf Prospectus and Tranche Prospectus.

Expert Opinion

Except the following, our Company has not obtained any expert opinions in connection with this Draft Shelf Prospectus:

1. Our Company has received consent from its Statutory Auditors namely, Chaturvedi and Shah, *Chartered Accountants* to include their name as required under Section 26 (1) (v) of the Companies Act, 2013 and as “Expert” as defined under Section 2(38) of the Companies Act, 2013 in this Draft Shelf Prospectus in respect of the examination reports of the Auditors dated May 3, 2018 and statement of tax benefits dated May 3, 2018 included in this Draft Shelf Prospectus and such consent has not been withdrawn as on the date of this Draft Shelf Prospectus.
2. Our Company has received consent from CARE to act as the credit rating agency to the Issue and an expert as defined under Section 2 (38) of the Companies Act, 2013 vide its letter dated May 2, 2018.
3. Our Company has received consent from BWR to act as the credit rating agency to the Issue and an expert as defined under Section 2 (38) of the Companies Act, 2013 vide its letter dated April 27, 2018.

Common form of Transfer

The Issuer undertakes that there shall be a common form of transfer for the NCDs and the provisions of the Companies Act, 2013 and all applicable laws shall be duly complied with in respect of all transfer of debentures and registration thereof.

Minimum Subscription

In terms of the SEBI Debt Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue. If our Company does not receive the minimum subscription of 75% of the Base Issue, within the prescribed timelines under Companies Act and any rules thereto, the entire subscription amount shall be refunded to the Applicants within 12 days from the date of closure of the Issue. In the event, there is a delay, by the Issuer in making the aforesaid refund, our Company will pay interest at the rate of 15% per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard including its circular (bearing CIR/IMD/DF-1/20/2012) dated July 27, 2012.

Filing of this Draft Shelf Prospectus

A copy of this Draft Self Prospectus has been filed with the Stock Exchanges in terms of SEBI Debt Regulations for dissemination on their respective websites.

Filing of the Shelf Prospectus and Tranche Prospectus with the RoC

Our Company is eligible to file a Shelf Prospectus as per requirements of Section 6A of SEBI Debt Regulations. A copy of the Shelf Prospectus and copies of relevant Tranche Prospectus will be filed with the RoC, in accordance with Section 26 and Section 31 of Companies Act, 2013.

Debenture Redemption Reserve

Section 71 (4) of the Companies Act, 2013 states that where debentures are issued by any company, the company shall create a debenture redemption reserve out of the profits of the company available for payment of dividend. Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014, as amended by Companies (Share Capital and Debentures) Third Amendment Rules, 2016, dated July 19, 2016, further states that ‘the adequacy’ of DRR for NBFCs registered with the RBI under Section 45-IA of the RBI (Amendment) Act, 1997 shall be 25% of the value of outstanding debentures issued through a public issue as per the SEBI Debt Regulations. Accordingly, our Company is required to create a DRR of 25% of the value of the NCDs, outstanding as on date, issued through the Issue. In addition, as per Rule 18 (7) (e) under Chapter IV of the Companies Act, 2013, the amounts credited to DRR shall not be utilised by our Company except for the redemption of the NCDs. The Rules further mandate that every company required to maintain DRR shall deposit or invest, as the case may be, before the 30th day of April of each year a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March of the next year in any one or more following methods: (a) in deposits with any scheduled bank, free from charge or lien; (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (a) to (d) and (ee) of Section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause (f) of Section 20 of the Indian Trusts Act, 1882. The abovementioned amount deposited or invested, must not be utilized for any purpose other than for the repayment of debentures maturing during the year provided that the amount remaining deposited or invested must not at any time fall below 15% of the amount of debentures maturing during year ending on 31st day of March of that year.

Issue Related Expenses

The expenses of this Issue include, *inter alia*, lead management fees and selling commission to the Lead Managers, consortium members, fees payable to debenture trustees, the Registrar to the Issue, SCSBs’ commission/ fees, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The Issue expenses and listing fees will be paid by our Company.

The estimated break-up of the total expenses shall be as specified in the relevant Tranche Prospectus.

Reservation

No portion of this Issue has been reserved

Public/ Rights Issues

Our Company has not made any rights issues

Except as mentioned below, our Company has not made any public issuance of debentures:

Our Company undertook a public issuance of debentures in August 2016, the particulars of which have been set forth below:

| | | |
|---|--|--|
| Date of opening | August 3, 2016 | |
| Scheduled closing date | August 16, 2016 | |
| Actual date of closing | August 4, 2016* | |
| Total issue size | ₹ 4,00,000.0 lakh | |
| Date of allotment | August 16, 2016 | |
| Objects of the issue (as per the prospectus) | Object | % of amount proposed to be financed from net proceeds |
| | Onward lending, financing and for repayment of interest and principal of existing borrowings of our Company; and | At least 75% |
| | General corporate purposes | Maximum of up to 25% |
| Net utilization of issue proceeds | Fully utilized in accordance with the objects of the issue. | |

* Pursuant to the resolution of the Finance Committee dated August 3, 2016, the issue was closed on August 4, 2016.

- Subsequently, our Company undertook another public issuance of debentures commencing in August 2016, the particulars of which have been set forth below:

| | | |
|---|--|--|
| Date of opening | August 29, 2016 | |
| Scheduled date of closing | September 12, 2016 | |
| Actual date of closing | August 30, 2016* | |
| Total issue size | ₹ 10,00,000.0 lakh | |
| Date of allotment | September 9, 2016 | |
| Objects of the issue (as per the prospectus) | Object | % of amount proposed to be financed from net proceeds |
| | Onward lending, financing and repayment of interest and principal of existing borrowings of our Company; and | At least 75% |
| | General corporate purposes | Maximum of up to 25% |
| Net utilization of issue proceeds | Fully utilized in accordance with the objects of the issue as specified in the relevant prospectus. | |

*Pursuant to the resolution of the Finance Committee dated August 29, 2016, the issue was closed on August 30, 2016.

None of our group companies have made a public issue or a rights issue.

Details regarding the Company and other listed companies under the same management within the meaning of section 370(1B) of the Companies Act, which made any capital issue during the last three years

Nil

Debentures or bonds and redeemable preference shares and other instruments issued by our Company and outstanding

As on March 31, 2018 our Company has listed rated/ unrated, secured/ unsecured, non-convertible redeemable debentures and listed subordinated debt. For further details, please refer to the chapter titled “*Financial Indebtedness*” on page 340.

Dividend

Our Company has a dividend distribution policy. The declaration and payment of dividends on our shares will be recommended by our Board of Directors and approved by our shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital expenditure, working capital and financial requirements and overall financial condition.

The following table details the dividend declared by our Company on the Equity Shares for the Fiscals 2018, 2017, 2016, 2015 and 2014.

| Particulars | Fiscal 2018 | Fiscal 2017 | Fiscal 2016* | Fiscal 2015* | Fiscal 2014* |
|-----------------------------------|--------------------|--------------------|---------------------|---------------------|---------------------|
| Equity Share Capital | 31,366 | 31,315 | 29,180 | 14,568 | 12,842 |
| Face Value Per Share | 10 | 10 | 10 | 10 | 10 |
| Interim Dividend on Equity Shares | 9,408 | 3,130 | 17,507 | 5,146 | 3,850 |
| Final Dividend on Equity Shares** | 7,842*** | 9,406 | 5,836 | 2,923 | 6,425*** |
| Total Dividend on Equity Shares | 17,250 | 12,536 | 23,343 | 8,069 | 10,275 |
| Dividend Declared Rate (In %) | 55 | 40 | 80.00 | 60.00 | 80.00 |
| Dividend Rate (In %) **** | 55 | 40 | 80.00 | 55.39 | 80.00 |
| Dividend Distribution Tax | 3,527**** | 2,552 | 4,763 | 1,612 | 1,745 |

*Figures are rounded off to nearest ₹ in lakh

** Final Dividend also includes dividend for earlier years

*** It also includes 30th Anniversary Special Equity Dividend of ₹ 3,853 lakh (₹ 3 per share)

**** (Total Dividend/Equity Share Capital as at year end)*100

Revaluation of assets

Our Company has not revalued its assets in the last five years.

Mechanism for redressal of investor grievances

The Registrar Agreement dated May 3, 2018 between the Registrar to the Issue and our Company will provide for retention of records with the Registrar to the Issue for a period of at least three years from the last date of despatch of the Allotment Advice, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the Applicant, number of NCDs applied for, amount paid on application and the bank branch or collection centre where the application was submitted. The contact details of Registrar to the Issue are as follows:

Karvy Computershare Private Limited

Karvy Selenium Tower B,
Plot 31-32, Financial District,
Nanakramguda, Gachibowli,
Hyderabad – 500 032
Telangana, India
Tel: +91 40 6716 2222
Fax: +91 40 2300 1153
Email: einward.ris@karvy.com
Investor Grievance Email: dhfl.ncdipo1@karvy.com
Website: www.karisma.karvy.com
Contact Person: Mr. M Murali Krishna
SEBI Regn. No: INR000000221
CIN: U72400TG2003PTC041636

The Registrar shall endeavour to redress complaints of the investors within three (3) days of receipt of the complaint during the currency of this agreement and continue to do so during the period it is required to maintain records under the RTA Regulations and our Company shall extend necessary co-operation to the Registrar for its complying with the said regulations. However, the Registrar shall ensure that the time taken to redress investor complaints does not exceed fifteen (15) days from the date of receipt of complaint. The Registrar shall provide a status report of investor complaints and grievances on a fortnightly basis to our Company. Similar status reports should also be provided to our Company as and when required by our Company.

The details of the person appointed to act as Compliance Officer for the purposes of this Issue are set out below:

Ms. Niti Arya

Company Secretary & Compliance Officer

Dewan Housing Finance Corporation Limited
DHFL House, 19 Sahar Road
Off Western Express Highway
Vile Parle (East)
Mumbai – 400 099
Maharashtra, India
Tel: +91 22 7158 3333
Fax: +91 22 7158 3344
Email: secretarial@dhfl.com

Investors may contact the Registrar to the Issue or the Compliance Officer in case of any pre-issue or post Issue related issues such as non-receipt of Allotment Advice, demat credit, refund orders, non-receipt of Debenture Certificates, transfers, or interest on application amount etc.

Change in Auditors of our Company during the last three years

There has been no change(s) in the Statutory Auditors of our Company in the last 3 (three) Fiscals preceding the

date of this Draft Shelf Prospectus except as stated below:

| Name of the Auditor | Address | Date of change | Reason for change |
|--|--|----------------|--|
| M/s. T. R. Chadha & Co. LLP, Chartered Accountants and M/s. Rajendra Neeti & Associates, Chartered Accountants | 502, Marathon Icon, Off. Ganpat Rao Kadam Marg, Opp. Peninsula Corporate Park, Lower Parel, Mumbai – 400 013, Maharashtra, India 144, Jolly Maker Chamber II, Nariman Point, Mumbai – 400 021, Maharashtra, India | July 20, 2016 | Did not offer themselves for ratification of appointment at the AGM (Joint statutory Auditors since July 23, 2013) |
| Chaturvedi and Shah, Chartered Accountants | 714 - 715, Tulsiani Chambers, 212, Nariman Point, Mumbai – 400021, Maharashtra, India. | July 20, 2016 | Appointment at 32 nd AGM |

Details regarding lending out of Issue proceeds and loans advanced by the Company

A. Lending Policy

Please refer to the paragraph titled ‘*Credit Appraisal and Approval*’ under Chapter “*Our Business*” at page 77 of this Draft Shelf Prospectus.

B. Loans given by the Company

Company has not provided any loans/advances to associates, entities/persons relating to Board, senior management or Promoters out of the proceeds of Previous Issues. The Company has not provided any loans/advances to “Group” entities.

C. Types of loans

- The loans given by the Company out of the proceeds of previous issues are loans against mortgages.
- Types of loan given by the Company as on March 31, 2018 are as follows:

| S. No | Type of loans | Amount (₹ in lakh) | Percentage (in %) |
|-------|--|--------------------|-------------------|
| 1 | Secured | 91,80,742 | 99.9 |
| 2 | Unsecured | 12,490 | 0.1 |
| | Total assets under management (AUM) | 91,93,232 | 100 |

- Denomination of loans outstanding by ticket size* as on March 31, 2018

| S. No. | Ticket size** | Percentage of AUM*** |
|--------|---------------|----------------------|
| 1 | Upto ₹ 5 lakh | 2% |
| 2 | ₹ 5-10 lakh | 12% |
| 3 | ₹ 10-25 lakh | 44% |
| 4 | ₹ 25-50 lakh | 18% |
| 5 | >₹ 50 lakh | 24% |

* The ticket size is calculated on the borrower level rather than on a loan account level.

**At the time of origination.

***Excludes Project Finance AUM

- Denomination of loans outstanding by LTV* as on March 31, 2018

| S. No | LTV | Percentage of AUM |
|-------|----------|-------------------|
| 1 | Upto 50% | 28% |
| 2 | 50-60% | 23% |
| 3 | 60-70% | 14% |

| S. No | LTV | Percentage of AUM |
|-------|--------------|-------------------|
| 4 | 70-80% | 18% |
| 5 | >80% | 17% |
| | Total | 100% |

* LTV at the time of origination.

- Geographical classification of borrowers as on March 31, 2018

| Sr. No. | Regions | Percentage of AUM |
|---------|-----------------------|-------------------|
| 1 | North, East & Central | 25% |
| 2 | South | 18% |
| 4 | West | 57% |
| | Total | 100% |

- Types of loans according to sectorial exposure as on March 31, 2018 is as follows:

| Sr. No. | Segment wise breakup of loan book | Percentage of loan book |
|---------|-----------------------------------|-------------------------|
| 1 | Housing Loans | 72.8% |
| 2 | Other Property Loans | 27.2% |
| | Total | 100% |

- Maturity profile of total loan portfolio of the Company as on March 31, 2018 is as follows:

| Period | Amount (₹ in lakh) |
|-------------------|--------------------|
| Less than 1 month | 1,70,086 |
| 1-2 months | 45,856 |
| 2-3 months | 46,240 |
| 3-6 months | 1,41,019 |
| 6 months -1 year | 2,91,821 |
| Above 1 year | 84,98,211 |
| Total | 91,93,232 |

D. Aggregated exposure to top 20 borrowers with respect to concentration of advances as on March 31,2018

| | Amount (₹ in lakh) |
|--|--------------------|
| Total Advances to twenty largest borrowers | 12,33,282 |
| Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC | 13.42 |

E. Aggregated exposure to top 20 borrowers with respect to concentration of exposures as on March 31,2018

| | Amount (₹ in lakh) |
|--|--------------------|
| Total Exposures to twenty largest borrowers/Customers | 12,33,282 |
| Percentage of Exposures to twenty largest borrowers/Customers to Total Advances of the NBFC on borrowers/Customers | 13.42 |

F. Details of loans overdue and classified as non – performing in accordance with the NHB guidelines

| Movement of gross NPAs* | Amount (₹ in lakh) |
|--------------------------------|--------------------|
| (a) Opening balance | 67,844 |
| (b) Additions during the year | 48,285 |
| (c) Reductions during the year | 28,034 |
| (d) closing balance | 88,094 |

| Movement of provisions for NPAs | Amount (₹ in lakh) |
|--|--------------------|
| (a) Opening balance | 25,902 |
| (b) Provisions made during the year | 13,096 |
| (c) Write-off / write -back of excess provisions | 2,370 |

| | |
|---------------------|--------|
| (d) closing balance | 36,628 |
|---------------------|--------|

G. Segment –wise gross NPA as on March 31, 2018

| S. No | Segment- wise breakup of gross NPAs | Gross NPA (%) |
|-------|-------------------------------------|---------------|
| 1 | Housing Loans | 0.65% |
| 2 | Other Property Loans | 0.31% |
| | Total | 0.96% |

H. Classification of borrowings as on March 31, 2018

| S. No | Type of Borrowings | Amount (₹ in lakh) | Percentage |
|-------|--------------------|--------------------|------------|
| 1 | Secured | 73,83,346 | 79.6% |
| 2 | Unsecured | 18,88,199 | 20.4% |
| | Total | 92,71,545 | 100.0% |

I. Promoter Shareholding

There is no change in promoter holdings in the Company beyond the threshold level stipulated at 26% during the last financial year.

J. Residual maturity profile of assets and liabilities as on March 31, 2018

(₹ in lakh)

| | 1 to 30/31 days (one month) | Over one month to 2 months | Over 2 months to 3 months | Over 3 months to 6 months | Over 6 months to 1 year | Over 1 year to 3 years | over 3 to 5 years | Over 5 years | Total |
|------------------------------|-----------------------------|----------------------------|---------------------------|---------------------------|-------------------------|------------------------|-------------------|--------------|-----------|
| Deposits | 10,735 | 29,915 | 66,060 | 1,37,736 | 2,23,841 | 4,72,022 | 74,161 | 19,478 | 10,33,949 |
| Advances | 1,70,086 | 45,856 | 46,240 | 1,41,019 | 2,91,821 | 12,37,280 | 14,09,463 | 58,51,467 | 91,93,232 |
| Investments | 6,87,908 | - | - | - | 17,285 | - | - | 1,02,456 | 8,07,650 |
| Borrowings | 2,69,567 | 4,50,512 | 2,84,617 | 2,79,959 | 4,48,440 | 25,11,224 | 13,95,127 | 23,01,675 | 79,41,120 |
| Foreign Currency assets | - | - | - | - | - | - | - | - | - |
| Foreign Currency liabilities | - | - | - | 14,794 | 14,794 | 1,31,357 | 1,35,531 | - | 2,96,476 |

SECTION VII- ISSUE RELATED INFORMATION

ISSUE STRUCTURE

The following are the key terms of the NCDs. This chapter should be read in conjunction with and is qualified in its entirety by more detailed information in the chapter titled “*Terms of the Issue*” on page 411.

The key common terms and conditions of the NCDs are as follows:

| | |
|---|--|
| Issuer | Dewan Housing Finance Corporation Limited |
| Type of instrument/ Name of the security/ Seniority | Secured Redeemable Non-Convertible Debentures |
| Nature of the instrument | Secured Redeemable Non-Convertible Debenture |
| Mode of the issue | Public issue |
| Lead Managers | Edelweiss Financial Services Limited, A.K. Capital Services Limited, Axis Bank Limited, Green Bridge Capital Advisory Private Limited, ICICI Bank Limited, ICICI Securities Limited, IndusInd Bank Limited, IIFL Holdings Limited, SBI Capital Markets Limited, Trust Investment Advisors Private Limited and YES Securities (India) Limited |
| Debenture Trustee | Catalyst Trusteeship Limited (formerly known as GDA Trusteeship Limited) |
| Depositories | NSDL and CDSL |
| Registrar | Karvy Computershare Private Limited |
| Base Issue Size | As specified in the relevant Tranche Prospectus for each Tranche Issue |
| Option to retain Oversubscription Amount | As specified in the relevant Tranche Prospectus for each Tranche Issue |
| Eligible investors | Please refer to the chapter titled “ <i>Issue Procedure – Who can apply?</i> ” on page 426 |
| Objects of the Issue | Please refer to the chapter titled “ <i>Objects of the Issue</i> ” on page 45 |
| Details of utilization of the proceeds | Please refer to the chapter titled “ <i>Objects of the Issue</i> ” on page 45 |
| Interest rate for each category of investors | As specified in the relevant Tranche Prospectus for each Tranche Issue |
| Step up/ Step down interest rates | As specified in the relevant Tranche Prospectus for each Tranche Issue |
| Interest type | As specified in the relevant Tranche Prospectus for each Tranche Issue |
| Interest reset process | As specified in the relevant Tranche Prospectus for each Tranche Issue |
| Issuance mode of the instrument | Physical and demat* |
| Frequency of interest payment | As specified in the relevant Tranche Prospectus for each Tranche Issue |
| Interest payment date | As specified in the relevant Tranche Prospectus for each Tranche Issue |
| Day count basis | Actual/ Actual |
| Interest on application money | As specified in the relevant Tranche Prospectus for each Tranche Issue |
| Default interest rate | Our Company shall pay interest in connection with any delay in allotment, refunds, listing, dematerialized credit, execution of Debenture Trust Deed, payment of interest, redemption of principal amount beyond the time limits prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated/ prescribed under applicable laws |
| Tenor | As specified in the relevant Tranche Prospectus for each Tranche Issue |
| Redemption Date | As specified in the relevant Tranche Prospectus for each Tranche Issue |
| Redemption Amount | The principal amount on the NCDs along with interest, if any, accrued on them as on the Redemption Date |
| Redemption premium/ discount | As specified in the relevant Tranche Prospectus for each Tranche Issue |
| Face value | ₹ 1,000 per NCD |
| Issue Price (in ₹) | ₹ 1,000 per NCD |
| Discount at which security is issued and the effective | As specified in the relevant Tranche Prospectus for each Tranche Issue |

| | |
|--|---|
| yield as a result of such discount. | |
| Put option date | Not applicable |
| Put option price | Not applicable |
| Call option date | Not applicable |
| Call option price | Not applicable |
| Put notification time. | Not applicable |
| Call notification time | Not applicable |
| Minimum Application size and in multiples of NCD thereafter | As specified in the relevant Tranche Prospectus for each Tranche Issue |
| Market Lot/ Trading Lot | One NCD |
| Pay-in date | Application Date. The entire Application Amount is payable on Application. |
| Credit ratings | The NCDs proposed to be issued under this Issue have been rated ‘CARE AAA (Triple A); Stable’ for an amount of ₹ 15,00,000 lakh, by CARE Ratings Limited (“ CARE ”) <i>vide</i> their letter dated April 27, 2018 and ‘BWR AAA (Pronounced as BWR Triple A), Outlook: Stable’ (for an amount of ₹ 15,00,000 lakh, by Brickwork Ratings India Private Limited (“ Brickwork ”) <i>vide</i> their letter dated April 27, 2018. The rating of CARE AAA; Stable by CARE and BWR AAA, Outlook: Stable’ by Brickwork indicate that instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations and carry the lowest credit risk. For the rationale for these ratings, see <i>Annexure A</i> and <i>B</i> to this Draft Shelf Prospectus. |
| Listing | The NCDs are proposed to be listed on NSE and BSE. The NCDs shall be listed within 12 Working Days from the date of Issue Closure. |
| Issue size | As specified in the respective Tranche Prospectus |
| Modes of payment | Please refer to the chapter titled “ <i>Issue Procedure – Terms of Payment</i> ” on page 440. |
| Trading | In dematerialised form only |
| Issue opening date | As specified in the relevant Tranche Prospectus for each Tranche Issue |
| Issue closing date** | As specified in the relevant Tranche Prospectus for each Tranche Issue ** <i>The Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. during the period indicated above, except that the Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company (“Board”) or (“NCD Issue Committee”). In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a daily national newspaper with wide circulation on or before such earlier or initial date of Issue closure. On the Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchanges.</i> |
| Record date | 15 (fifteen) days prior to the relevant interest payment date, relevant Redemption Date for NCDs issued under the relevant Tranche Prospectus. or as may be otherwise specified by the Stock Exchanges. In case of redemption of NCDs, the trading in the NCDs shall remain suspended between the record date and the date of redemption. In event the Record Date falls on a Sunday or holiday of Depositories, the succeeding working day or a date notified by the Company to the stock exchanges shall be considered as Record Date |
| Security and Asset Cover | The NCDs proposed to be issued will be secured by a first ranking pari passu charge on present and future receivables of the Issuer for the principal amount and interest thereon (<i>excluding the floating charge on the specific assets as per the provisions of Section 29B of the National Housing Bank Act, from time to time and exclusive charge created by First Blue Home Finance Limited (since merged with our Company, in favour of NHB as security for due repayment for financial assistance by way of refinancing granted by NHB to First Blue Home Finance Limited).</i>) The Issuer reserves the right to sell or |

| | |
|--|---|
| | otherwise deal with the receivables, both present and future, including to create a charge on <i>pari passu</i> basis thereon for its present and future financial requirements, with prior permission of Debenture Trustee in this connection as provide for in the Debenture Trust Deed and provided that a minimum security cover of 1 (one) time on the outstanding principal amount and interest thereon, is maintained |
| Issue documents | This Draft Shelf Prospectus, the Shelf Prospectus, the Tranche Prospectus read with any notices, corrigenda, addenda thereto, the Debenture Trust Deed and other documents, if applicable, and various other documents/ agreements/ undertakings, entered or to be entered by our Company with Lead Managers and/or other intermediaries for the purpose of this Issue including but not limited to the Issue Agreement, Debenture Trust Deed, the Debenture Trustee Agreement, the Tripartite Agreements, the Escrow Agreement, the Registrar Agreement, the Agreement with the Lead Managers and the Consortium Agreement. For further details, please refer to “ Material Contracts and Documents for Inspection ” on page 457. |
| Conditions precedent to disbursement | Other than the conditions specified in the SEBI Debt Regulations, there are no conditions precedents to disbursement. |
| Conditions subsequent to disbursement | Other than the conditions specified in the SEBI Debt Regulations, there are no conditions subsequent to disbursement. |
| Events of default / cross default | Please refer to the chapter titled “ Terms of the Issue – Events of Default ” on page 412 |
| Deemed date of Allotment | The date on which the Board of Directors/or duly authorised committee thereof approves the Allotment of the NCDs for each Tranche Issue or such date as may be determined by the Board of Directors/ or duly authorised committee thereof and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the Debenture Holders from the Deemed Date of Allotment |
| Roles and responsibilities of the Debenture Trustee | Please refer to the chapter titled “ Terms of the Issue – Trustees for the NCD Holders ” on page 412 |
| Governing law and jurisdiction | The governing law and jurisdiction for the purpose of the Issue shall be Indian law, and the competent courts of jurisdiction in Mumbai, India, respectively |
| Working day convention | If any Interest Payment Date falls on a day that is not a Working Day, the payment shall be made on the immediately succeeding Working Day along with interest for such additional period. Such additional interest will be deducted from the interest payable on the next date of payment of interest. If the Redemption Date of any series of the NCDs falls on a day that is not a Working Day, the redemption/maturity proceeds shall be paid on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment |

* In terms of Regulation 4(2)(d) of the SEBI Debt Regulations, our Company will undertake this public issue of the NCDs in dematerialised form. However, in terms of section 8(1) of the Depositories Act, our Company, at the request of the Investors who wish to hold the NCDs in physical form will fulfil such request. However, trading in NCDs shall be compulsorily in dematerialized form.

** The subscription list shall remain open at the commencement of banking hours and close at the close of banking hours for the period as indicated, with an option for early closure or extension by such period, as may be decided by the Board or the NCD Public Issue Committee. In the event of such early closure of or extension subscription list of the Issue, our Company shall ensure that notice of such early closure or extension is given to the prospective investors through an advertisement in a leading daily national newspaper on or before such earlier date or extended date of closure. Applications Forms for the Issue will be accepted only from 10:00 a.m. till 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchanges, on Working Days during the Issue Period. On the Issue Closing Date, Application Forms will be accepted only from 10:00 a.m. till 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchanges.

SPECIFIC TERMS FOR EACH SERIES OF NCDs

As specified in the relevant Tranche Prospectus.

Terms of payment

The entire face value per NCDs is payable on application (except in case of ASBA Applicants). In case of ASBA Applicants, the entire amount of face value of NCDs applied for will be blocked in the relevant ASBA Account maintained with the SCSB. In the event of Allotment of a lesser number of NCDs than applied for, our Company shall refund the amount paid on application to the Applicant, in accordance with the terms of the respective Tranche Prospectus.

Participation by any of the above-mentioned Investor classes in this Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/or regulatory provisions.

Applications may be made in single or joint names (not exceeding three). Applications should be made by Karta in case the Applicant is an HUF. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account (in case of Applicants applying for Allotment of the NCDs in dematerialized form) held in joint names. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form. Please ensure that such Applications contain the PAN of the HUF and not of the Karta.

In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to the Issue. For further details, please refer to the chapter titled “*Issue Procedure*” on page 425.

TERMS OF THE ISSUE

GENERAL TERMS OF THE ISSUE

Authority for the Issue

This Issue has been authorized by the Board of Directors of our Company pursuant to a resolution passed at their meeting held on April 30, 2018. Further, the present borrowing is within the borrowing limits under Section 180(1)(c) of the Companies Act, 2013 duly approved by the shareholders' *vide* their resolution approved at the AGM dated July 21, 2017.

Principal Terms & Conditions of this Issue

The NCDs being offered as part of the Issue are subject to the provisions of the Debt Regulations, the Act, the Memorandum and Articles of Association of our Company, the terms of this Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus, the Application Forms, the Abridged Prospectus, the terms and conditions of the Debenture Trust Agreement and the Debenture Trust Deed, other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI/the Government of India/the Stock Exchanges, RBI, NHB and/or other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

Ranking of NCDs

The NCDs would constitute secured and senior obligations of our Company and shall be first ranked *pari passu* inter se, and subject to any obligations under applicable statutory and/or regulatory requirements. The NCDs proposed to be issued under the Issue and all earlier issues of secured debentures outstanding in the books of our Company, shall be first ranked *pari passu* without preference of one over the other except that priority for payment shall be as per applicable date of redemption. The claims of the NCD holders shall rank *pari passu* to those of the other secured creditors of our Company, subject to applicable statutory and/or regulatory requirements. Our Company may, subject to applicable RBI and/or NHB requirements and other applicable statutory and/or regulatory provisions, treat the NCDs as Tier I capital.

Our Company has received NOCs from all charge holders for ceding *pari passu* charge in favour of the Debenture Trustee in relation to the Issue.

Debenture Redemption Reserve

Section 71 (4) of the Companies Act, 2013 states that where debentures are issued by any company, the company shall create a debenture redemption reserve out of the profits of the company available for payment of dividend. Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014, as amended by Companies (Share Capital and Debentures) Third Amendment Rules, 2016, dated July 19, 2016, further states that 'the adequacy' of DRR for NBFCs registered with the RBI under Section 45-IA of the RBI (Amendment) Act, 1997 shall be 25% of the value of outstanding debentures issued through a public issue as per the SEBI Debt Regulations. Accordingly, our Company is required to create a DRR of 25% of the value of the NCDs, outstanding as on date, issued through the Issue. In addition, as per Rule 18 (7) (e) under Chapter IV of the Companies Act, 2013, the amounts credited to DRR shall not be utilised by our Company except for the redemption of the NCDs. The Rules further mandate that every company required to maintain DRR shall deposit or invest, as the case may be, before the 30th day of April of each year a sum which shall not be less than 15% of the amount of its debentures maturing during the year ending on the 31st day of March of the next year in any one or more following methods: (a) in deposits with any scheduled bank, free from charge or lien; (b) in unencumbered securities of the Central Government or of any State Government; (c) in unencumbered securities mentioned in clauses (a) to (d) and (ee) of Section 20 of the Indian Trusts Act, 1882; (d) in unencumbered bonds issued by any other company which is notified under clause (f) of Section 20 of the Indian Trusts Act, 1882. The abovementioned amount deposited or invested, must not be utilized for any purpose other than for the repayment of debentures maturing during the year provided that the amount remaining deposited or invested must not at any time fall below 15% of the amount of debentures maturing during year ending on the 31st day of March of that year.

Face Value

The face value of each NCD shall be ₹ 1,000.

Trustees for the NCD Holders

We have appointed Catalyst Trusteeship Limited (formerly known as GDA Trusteeship Limited) to act as the Debenture Trustee for the NCD Holders in terms of Regulation 4(4) of the Debt Regulations and Section 71 (5) of the Companies Act, 2013 and the rules prescribed thereunder. We and the Debenture Trustee will execute a Debenture Trust Deed, *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and us. The NCD Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holder(s). Any payment made by us to the Debenture Trustee on behalf of the NCD Holder(s) shall discharge us *pro tanto* to the NCD Holder(s).

The Debenture Trustee will protect the interest of the NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost.

Events of Default:

Subject to the terms of the Debenture Trust Deed, the Debenture Trustee at its discretion may, or if so requested in writing by the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution, passed at a meeting of the NCD Holders, (subject to being indemnified and/or secured by the NCD Holders to its satisfaction), give notice to our Company specifying that the NCDs and/or any particular series of NCDs, in whole but not in part are and have become due and repayable on such date as may be specified in such notice *inter alia* if any of the events listed below occurs. The description below is indicative and a complete list of events of default and its consequences will be specified in the Debenture Trust Deed.

Default is committed in payment of the principal amount of the NCDs on the due date(s); and Default is committed in payment of any interest on the NCDs on the due date(s).

NCD Holder not a Shareholder

The NCD Holders will not be entitled to any of the rights and privileges available to the equity and/or preference shareholders of our Company, except to the extent of the right to receive the annual reports of our Company and such other rights as may be prescribed under the Companies Act, 2013 and the rules prescribed thereunder and the SEBI LODR Regulations.

Rights of NCD Holders

Some of the significant rights available to the NCD Holders are as follows:

1. The NCDs shall not, except as provided in the Companies Act, 2013, our Memorandum and Articles of Association and/or the Debenture Trust Deed, confer upon the holders thereof any rights or privileges available to our Company's members/shareholders including, without limitation, the right to attend and/or vote at any general meeting of our Company's members/shareholders. However, if any resolution affecting the rights attached to the NCDs is to be placed before the members/shareholders of our Company, the said resolution will first be placed before the concerned registered NCD Holders for their consideration. In terms of Section 136 (1) of the Companies Act, 2013, holders of NCDs shall be entitled to a copy of the balance sheet and copy of trust deed on a specific request made to our Company.
2. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, including requirements of the RBI, the rights, privileges and conditions attached to the NCDs may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution passed at a meeting of the concerned NCD Holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the NCDs, if the same are not acceptable to us.
3. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, the registered NCD Holder or in case of joint-holders, the one whose name stands first in the register of debenture holders shall be entitled to vote in respect of such NCDs, either in person or by proxy, at any meeting of the concerned NCD Holders and every such holder shall be entitled to one vote on a show of

hands and on a poll, his/her voting rights on every resolution placed before such meeting of the NCD Holders shall be in proportion to the outstanding nominal value of NCDs held by him/her.

4. The NCDs are subject to the provisions of the Debt Regulations, the Companies Act, 2013, the Memorandum and Articles of Association of our Company, the terms of this Draft Shelf Prospectus, the Shelf Prospectus, the respective Tranche Prospectus, the Application Forms, the terms and conditions of the Debenture Trust Deed, requirements of the RBI, other applicable statutory and/or regulatory requirements relating to the issue and listing, of securities and any other documents that may be executed in connection with the NCDs.
5. A register of NCD Holders holding NCDs in physical form (“**Register of NCD Holders**”) will be maintained in accordance with Section 88 of the Companies Act, 2013 and all interest and principal sums becoming due and payable in respect of the NCDs will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the Register of NCD Holders as on the Record Date. For the NCDs issued in dematerialized form, the Depositories shall also maintain the upto date record of holders of the NCDs in dematerialized Form. In terms of Section 88(3) of the Companies Act, 2013, the register and index of beneficial of NCDs maintained by a Depository for any NCDs in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a Register of NCD holders for this purpose.
6. Subject to compliance with RBI and/or NHB requirements, the NCDs can be rolled over only with the consent of the holders of at least 75% of the outstanding amount of the NCDs after providing at least 21 days’ prior notice for such roll over and in accordance with the SEBI Debt Regulations. Our Company may redeem the debt securities of all the debt securities holders, who have not given their positive consent to the roll-over.

The aforementioned rights of the NCD holders are merely indicative. The final rights of the NCD holders will be as per the terms of this Draft Shelf Prospectus, the respective Tranche Prospectus and the Debenture Trust Deed.

Nomination facility to NCD Holder

In accordance with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014 (“**Rule 19**”) and the Companies Act, 2013, the sole NCD holder, or first NCD holder, along with other joint NCD Holders’ (being individual(s)), may nominate, in the **Form No. SH.13**, any one person with whom, in the event of the death of Applicant the NCDs were Allotted, if any, will vest. Where the nomination is made in respect of the NCDs held by more than one person jointly, all joint holders shall together nominate in **Form No.SH.13** any person as nominee. A nominee entitled to the NCDs by reason of the death of the original holder(s), will, in accordance with Rule 19 and Section 56 of the Companies Act, 2013, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the NCDs. Where the nominee is a minor, the NCD holder(s) may make a nomination to appoint, in **Form No. SH.14**, any person to become entitled to NCDs in the event of the holder’s death during minority. A nomination will stand rescinded on a sale/transfer/alienation of NCDs by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office, Corporate Office or with the Registrar to the Issue.

NCD Holder(s) are advised to provide the specimen signature of the nominee to us to expedite the transmission of the NCD(s) to the nominee in the event of demise of the NCD Holder(s). The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

In accordance with Rule 19, any person who becomes a nominee by virtue of the Rule 19, will on the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as holder of NCDs; or
- to make such transfer of the NCDs, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the NCDs, and if the notice is not complied with, within a period of 90 days, our Board may thereafter withhold payment of all interests or other monies payable in respect of the NCDs, until the requirements of the notice have been complied with.

For all NCDs held in the dematerialized form, nominations registered with the respective Depository Participant

of the Applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective Depository Participant in connection with NCDs held in the dematerialized form.

Applicants who have opted for allotment of NCDs in the physical form and/or persons holding NCDs in the physical form should provide required details in connection with their nominee to our Company and inform our Company in connection with NCDs held in the physical form.

Jurisdiction

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in Mumbai, India.

Application in the Issue

NCDs being issued through this Draft Shelf Prospectus can be applied for, through a valid Application Form filled in by the applicant along with attachments, as applicable.

Form and Denomination

In case of NCDs held in physical form, a single certificate will be issued to the NCD Holder for the aggregate amount (“**Consolidated Certificate**”) for each type of NCDs. A successful Applicant can also request for the issue of NCDs certificates in the denomination of 1 (one) NCD at any time post allotment of the NCDs (“**Market Lot**”).

In respect of Consolidated Certificates, we will, only upon receipt of a request from the NCD Holder, split such Consolidated Certificates into smaller denominations subject to the minimum of Market Lot. No fees would be charged for splitting of NCD certificates in Market Lots, but stamp duty payable, if any, would be borne by the NCD Holder. The request for splitting should be accompanied by the original NCD certificate which would then be treated as cancelled by us.

Transfer/Transmission of NCD(s)

The NCDs shall be transferred or transmitted freely in accordance with the applicable provisions of the Companies Act, 2013. The provisions relating to transfer and transmission and other related matters in respect of our shares contained in the Articles and the Companies Act, 2013 shall apply, mutatis mutandis (to the extent applicable to debentures) to the NCD(s) as well. In respect of the NCDs held in physical form, a suitable instrument of transfer as may be prescribed by the Issuer may be used for the same. The NCDs held in dematerialized form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant DPs of the transfer or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer or Registrar.

Please refer to “- **Interest/Premium**” on page 416 for the implications on the interest applicable to NCDs held by Individual Investors on the Record Date and NCDs held by Non Individual Investors on the Record Date.

For NCDs held in electronic form:

The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of the NCDs held in electronic form. The seller should give delivery instructions containing details of the buyer’s DP account to his depository participant. In case the transferee does not have a DP account, the seller can re-materialise the NCDs and thereby convert his dematerialized holding into physical holding. Thereafter, the NCDs can be transferred in the manner as stated above.

In case the buyer of the NCDs in physical form wants to hold the NCDs in dematerialized form, he can choose to dematerialize the securities through his DP.

Title

In case of:

- the NCDs held in the dematerialized form, the person for the time being appearing in the record of beneficial owners maintained by the Depository; and
- the NCDs held in physical form, the person for the time being appearing in the Register of NCD Holders as NCD Holder,

shall be treated for all purposes by our Company, the Debenture Trustee, the Depositories and all other persons dealing with such person as the holder thereof and its absolute owner for all purposes regardless of any notice of ownership, trust or any interest in it or any writing on, theft or loss of the Consolidated NCD Certificate issued in respect of the NCDs and no person will be liable for so treating the NCD Holder.

No transfer of title of a NCD will be valid unless and until entered on the Register of NCD Holders or the register and index of NCD Holders maintained by the Depository prior to the Record Date. In the absence of transfer being registered, interest and/or Maturity Amount, as the case may be, will be paid to the person, whose name appears first in the Register of NCD Holders maintained by the Depositories and/or our Company and/or the Registrar, as the case may be. In such cases, claims, if any, by the purchasers of the NCDs will need to be settled with the seller of the NCDs and not with our Company or the Registrar. The provisions relating to transfer and transmission and other related matters in respect of our Company's shares contained in the Articles of Association of our Company and the Companies Act shall apply, mutatis mutandis (to the extent applicable) to the NCD(s) as well.

Succession

Where NCDs are held in joint names and one of the joint holders dies, the survivor(s) will be recognized as the NCD Holder(s). It will be sufficient for our Company to delete the name of the deceased NCD Holder after obtaining satisfactory evidence of his death. Provided, a third person may call on our Company to register his name as successor of the deceased NCD Holder after obtaining evidence such as probate of a will for the purpose of proving his title to the debentures. In the event of demise of the sole or first holder of the Debentures, our Company will recognise the executors or administrator of the deceased NCD Holders, or the holder of the succession certificate or other legal representative as having title to the Debentures only if such executor or administrator obtains and produces probate or letter of administration or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate court in India. The directors of our Company in their absolute discretion may, in any case, dispense with production of probate or letter of administration or succession certificate or other legal representation.

Where a non-resident Indian becomes entitled to the NCDs by way of succession, the following steps have to be complied with:

1. Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the NCDs were acquired by the non-resident Indian as part of the legacy left by the deceased NCD Holder.
2. Proof that the non-resident Indian is an Indian national or is of Indian origin.
3. Such holding by a non-resident Indian will be on a non-repatriation basis.

Joint-holders

Where two or more persons are holders of any NCD(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to other provisions contained in the Articles.

Procedure for Re-materialization of NCDs

NCD Holders who wish to hold the NCDs in physical form may do so by submitting a request to their DP at any time after Allotment in accordance with the applicable procedure stipulated by the DP, in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time. **Holders of NCDs who propose to rematerialize their NCDs, would have to mandatorily submit details of their bank mandate along with a copy of any document evidencing that the bank account is in the name of the holder of such NCDs and their Permanent Account Number to our Company and the DP. No proposal for rematerialization of NCDs would be considered if the aforementioned documents and details are not submitted along with the request for such rematerialization.**

Restriction on transfer of NCDs

There are no restrictions on transfers and transmission of NCDs and on their consolidation/ splitting except as may be required under applicable statutory and/or regulatory requirements including any requirements of the RBI, NHB and/or as provided in our Articles of Association. Please refer to the chapter titled “*Main Provisions of the Articles of Association of our Company*” on Page 453.

Period of Subscription

| ISSUE PROGRAMME | |
|-----------------|---|
| ISSUE OPENS ON | As specified in the relevant Tranche Prospectus |
| ISSUE CLOSES ON | As specified in the relevant Tranche Prospectus |

Applications Forms for the Issue will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange, during the Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday), (i) by the Lead Managers or the Trading Members of the Stock Exchange, as the case maybe, at the centers mentioned in Application Form through the non-ASBA mode or, (ii) in case of ASBA Applications, (a) directly by the Designated Branches of the SCSBs or (b) by the centers of the Lead Managers or the Trading Members of the Stock Exchange, as the case maybe, only at the Selected Cities. On the Issue Closing Date Application Forms will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. or such extended time as may be permitted by the Stock Exchange.

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 p.m. (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Application Forms will only be accepted on Working Days during the Issue Period. Neither our Company, nor the Lead Managers or Trading Members of the Stock Exchanges are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that the Basis of Allotment under the Issue will be on a date priority basis in accordance with SEBI Circular dated October 29, 2013.

Interest/Premium

As specified in the relevant Tranche Prospectus.

Taxation

Any tax exemption certificate/document must be lodged at the office of the Registrar at least 7 (seven) days prior to the Record Date or as specifically required, failing which tax applicable on interest will be deducted at source on accrual thereof in our Company’s books and/or on payment thereof, in accordance with the provisions of the IT Act and/or any other statutory modification, enactment or notification as the case may be. A tax deduction certificate will be issued for the amount of tax so deducted.

As per clause (ix) of Section 193 of the I.T. Act, no tax is required to be withheld on any interest payable on any security issued by a company, where such security is in dematerialized form and is listed on a recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 and the rules made thereunder. Accordingly, no tax will be deducted at source from the interest on listed NCDs held in the dematerialized form.

However, in case of NCDs held in physical form, as per the current provisions of the IT Act, tax will not be deducted at source from interest payable on such NCDs held by the investor (in case of resident Individuals and HUFs), if such interest does not exceed ₹ 5,000 in any financial year. If interest exceeds the prescribed limit of ₹ 5,000 on account of interest on the NCDs, then the tax will be deducted at applicable rate. However in case of NCD Holders claiming non-deduction or lower deduction of tax at source, as the case may be, the NCD Holder should furnish either (a) a declaration (in duplicate) in the prescribed form i.e. (i) Form 15H which can be given by Individuals who are of the age of 60 years or more (ii) Form 15G which can be given by all Applicants (other

than companies, and firms), or (b) a certificate, from the Assessing Officer which can be obtained by all Applicants (including companies and firms) by making an application in the prescribed form i.e. Form No.13. The aforesaid documents, as may be applicable, should be submitted to our Company quoting the name of the sole/ first NCD Holder, NCD folio number and the distinctive number(s) of the NCD held, prior to the Record Date to ensure non-deduction/lower deduction of tax at source from interest on the NCD. The investors need to submit Form 15H/ 15G/certificate in original from Assessing Officer for each financial year during the currency of the NCD to ensure non-deduction or lower deduction of tax at source from interest on the NCD.

Subject to the terms and conditions in connection with computation of applicable interest on the Record Date, please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Draft Shelf Prospectus read with the provisions of the Articles of Association of our Company, the transferee of such NCDs or the deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs.

Day Count Convention

Interest shall be computed on actual/actual basis i.e. on the principal outstanding on the NCDs as per the SEBI Circular bearing no. CIR/IMD/DF/18/2013 dated October 29, 2013 and the SEBI Circular No. CIR/IMD/DF-1/122/2016 dated November 11, 2016.

Effect of holidays on payments

If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day. (the “**Effective Date**”), however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Maturity Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment.

Illustration for guidance in respect of the day count convention and effect of holidays on payments

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI Circular No.CIR/IMD/DF/18/2013 dated October 29, 2013 and SEBI Circular No. CIR/IMD/DF-1/122/2016 dated November 11, 2016 will be a disclosed in the relevant Tranche Prospectus.

Interest on Application Amount

Our Company shall pay interest (at the rate specified in the relevant Tranche Prospectus) on application amount on the amount allotted to the Applicants, other than to ASBA Applicants, subject to deduction of income tax under the provisions of the Income Tax Act, 1961, as amended, as applicable, to any Applicants to whom NCDs are allotted pursuant Issue from the date of realization of the cheque(s)/demand draft(s) upto one day prior to the Deemed Date of Allotment. In the event that such date of realization of the cheque(s)/ demand draft(s) is not ascertainable in terms of banking records, we shall pay interest on Application Amounts on the amount Allotted from three Working Days from the date of upload of each Application on the electronic Application platform of the Stock Exchanges upto one day prior to the Deemed Date of Allotment.

Our Company may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the Applicants. Alternatively, the interest warrant will be dispatched along with the Letter(s) of Allotment/ NCD Certificates at the sole risk of the Applicant, to the sole/first Applicant.

Interest on application amounts received which are liable to be refunded

Our Company shall pay interest (at the rate specified in the relevant Tranche Prospectus) on application amount on the amount allotted to the Applicants, other than to ASBA Applicants, subject to deduction of income tax under the provisions of the Income Tax Act, 1961, as amended, as applicable, to any Applicants to whom NCDs are allotted pursuant to the Issue from the date of realization of the cheque(s)/demand draft(s) upto one day prior to the Deemed Date of Allotment. In the event that such date of realization of the cheque(s)/ demand draft(s) is not ascertainable in terms of banking records, we shall pay interest on Application Amounts on the amount Allotted

from three Working Days from the date of upload of each Application on the electronic Application platform of the Stock Exchanges upto one day prior to the Deemed Date of Allotment. Such interest shall be paid along with the monies liable to be refunded. Interest warrant will be dispatched / credited (in case of electronic payment) along with the Letter(s) of Refund at the sole risk of the Applicant, to the sole/first Applicant.

In the event our Company does not receive a minimum subscription, as specified in the relevant Tranche Prospectus, our Company shall pay interest on application amount which is liable to be refunded to the Applicants, other than to ASBA Applicants, in accordance with the provisions of the Debt Regulations and/or the Companies Act, 2013, or other applicable statutory and/or regulatory requirements, subject to deduction of income tax under the provisions of the Income Tax Act, 1961, as amended, as applicable.

Provided that, notwithstanding anything contained hereinabove, our Company shall not be liable to pay any interest on monies liable to be refunded in case of (a) invalid applications or applications liable to be rejected, (b) applications which are withdrawn by the Applicant and/or (c) monies paid in excess of the amount of NCDs applied for in the Application Form. Please refer to “*Issue Procedure- Rejection of Applications*” at page 445.

Maturity and Redemption

As specified in the relevant Tranche Prospectus.

Put/ Call Option

As specified in the relevant Tranche Prospectus.

Application Size

As specified in the relevant Tranche Prospectus.

Applicants can apply for any or all types of NCDs offered hereunder (any/all series) provided the Applicant has applied for minimum application size using the same Application Form.

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

Terms of Payment

The entire issue price of ₹ 1,000 per NCD is payable on application itself. In case of allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall refund the excess amount paid on application to the Applicant in accordance with the terms of this Draft Shelf Prospectus. For further details, please refer to the paragraph on “*Interest on Application Amount*” on page 417.

Manner of Payment of Interest / Refund

The manner of payment of interest / refund in connection with the NCDs is set out below:

For NCDs held in physical form:

The bank details will be obtained from the Application Form or from the copy of the cancelled cheque or such other documentary proof as may have been annexed to the Application Form by the Applicant for payment of interest / refund / redemption as the case may be. In case of NCDs held in physical form on account of re-materialization and/or subsequent transfer post-allotment, the bank details will be obtained from the documents submitted to our Company along with the re-materialisation request. *Please refer to “Procedure for Re-materialization of NCDs” on page 415 for further details.*

For NCDs applied / held in electronic form:

The bank details will be obtained from the Depositories for payment of Interest / refund / redemption as the case may be. Applicants who have applied for or are holding the NCDs in electronic form, are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure

to do so could result in delays in credit of refunds to the Applicant at the Applicant's sole risk, and neither the Lead Managers, our Company nor the Registrar to the Issue shall have any responsibility and undertake any liability for the same.

The mode of interest / refund / redemption payments shall be undertaken in the following order of preference:

1. **Direct Credit:** Investors having their bank account with the Refund Banks, shall be eligible to receive refunds, if any, through direct credit. The refund amount, if any, would be credited directly to their bank account with the Refund Banker.
2. **NACH:** National Automated Clearing House which is a consolidated system of ECS. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.
3. **RTGS:** Applicants having a bank account with a participating bank and whose interest payment / refund / redemption amount exceeds ₹ 2 lakh, or such amount as may be fixed by RBI from time to time, have the option to receive refund through RTGS. Such eligible Applicants who indicate their preference to receive interest payment / refund / redemption through RTGS are required to provide the IFSC in the Application Form or intimate our Company and the Registrars to the Issue at least 7 (seven) days before the Record Date. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant. In the event the same is not provided, interest payment / refund / redemption shall be made through NACH subject to availability of complete bank account details for the same as stated above.
4. **NEFT:** Payment of interest / refund / redemption shall be undertaken through NEFT wherever the Applicants' bank has been assigned the Indian Financial System Code ("IFSC"), which can be linked to a Magnetic Ink Character Recognition ("MICR"), if any, available to that particular bank branch. IFSC will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine digit MICR number and their bank account number while opening and operating the de-mat account, the same will be duly mapped with the IFSC of that particular bank branch and the payment of interest/refund/redemption will be made to the Applicants through this method.
5. **Registered Post/ Speed Post:** For all other Applicants, including those who have not updated their bank particulars with the MICR code, the interest payment / refund / redemption orders shall be dispatched through Speed Post/ Registered Post only to Applicants that have provided details of a registered address in India. Refunds may be made by cheques, pay orders, or demand drafts drawn on the relevant Refund Bank and payable at par at places where Applications are received. All cheques, pay orders, or demand drafts as the case may be, shall be sent by registered/speed post at the Investor's sole risk. Bank charges, if any, for cashing such cheques, pay orders, or demand drafts at other centres will be payable by the Applicant.

Refunds for Applicants other than ASBA Applicants

Within 12 Working Days of the Issue Closing Date, the Registrar to the Issue will dispatch refund orders/issue instructions for electronic refund, as applicable, of all amounts payable to unsuccessful Applicants (other than ASBA Applicants) and also any excess amount paid on Application, after adjusting for allocation/Allotment of NCDs. In case of Applicants who have applied for Allotment of NCDs in dematerialized form, the Registrar to the Issue will obtain from the Depositories the Applicant's bank account details, including the MICR code, on the basis of the DP ID and Client ID provided by the Applicant in their Application Forms, for making refunds. In case of Applicants who have applied for Allotment of NCDs in physical form, the bank details will be extracted from the Application Form or the copy of the cancelled cheque. For Applicants who receive refunds through ECS, direct credit, RTGS or NEFT, the refund instructions will be issued to the clearing system within 12 Working Days of the Issue Closing Date. A suitable communication will be dispatched to the Applicants receiving refunds through these modes, giving details of the amount and expected date of electronic credit of refund. Such communication will be mailed to the addresses (in India) of Applicants, as per Demographic Details received

from the Depositories or the address details provided in the Application Form, in case of Applicants who have applied for Allotment of NCDs in physical form. The Demographic Details or the address details provided in the Application Form would be used for mailing of the physical refund orders, as applicable. Investors who have applied for NCDs in electronic form, are advised to immediately update their bank account details as appearing on the records of their Depository Participant. Failure to do so could result in delays in credit of refund to the investors at their sole risk and neither the Lead Managers nor our Company shall have any responsibility and undertake any liability for such delays on part of the investors.

Printing of Bank Particulars on Interest Warrants

As a matter of precaution against possible fraudulent encashment of refund orders and interest/redemption warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the orders/ warrants. In relation to NCDs applied and held in dematerialized form, these particulars would be taken directly from the depositories. In case of NCDs held in physical form either on account of rematerialisation or transfer, the investors are advised to submit their bank account details with our Company / Registrar at least 7 (seven) days prior to the Record Date failing which the orders / warrants will be dispatched to the postal address of the holder of the NCDs as available in the records of our Company. Bank account particulars will be printed on the orders/ warrants which can then be deposited only in the account specified.

Buy Back of NCDs

Our Company may, at its sole discretion, from time to time, consider, subject to applicable statutory and/or regulatory requirements, buyback of NCDs, upon such terms and conditions as may be decided by our Company. Our Company may from time to time invite the NCD Holders to offer the NCDs held by them through one or more buy-back schemes and/or letters of offer upon such terms and conditions as our Company may from time to time determine, subject to applicable statutory and/or regulatory requirements. Such NCDs which are bought back may be extinguished, re-issued and/or resold in the open market with a view of strengthening the liquidity of the NCDs in the market, subject to applicable statutory and/or regulatory requirements.

Procedure for Redemption by NCD Holders

The procedure for redemption is set out below:

NCDs held in physical form:

No action would ordinarily be required on the part of the NCD Holder at the time of redemption and the redemption proceeds would be paid to those NCD Holders whose names stand in the register of NCD Holders maintained by us on the Record Date fixed for the purpose of Redemption. However, our Company may require that the NCD certificate(s), duly discharged by the sole holder/all the joint-holders (signed on the reverse of the NCD certificate(s)) be surrendered for redemption on maturity and should be sent by the NCD Holder(s) by Registered Post with acknowledgment due or by hand delivery to our office or to such persons at such addresses as may be notified by us from time to time. NCD Holder(s) may be requested to surrender the NCD certificate(s) in the manner as stated above, not more than three months and not less than one month prior to the redemption date so as to facilitate timely payment.

We may at our discretion redeem the NCDs without the requirement of surrendering of the NCD certificates by the holder(s) thereof. In case we decide to do so, the holders of NCDs need not submit the NCD certificates to us and the redemption proceeds would be paid to those NCD Holders whose names stand in the register of NCD Holders maintained by us on the Record Date fixed for the purpose of redemption of NCDs. In such case, the NCD certificates would be deemed to have been cancelled. Also please refer to the para "*Payment on Redemption*" given below.

NCDs held in electronic form:

No action is required on the part of NCD Holder(s) at the time of redemption of NCDs.

Payment on Redemption

The manner of payment of redemption is set out below:

NCDs held in physical form:

The payment on redemption of the NCDs will be made by way of cheque/pay order/ electronic modes. However, if our Company so requires, the aforementioned payment would only be made on the surrender of NCD certificate(s), duly discharged by the sole holder / all the joint-holders (signed on the reverse of the NCD certificate(s)). Dispatch of cheques/pay order, etc. in respect of such payment will be made on the Redemption Date or (if so requested by our Company in this regard) within a period of 30 days from the date of receipt of the duly discharged NCD certificate.

In case we decide to do so, the redemption proceeds in the manner stated above would be paid on the Redemption Date to those NCD Holders whose names stand in the Register of NCD Holders maintained by us/Registrar to the Issue on the Record Date fixed for the purpose of Redemption. Hence the transferees, if any, should ensure lodgment of the transfer documents with us at least 7 (seven) days prior to the Record Date. In case the transfer documents are not lodged with us at least 7 (seven) days prior to the Record Date and we dispatch the redemption proceeds to the transferor, claims in respect of the redemption proceeds should be settled amongst the parties inter se and no claim or action shall lie against us or the Registrars.

Our liability to holder(s) towards his/their rights including for payment or otherwise shall stand extinguished from the date of redemption in all events and when we dispatch the redemption amounts to the NCD Holder(s).

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCD(s).

NCDs held in electronic form:

On the redemption date, redemption proceeds would be paid by cheque /pay order / electronic mode to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us. These names would be as per the Depositories' records on the Record Date fixed for the purpose of redemption. These NCDs will be simultaneously extinguished to the extent of the amount redeemed through appropriate debit corporate action upon redemption of the corresponding value of the NCDs. It may be noted that in the entire process mentioned above, no action is required on the part of NCD Holders.

Our liability to NCD Holder(s) towards his/their rights including for payment or otherwise shall stand extinguished from the date of redemption in all events and when we dispatch the redemption amounts to the NCD Holder(s). Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCD(s).

Issue of Duplicate NCD Certificate(s)

If any NCD certificate(s) is/are mutilated or defaced or the cages for recording transfers of NCDs are fully utilised, the same may be replaced by us against the surrender of such certificate(s). Provided, where the NCD certificate(s) are mutilated or defaced, the same will be replaced as aforesaid only if the certificate numbers and the distinctive numbers are legible.

If any NCD certificate is destroyed, stolen or lost then upon production of proof thereof to our satisfaction and upon furnishing such indemnity/security and/or documents as we may deem adequate, duplicate NCD certificate(s) shall be issued. Upon issuance of a duplicate NCD certificate, the original NCD certificate shall stand cancelled.

Right to Reissue NCD(s)

Subject to the provisions of the Companies Act, 2013, where we have fully redeemed or repurchased any NCD(s), we shall have and shall be deemed always to have had the right to keep such NCDs in effect without extinguishment thereof, for the purpose of resale or reissue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such NCDs either by reselling or reissuing the same NCDs or by issuing other NCDs in their place. The aforementioned right includes the right to reissue original NCDs.

Sharing of Information

We may, at our option, use on our own, as well as exchange, share or part with any financial or other information about the NCD Holders available with us, with our subsidiaries, if any and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither we or our affiliates nor their agents shall be liable for use of the aforesaid information.

Notices

All notices to the NCD Holder(s) required to be given by us or the Debenture Trustee shall be published in one English language newspaper having wide circulation and one regional language daily newspaper in Mumbai and/or will be sent by post/ courier or through email or other electronic media to the Registered Holders of the NCD(s) from time to time.

Future Borrowings

We will be entitled to borrow/raise loans or avail of financial assistance in whatever form as also to issue debentures/ NCDs/other securities in any manner having such ranking in priority, pari passu or otherwise, subject to applicable consents, approvals or permissions that may be required under any statutory/regulatory/contractual requirement, and change the capital structure including the issue of shares of any class, on such terms and conditions as we may think appropriate, without the consent of, or intimation to, the NCD Holders or the Debenture Trustee in this connection.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under section 447 of the Companies Act, 2013”

Pre-closure

Our Company, in consultation with the Lead Managers reserves the right to close the Issue at any time prior to the Issue Closing Date, subject to receipt of minimum subscription or as may be specified in the relevant Tranche Prospectus. Our Company shall allot NCDs with respect to the Applications received until the time of such pre-closure in accordance with the Basis of Allotment as described herein and subject to applicable statutory and/or regulatory requirements. In the event of such early closure of the Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure or the relevant Tranche Issue Closing Date, as applicable, through advertisement(s) in all those newspapers in which preissue advertisement and advertisement for opening or closure of the issue have been given.

Minimum Subscription

In terms of the SEBI circular dated June 17, 2014, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue. If our Company does not receive the minimum subscription of 75 % of the Base Issue, within the prescribed timelines under Companies Act and any rules thereto, the entire subscription amount shall be refunded to the Applicants within 12 Days from the date of closure of the Issue. In the event, there is a delay, by the Issuer in making the aforesaid refund, our Company will pay interest at the rate of 15% per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard including its circular (bearing CIR/IMD/DF-1/20/2012) dated July 27, 2012.

Utilisation of Application Amount

The sum received in respect of the Issue will be kept in separate bank accounts until the documents for creation of security are executed and we will have access to such funds as per applicable provisions of law(s), regulations and approvals.

Utilisation of Issue Proceeds

1. All monies received pursuant to the issue of NCDs to public shall be transferred to a separate bank account as referred to in sub-section (3) of section 40 of the Companies Act, 2013.
2. Details of all monies utilised out of Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised;
3. Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.
4. We shall utilize the Issue proceeds only upon execution of the documents for creation of security as stated in this Draft Shelf Prospectus, the relevant Tranche Prospectus, on receipt of the minimum subscription and receipt of listing approval from the Stock Exchanges.
5. The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property.

Events of Default

Subject to the terms of the Debenture Trust Deed, the Debenture Trustee at its discretion may, or if so requested in writing by the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution, passed at a meeting of the NCD Holders, (subject to being indemnified and/or secured by the NCD Holders to its satisfaction), give notice to our Company specifying that the NCDs and/or any particular Options of NCDs, in whole but not in part are and have become due and repayable on such date as may be specified in such notice *inter alia* if any of the events listed below occurs. The description below is indicative and a complete list of events of default including cross defaults, if any, and its consequences will be specified in the respective Debenture Trust Deed:

- (i) default is committed in payment of the principal amount of the NCDs on the due date(s); and
- (ii) default is committed in payment of any interest on the NCDs on the due date(s)

Filing of the Shelf Prospectus and Tranche Prospectus with the RoC

A copy of the Shelf Prospectus and copies of relevant Tranche Prospectus will be filed with the RoC, in accordance with Section 26 and Section 31 of Companies Act, 2013.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company will issue a statutory advertisement on or before the Tranche Issue Opening Date. This advertisement will contain the information as prescribed in Schedule IV of SEBI Debt Regulations in compliance with the Regulation 8(1) of SEBI Debt Regulations. Material updates, if any, between the date of filing of the Shelf Prospectus and the relevant Tranche Prospectus with RoC and the date of release of this statutory advertisement will be included in the statutory advertisement.

Listing

The NCDs offered through this Draft Shelf Prospectus are proposed to be listed on the Stock Exchanges. Our Company has obtained an 'in-principle' approval for the Issue from the NSE *vide* their letter dated [●] and BSE *vide* their letter dated [●]. For the purposes of the Issue, **BSE** shall be the Designated Stock Exchange.



Our Company will use best efforts to ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges are taken within 12 Working Days of the Issue Closing Date. For the avoidance of doubt, it is hereby clarified that in the event of non-subscription to any one or more of the series, such series(s) of NCDs shall not be listed.

ISSUE PROCEDURE

This chapter applies to all Applicants. ASBA Applicants should note that the ASBA process involves application procedures which may be different from the procedures applicable to Applicants who apply for NCDs through any of the other channels, and accordingly should carefully read the provisions applicable to ASBA Applications hereunder. Please note that all Applicants are required to make payment of the full Application Amount along with the Application Form. In case of ASBA Applicants, an amount equivalent to the full Application Amount will be blocked by the Designated Branches of the SCSBs.

ASBA Applicants should note that they may submit their ASBA Applications to the Members of Consortium, or Trading Members of the Stock Exchanges only in the Specified Cities or directly to the Designated Branches of the SCSBs. Applicants other than ASBA Applicants are required to submit their Applications to the Lead Manager, or Trading Members of the Stock Exchanges at the centres mentioned in the Application Form. For further information, please refer to “- Submission of Completed Application Forms” on page 442.

Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in this Draft Shelf Prospectus.

Please note that this section has been prepared based on the circular no. CIR/IMD/DF-1/20/2012 dated July 27, 2012 issued by SEBI (“Debt Application Circular”). The procedure mentioned in this section is subject to the Stock Exchanges putting in place the necessary systems and infrastructure for implementation of the provisions of the abovementioned circular, including the systems and infrastructure required in relation to Applications made through the Direct Online Application Mechanism and the online payment gateways to be offered by Stock Exchanges and accordingly is subject to any further clarifications, notification, modification, direction, instructions and/or correspondence that may be issued by the Stock Exchanges and/or SEBI. Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchange and the Stock Exchange has confirmed that the necessary infrastructure and facilities for the same have not been implemented by the Stock Exchange. Hence, the Direct Online Application facility will not be available for this Issue.

Specific attention is drawn to the circular (No. CIR/IMD/DF/18/2013) dated October 29, 2013 issued by SEBI, which amends the provisions of the 2012 SEBI Circular to the extent that it provides for allotment in public issues of debt securities to be made on the basis of date of upload of each application into the electronic book of the Stock Exchanges, as opposed to the date and time of upload of each such application.

PLEASE NOTE THAT ALL TRADING MEMBERS OF THE STOCK EXCHANGES WHO WISH TO COLLECT AND UPLOAD APPLICATIONS IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGES WILL NEED TO APPROACH THE RESPECTIVE STOCK EXCHANGES AND FOLLOW THE REQUISITE PROCEDURES AS MAY BE PRESCRIBED BY THE RELEVANT STOCK EXCHANGE. THE FOLLOWING SECTION MAY CONSEQUENTLY UNDERGO CHANGE BETWEEN THE DATES OF THIS DRAFT SHELF PROSPECTUS, THE SHELF PROSPECTUS, THE ISSUE OPENING DATE AND THE ISSUE CLOSING DATE.

THE LEAD MANAGERS, THE CONSORTIUM MEMBERS AND THE COMPANY SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMISSIONS ON THE PART OF THE TRADING MEMBERS IN CONNECTION WITH THE RESPONSIBILITIES OF SUCH TRADING MEMBERS INCLUDING BUT NOT LIMITED TO COLLECTION AND UPLOAD OF APPLICATIONS IN THIS ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGE. FURTHER, THE RELEVANT STOCK EXCHANGES SHALL BE RESPONSIBLE FOR ADDRESSING INVESTOR GRIEVANCES ARISING FROM APPLICATIONS THROUGH TRADING MEMBERS REGISTERED WITH SUCH STOCK EXCHANGE.

For purposes of the Issue, the term “Working Day” shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post issue period, i.e. period beginning from Issue Closure to listing of the securities, Working Days shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai or a public holiday in India.

The information below is given for the benefit of the investors. Our Company and the Members of Consortium are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Shelf Prospectus.

PROCEDURE FOR APPLICATION

Availability of the Abridged Prospectus and Application Forms

Please note that there is a single Application Form for ASBA Applicants as well as Non-ASBA Applicants who are Persons Resident in India.

Physical copies of the abridged Shelf Prospectus containing the salient features of the Shelf Prospectus, the respective Tranche Prospectus together with Application Forms may be obtained from:

1. Our Company's Registered Office and Corporate Office;
2. Offices of the Lead Managers/ Consortium Members;
3. Trading Members; and
4. Designated Branches of the SCSBs.

Electronic Application Forms may be available for download on the websites of the Stock Exchanges and on the websites of the SCSBs that permit submission of ASBA Applications electronically. A unique application number ("UAN") will be generated for every Application Form downloaded from the websites of the Stock Exchange. Our Company may also provide Application Forms for being downloaded and filled at such websites as it may deem fit. In addition, brokers having online demat account portals may also provide a facility of submitting the Application Forms virtually online to their account holders.

Trading Members of the Stock Exchanges can download Application Forms from the websites of the Stock Exchange. Further, Application Forms will be provided to Trading Members of the Stock Exchanges at their request.

On a request being made by any Applicant before the Issue Closing Date, physical copies of this Draft Shelf Prospectus, the Shelf Prospectus, the respective Tranche Prospectus and Application Form can be obtained from our Company's Registered and Corporate Office, as well as offices of the Members of Consortium. Electronic copies of this Draft Shelf Prospectus, the Shelf Prospectus and relevant Tranche Prospectus will be available on the websites of the Lead Managers, the Stock Exchange, SEBI and the SCSBs.

Who can apply?

The following categories of persons are eligible to apply in the Issue:

| Category I Institutional Investors | Category II Non Institutional Investors | Category III High Net-worth Individual, ("HNIs"), Investors | Category IV Retail Individual Investors |
|---|---|---|--|
| <ul style="list-style-type: none"> • Public financial institutions, scheduled commercial banks, Indian multilateral and bilateral development financial institution which are authorized to invest in the NCDs; • Provident funds, pension funds with a minimum corpus of ₹2,500 lakh, superannuation funds and gratuity funds, which are authorized to invest in the NCDs; | <ul style="list-style-type: none"> • Companies within the meaning of section 2(20) of the Companies Act, 2013; statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs; • Co-operative banks and regional rural banks | <ul style="list-style-type: none"> • Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10 lakh across all series of NCDs in Issue | <ul style="list-style-type: none"> • Resident Indian individuals and Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹ 10 lakh across all series of NCDs in Issue |

| Category I Institutional Investors | Category II Non Institutional Investors | Category III High Net-worth Individual, (“HNIs”), Investors | Category IV Retail Individual Investors |
|--|---|--|--|
| <ul style="list-style-type: none"> • Mutual Funds registered with SEBI • Venture Capital Funds/ Alternative Investment Fund registered with SEBI; • Insurance Companies registered with IRDA; • State industrial development corporations; • Insurance funds set up and managed by the army, navy, or air force of the Union of India; • Insurance funds set up and managed by the Department of Posts, the Union of India; • Systemically Important Non-Banking Financial Company, a nonbanking financial company registered with the Reserve Bank of India and having a net-worth of more than ₹50,000 lakh as per the last audited financial statements; • National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; | <ul style="list-style-type: none"> • Public/private charitable/ religious trusts which are authorised to invest in the NCDs; • Scientific and/or industrial research organisations, which are authorised to invest in the NCDs; • Partnership firms in the name of the partners; • Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); • Association of Persons; and • Any other incorporated and/ or unincorporated body of persons. | | |

Please note that it is clarified that Persons Resident outside India shall not be entitled to participate in the Issue and any applications from such persons are liable to be rejected.

Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/ consents/ approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to the Issue.

The Members of Consortium and their respective associates and affiliates are permitted to subscribe in the Issue.

Who are not eligible to apply for NCDs?

The following categories of persons, and entities, shall not be eligible to participate in the Issue and any Applications from such persons and entities are liable to be rejected:

1. Minors without a guardian name*(A guardian may apply on behalf of a minor. However, Applications by

- minors must be made through Application Forms that contain the names of both the minor Applicant and the guardian);
2. Foreign nationals, NRI *inter-alia* including any NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA;
 3. Persons resident outside India and other foreign entities;
 4. Foreign Institutional Investors;
 5. Foreign Portfolio Investors;
 6. Foreign Venture Capital Investors
 7. Qualified Foreign Investors;
 8. Overseas Corporate Bodies; and
 9. Persons ineligible to contract under applicable statutory/regulatory requirements.

**Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872*

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship). In case of such Applications, the Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange.

The concept of Overseas Corporate Bodies (meaning any company, partnership firm, society and other corporate body or overseas trust irrevocably owned/held directly or indirectly to the extent of at least 60% by NRIs), which was in existence until 2003, was withdrawn by the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Accordingly, OCBs are not permitted to invest in the Issue.

Please refer to “*Rejection of Applications*” on page 445 for information on rejection of Applications.

Modes of Making Applications

Applicants may use any of the following facilities for making Applications:

1. ASBA Applications through the Members of Consortium, or the Trading Members of the Stock Exchanges only in the Specified Cities (namely, Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat) (“*Syndicate ASBA*”). For further details, please refer to “*Submission of ASBA Applications*” on page 432;
2. ASBA Applications through the Designated Branches of the SCSBs. For further details, please refer to “*Submission of ASBA Applications*” on page 432;
3. Non-ASBA Applications through the Members of Consortium or the Trading Members of the Stock Exchanges at the centres mentioned in Application Form. For further details, please refer to “*Submission of Non-ASBA Applications*” on page 433; and
4. Non-ASBA Applications for Allotment in physical form through the Members of Consortium, Consortium Members, sub-brokers or the Trading Members of the Stock Exchanges at the centres mentioned in Application Form. For further details, please refer to “- *Submission of Non-ASBA Applications for Allotment of the NCDs in Physical Form*” on page 431.

APPLICATIONS FOR ALLOTMENT OF NCDs

Details for Applications by certain categories of Applicants including documents to be submitted are summarized below.

Applications by Mutual Funds

Pursuant to the SEBI circular SEBI/HO/IMD/DF2/CIR/P/2016/35 dated February 15, 2016 (“**SEBI Circular 2016**”), mutual funds are required to ensure that the total exposure of debt schemes of mutual funds in a particular sector shall not exceed 25.0% of the net assets value of the scheme. Further, the additional exposure limit provided for financial services sector towards HFCs is reduced from 10.0% of net assets value to 5.0% of net assets value

and single issuer limit is reduced to 10.0% of net assets value (extendable to 12% of net assets value, after trustee approval). The SEBI Circular 2016 also introduces group level limits for debt schemes and the ceiling be fixed at 20.0% of net assets value extendable to 25.0% of net assets value after trustee approval.

A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. Applications made by the AMCs or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which Application is being made. In case of Applications made by Mutual Fund registered with SEBI, a certified copy of their SEBI registration certificate must be submitted with the Application Form. The Applications must be also accompanied by certified true copies of (i) SEBI Registration Certificate and trust deed (ii) resolution authorising investment and containing operating instructions and (iii) specimen signatures of authorized signatories. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Application by Commercial Banks, Co-operative Banks and Regional Rural Banks

Commercial Banks, Co-operative banks and Regional Rural Banks can apply in the Issue based on their own investment limits and approvals. The Application Form must be accompanied by certified true copies of their (i) memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) resolution authorising investments/containing operating instructions; and (iv) specimen signatures of authorised signatories. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Pursuant to SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Application by Insurance Companies

In case of Applications made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with Application Form. The Applications must be accompanied by certified copies of (i) Memorandum and Articles of Association (ii) Power of Attorney (iii) Resolution authorising investment and containing operating instructions (iv) Specimen signatures of authorized signatories. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Application by Indian Alternative Investment Funds

Applications made by Alternative Investment Funds eligible to invest in accordance with the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, as amended (the “**SEBI AIF Regulations**”) for Allotment of the NCDs must be accompanied by certified true copies of (i) SEBI registration certificate; (ii) a resolution authorising investment and containing operating instructions; and (iii) specimen signatures of authorised persons. The Alternative Investment Funds shall at all times comply with the requirements applicable to it under the SEBI AIF Regulations and the relevant notifications issued by SEBI. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Applications by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment

In case of Applications made by Applications by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment, must submit a (i) certified copy of the certificate of registration or proof of constitution, as applicable, (ii) Power of Attorney, if any, in favour of one or more persons thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications

made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Trusts

In case of Applications made by trusts, settled under the Indian Trusts Act, 1882, as amended, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must submit a (i) certified copy of the registered instrument for creation of such trust, (ii) Power of Attorney, if any, in favour of one or more trustees thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or **regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Public Financial Institutions or Statutory Corporations, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of: (i) Any Act/ Rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Provident Funds, Pension Funds, Superannuation Funds and Gratuity Fund, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of: (i) Any Act/Rules under which they are incorporated; (ii) Power of Attorney, if any, in favour of one or more trustees thereof, (iii) Board Resolution authorising investments; (iv) such other documents evidencing registration thereof under applicable statutory/regulatory requirements; (v) Specimen signature of authorized person; (vi) certified copy of the registered instrument for creation of such fund/trust; and (vii) Tax Exemption certificate issued by Income Tax Authorities, if exempt from Tax. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Applications by National Investment Fund

The application must be accompanied by certified true copies of: (i) resolution authorising investment and containing operating instructions; and (ii) Specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

Companies, bodies corporate and societies registered under the applicable laws in India

The Application must be accompanied by certified true copies of: (i) Any Act/ Rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Indian Scientific and/or industrial research organizations, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of: (i) Any Act/ Rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications by Partnership firms formed under applicable Indian laws in the name of the partners and Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009)

The Application must be accompanied by certified true copies of: (i) Partnership Deed; (ii) Any documents evidencing registration thereof under applicable statutory/regulatory requirements; (iii) Resolution authorizing investment and containing operating instructions; (iv) Specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

Applications under Power of Attorney

In case of Applications made pursuant to a power of attorney by Applicants who are Institutional Investors or Non Institutional Investors, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, with a certified copy of the memorandum of association and articles of association and/or bye laws must be submitted with the Application Form. In case of Applications made pursuant to a power of attorney by Applicants who are HNI Investors or Retail Individual Investors, a certified copy of the power of attorney must be submitted with the Application Form. **Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor. Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney with the Application Forms subject to such terms and conditions that our Company, the Lead Managers may deem fit.**

Brokers having online demat account portals may also provide a facility of submitting the Application Forms (ASBA as well as non-ASBA Applications) online to their account holders. Under this facility, a broker receives an online instruction through its portal from the Applicant for making an Application on his/ her behalf. Based on such instruction, and a power of attorney granted by the Applicant to authorise the broker, the broker makes an Application on behalf of the Applicant.

APPLICATIONS FOR ALLOTMENT OF NCDs IN THE PHYSICAL AND DEMATERIALIZED FORM

Application for allotment in the physical form

Submission of Non- ASBA Applications for Allotment of the NCDs in physical form

Applicants can also apply for Allotment of the NCDs in physical form by submitting duly filled in Application Forms to the Members of Consortium, Consortium Members, sub-brokers or the Trading Members of the Stock Exchange, with the accompanying account payee cheques or demand drafts representing the full Application Amount and KYC documents as specified under “*Applications for Allotment of NCDs*” and “*Additional instructions for Applicants seeking Allotment of NCDs in physical form*” on page 431 and page 232, respectively. The Lead Managers, Consortium Members, sub-brokers and the Trading Members of the Stock Exchanges shall, on submission of the Application Forms to them, verify and check the KYC documents submitted by such Applicants and upload details of the Application on the online platforms of Stock Exchange, following which they shall acknowledge the uploading of the Application Form by stamping the acknowledgment slip with the date and time and returning it to the Applicant.

On uploading of the Application details, the Lead Managers, Consortium Members, sub-brokers and Trading Members of the Stock Exchanges will submit the Application Forms, with the cheque/demand draft to the Escrow Collection Bank(s) along with the KYC documents, which will realise the cheque/demand draft, and send the Application Form and the KYC documents to the Registrar to the Issue, who shall check the KYC documents submitted and match Application details as received from the online platforms of Stock Exchanges with the Application Amount details received from the Escrow Collection Bank(s) for reconciliation of funds received from the Escrow Collection Bank(s). In case of discrepancies between the two databases, the details received from the online platforms of Stock Exchanges will prevail, except in relation to discrepancies between Application Amounts. Lead Managers, Consortium Members and the Trading Members of the Stock Exchanges are requested to note that all Applicants are required to be banked with only the designated branches of Escrow Collection Bank(s). On Allotment, the Registrar to the Issue will dispatch NCD certificates/Allotment Advice to the successful Applicants to their addresses as provided in the Application Form. **If the KYC documents of an Applicant are not in order, the Registrar to the Issue will withhold the dispatch of NCD certificates pending receipt of complete KYC documents from such Applicant. In**

such circumstances, successful Applicants should provide complete KYC documents to the Registrar to the Issue at the earliest. In such an event, any delay by the Applicant to provide complete KYC documents to the Registrar to the Issue will be at the Applicant's sole risk and neither our Company, the Registrar to the Issue, the Escrow Collection Bank(s), nor the Lead Managers and/or the Consortium Members will be liable to compensate the Applicants for any losses caused to them due to any such delay, or liable to pay any interest on the Application Amounts for such period during which the NCD certificates are withheld by the Registrar to the Issue. Further, our Company will not be liable for any delays in payment of interest on the NCDs Allotted to such Applicants and will not be liable to compensate such Applicants for any losses caused to them due to any such delay, or liable to pay any interest for such delay in payment of interest on the NCDs.

For instructions pertaining to completing Application Form please refer to “- *General Instructions*” and “*Additional Instructions for Applicants seeking allotment of NCDs in physical form*” on pages 227 and 232, respectively.

Applications for allotment in the dematerialized form

Submission of ASBA Applications

Applicants can also apply for NCDs using the ASBA facility. ASBA Applications can be submitted through either of the following modes:

1. Physically or electronically to the Designated Branches of the SCSB(s) with whom an Applicant's ASBA Account is maintained. In case of ASBA Application in physical mode, the ASBA Applicant shall submit the Application Form at the relevant Designated Branch of the SCSB(s). The Designated Branch shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account and shall also verify that the signature on the Application Form matches with the Investor's bank records, as mentioned in the ASBA Application, prior to uploading such ASBA Application into the electronic system of the Stock Exchange. **If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such ASBA Application and shall not upload such ASBA Application in the electronic system of the Stock Exchange.** If sufficient funds are available in the ASBA Account, the Designated Branch shall block an amount equivalent to the Application Amount and upload details of the ASBA Application in the electronic system of the Stock Exchange. The Designated Branch of the SCSBs shall stamp the Application Form and issue an acknowledgement as proof of having accepted the Application. In case of Application in the electronic mode, the ASBA Applicant shall submit the ASBA Application either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for application and blocking funds in the ASBA Account held with SCSB, and accordingly registering such ASBA Applications.
2. Physically through the Members of Consortium, or Trading Members of the Stock Exchanges only at the Specified Cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Vadodara and Surat), i.e. Syndicate ASBA. Kindly note that ASBA Applications submitted to the Members of Consortium or Trading Members of the Stock Exchanges at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Application, is maintained has not named at least one branch at that Specified City for the Members of Consortium or Trading Members of the Stock Exchange, as the case may be, to deposit ASBA Applications (A list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>).

Upon receipt of the Application Form by the Members of Consortium or Trading Members of the Stock Exchange, as the case may be, an acknowledgement shall be issued by giving the counter foil of the Application Form to the ASBA Applicant as proof of having accepted the Application. Thereafter, the details of the Application shall be uploaded in the electronic system of the Stock Exchanges and the Application Form shall be forwarded to the relevant branch of the SCSB, in the relevant Specified City, named by such SCSB to accept such ASBA Applications from the Members of Consortium or Trading Members of the Stock Exchange, as the case may be (A list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>). Upon receipt of the ASBA Application, the relevant branch of the SCSB shall perform verification procedures including verification of the Applicant's signature with his bank records and check if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the ASBA Form. **If sufficient funds are not available in the ASBA Account, the relevant ASBA Application is liable to be rejected.** If sufficient funds are available in the

ASBA Account, the relevant branch of the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application. The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be.

ASBA Applicants must note that:

1. Physical Application Forms will be available with the Designated Branches of the SCSBs and with the Members of Consortium and Trading Members of the Stock Exchanges at the Specified Cities; and electronic Application Forms will be available on the websites of the SCSBs and the Stock Exchanges at least one day prior to the Issue Opening Date. Application Forms will also be provided to the Trading Members of the Stock Exchanges at their request. The Application Forms would be serially numbered. Further, the SCSBs will ensure that the Tranche Prospectus is made available on their websites.
2. The Designated Branches of the SCSBs shall accept ASBA Applications directly from ASBA Applicants only during the Issue Period. The SCSB shall not accept any ASBA Applications directly from ASBA Applicants after the closing time of acceptance of Applications on the Issue Closing Date. However, in case of Syndicate ASBA, the relevant branches of the SCSBs at Specified Cities can accept ASBA Applications from the Members of Consortium or Trading Members of the Stock Exchange, as the case may be, after the closing time of acceptance of Applications on the Issue Closing Date. For further information on the Issue programme, please refer to “*General Information – Issue Programme*” on page 38.
3. In case of Applications through Syndicate ASBA, the physical Application Form shall bear the stamp of the Members of Consortium or Trading Members of the Stock Exchange, as the case maybe, if not, the same shall be rejected. **Application Forms directly submitted to SCSBs should bear the stamp of SCSBs, if not, the same are liable to be rejected.**

Please note that ASBA Applicants can make an Application for Allotment of NCDs in the dematerialized form only.

Submission of Non-ASBA Applications

Applicants must use the specified Application Form, which will be serially numbered, bearing the stamp of the relevant Lead Manager or Trading Member of the Stock Exchange, as the case maybe, from whom such Application Form is obtained. Such Application Form must be submitted to the relevant Lead Manager, Consortium Members or Trading Member of the Stock Exchange, as the case maybe, at the centers mentioned in the Application Form along with the cheque or bank draft for the Application Amount, before the closure of the Issue Period. **Applicants must use only CTS compliant instruments and refrain from using NON-CTS 2010 instruments for the payment of the Application Amount.** The Stock Exchanges may also provide Application Forms for being downloaded and filled. Accordingly, the investors may download Application Forms and submit the completed Application Forms together with cheques/ demand drafts to the Lead Manager, Consortium Members or Trading Member of the Stock Exchanges at the centers mentioned in the Application Form. On submission of the complete Application Form, the relevant Lead Manager, Consortium Members or Trading Member of the Stock Exchange, as the case maybe, will upload the Application Form on the electronic system provided by the Stock Exchange, and once an Application Form has been uploaded, issue an acknowledgement of such upload by stamping the acknowledgement slip attached to the Application Form with the relevant date and time and return the same to the Applicant. Thereafter, the Application Form together with the cheque or bank draft shall be forwarded to the Escrow Collection Banks for realization and further processing.

The duly stamped acknowledgment slip will serve as a duplicate Application Form for the records of the Applicant. The Applicant must preserve the acknowledgment slip and provide the same in connection with:

1. any cancellation/ withdrawal of their Application;
2. queries in connection with allotment and/ or refund(s) of NCDs; and/or
3. all investor grievances/ complaints in connection with the Issue.

INSTRUCTIONS FOR FILLING-UP THE APPLICATION FORM

General Instructions

A. General instructions for completing the Application Form

- Applications must be made in prescribed Application Form only;
- Application Forms must be completed in block letters in English, as per the instructions contained in this Draft Shelf Prospectus, the Shelf Prospectus, the abridged Tranche Prospectus and the Application Form.
- If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names.
- Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details (in case of Applicants applying for Allotment of the Bonds in dematerialized form) and Applications should be made by Karta in case the Applicant is an HUF. Please ensure that such Applications contain the PAN of the HUF and not of the Karta.
- Applicants applying for Allotment in dematerialised form must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of Stock Exchanges by SCSBs, the Members of the Syndicate at the Syndicate ASBA Application Locations and the Trading Members, as the case may be, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs.
- Applications must be for a minimum of 10 NCDs and in multiples of one NCD thereafter. For the purpose of fulfilling the requirement of minimum application size of 10 NCDs, an Applicant may choose to apply for 10 NCDs of the same series or across different series. Applicants may apply for one or more series of NCDs Applied for in a single Application Form.
- If the ASBA Account holder is different from the ASBA Applicant, the Application Form should be signed by the ASBA Account holder also, in accordance with the instructions provided in the Application Form.
- If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.
- Applications should be made by Karta in case of HUFs. Applicants are required to ensure that the PAN details of the HUF are mentioned and not those of the Karta;
- Thumb impressions and signatures other than in English/Hindi/Gujarati/Marathi or any other languages specified in the 8th Schedule of the Constitution needs to be attested by a Magistrate or Notary Public or a Special Executive Magistrate under his/her seal;
- No separate receipts will be issued for the money payable on the submission of the Application Form. However, the Members of Consortium, Trading Members of the Stock Exchanges or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant. Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the relevant Lead Manager, Trading Member of the Stock Exchanges or the Designated Branch of the SCSBs, as the case may be.
- Every Applicant should hold valid Permanent Account Number (PAN) and mention the same in the Application Form.
- All Applicants are required to tick the relevant column of "Category of Investor" in the Application Form.
- All Applicants are required to tick the relevant box of the "Mode of Application" in the Application Form choosing either ASBA or Non-ASBA mechanism.
- ASBA Applicants should correctly mention the ASBA Account number and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form to the Designated Branch and also ensure that the signature in the Application Form matches with the signature in Applicant's bank records, otherwise the Application is liable to be rejected
- KYC Documents to be submitted by Applicants who do not have a Demat account and are applying for NCDs in the Physical Form

The series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Members of Consortium, Trading Member of the Stock Exchanges in the data entries as such data entries will be considered

for allotment.

Applicants should note that neither the Members of Consortium, Trading Member of the Stock Exchange, Escrow Collection Banks nor Designated Branches, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms.

Our Company would allot the series of NCDs, as specified in the relevant Tranche Prospectus to all valid Applications, wherein the Applicants have not indicated their choice of the relevant series of NCDs.

B. Applicant's Beneficiary Account and Bank Account Details

Applicants applying for Allotment in dematerialized form must mention their DP ID and Client ID in the Application Form, and ensure that the name provided in the Application Form is exactly the same as the name in which the Beneficiary Account is held. In case the Application Form for Allotment in dematerialized form is submitted in the first Applicant's name, it should be ensured that the Beneficiary Account is held in the same joint names and in the same sequence in which they appear in the Application Form. In case the DP ID, Client ID and PAN mentioned in the Application Form for Allotment in dematerialized form and entered into the electronic system of the Stock Exchanges do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form for Allotment in dematerialized form is liable to be rejected. Further, Application Forms submitted by Applicants applying for Allotment in dematerialized form, whose beneficiary accounts are inactive, will be rejected.

On the basis of the DP ID and Client ID provided by the Applicant in the Application Form for Allotment in dematerialized form and entered into the electronic system of the Stock Exchange, the Registrar to the Issue will obtain from the Depositories the Demographic Details of the Applicant including PAN, address, bank account details for printing on refund orders/sending refunds through electronic mode, Magnetic Ink Character Recognition ("MICR") Code and occupation. These Demographic Details would be used for giving Allotment Advice and refunds (including through physical refund warrants, direct credit, NACH, NEFT and RTGS), if any, to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details as appearing on the records of the DP and ensure that they are true and correct, and carefully fill in their Beneficiary Account details in the Application Form. Failure to do so could result in delays in dispatch/credit of refunds to Applicants and delivery of Allotment Advice at the Applicants' sole risk, and neither our Company, the Members of Consortium, Trading Members of the Stock Exchange, Escrow Collection Bank(s), SCSBs, Registrar to the Issue nor the Stock Exchanges will bear any responsibility or liability for the same.

The Demographic Details would be used for correspondence with the Applicants including mailing of the Allotment Advice and printing of bank particulars on the refund orders, or for refunds through electronic transfer of funds, as applicable. Allotment Advice and physical refund orders (as applicable) would be mailed at the address of the Applicant as per the Demographic Details received from the Depositories. Applicants may note that delivery of refund orders/ Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Applicant (other than ASBA Applicants) in the Application Form would be used only to ensure dispatch of refund orders.

Please note that any such delay shall be at such Applicants sole risk and neither our Company, the Members of Consortium, Trading Members of the Stock Exchange, Escrow Collection Banks, SCSBs, Registrar to the Issue nor the Stock Exchanges shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in this Draft Shelf Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case of Applications made under power of attorney, our Company in its absolute discretion, reserves the right to permit the holder of Power of Attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of refund orders/ Allotment Advice, the demographic details obtained from the Depository of the Applicant shall be used. By signing the Application Form, the Applicant would have deemed to have authorized the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records. The Demographic Details given by Applicant in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to the Issue.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to the Issue will be made into the accounts

of such Applicants. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such Application are liable to be rejected.

C. Permanent Account Number (PAN)

The Applicant should mention his or her Permanent Account Number (PAN) allotted under the IT Act. For minor Applicants, applying through the guardian, it is mandatory to mention the PAN of the minor Applicant. However, Applications on behalf of the Central or State Government officials and the officials appointed by the courts in terms of a SEBI circular dated June 30, 2008 and Applicants residing in the state of Sikkim who in terms of a SEBI circular dated July 20, 2006 may be exempt from specifying their PAN for transacting in the securities market. In accordance with Circular No. MRD/DOP/Cir-05/2007 dated April 27, 2007 issued by SEBI, the PAN would be the sole identification number for the participants transacting in the securities market, irrespective of the amount of transaction. **Any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction. It is to be specifically noted that the Applicants should not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.**

However, the exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Applications, the Registrar to the Issue will check under the Depository records for the appropriate description under the PAN Field i.e. either Sikkim category or exempt category.

D. Joint Applications

Applications may be made in single or joint names (not exceeding three). In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.

E. Additional/ Multiple Applications

An Applicant is allowed to make one or more Applications for the NCDs for the same or other series of NCDs, subject to a minimum application size of ₹ [●] and in multiples of ₹ [●] thereafter as specified in the relevant Tranche Prospectus. **Any Application for an amount below the aforesaid minimum application size will be deemed as an invalid application and shall be rejected.** However, multiple Applications by the same individual Applicant aggregating to a value exceeding ₹ [●] lakh shall be deemed such individual Applicant to be a HNI Applicant and all such Applications shall be grouped in the HNI Portion, for the purpose of determining the basis of allotment to such Applicant. However, any Application made by any person in his individual capacity and an Application made by such person in his capacity as a Karta of a Hindu Undivided family and/or as Applicant (second or third Applicant), shall not be deemed to be a multiple Application. For the purposes of allotment of NCDs under the Issue, Applications shall be grouped based on the PAN, i.e. Applications under the same PAN shall be grouped together and treated as one Application. Two or more Applications will be deemed to be multiple Applications if the sole or first Applicant is one and the same. For the sake of clarity, two or more applications shall be deemed to be a multiple Application for the aforesaid purpose if the PAN number of the sole or the first Applicant is one and the same.

Do's and Don'ts

Applicants are advised to take note of the following while filling and submitting the Application Form:

Do's

1. Check if you are eligible to apply as per the terms of this Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus and applicable law;
2. Read all the instructions carefully and complete the Application Form in the prescribed form;
3. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory

- authorities to apply for, subscribe to and/or seek Allotment of NCDs pursuant to the Issue.
4. Ensure that the DP ID and Client ID are correct and beneficiary account is activated for Allotment of NCDs in dematerialized form. The requirement for providing Depository Participant details shall be mandatory for all Applicants.
 5. Ensure that the Application Forms are submitted at the collection centres provided in the Application Forms, bearing the stamp of a member of the Consortium or Trading Members of the Stock Exchange, as the case may be, for Applications other than ASBA Applications.
 6. Ensure that you have been given an acknowledgement as proof of having accepted the Application Form;
 7. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic application platform of the Stock Exchanges as per the procedures and requirements prescribed by each relevant Stock Exchange, ensure that you have first withdrawn your original Application and submit a fresh Application. For instance, as per the notice No: 20120831-22 dated August 31, 2012 issued by the NSE, fields namely, quantity, series, application no., sub-category codes will not be allowed for modification during the Issue. In such a case the date of the fresh Application will be considered for date priority for allotment purposes.
 8. Ensure that signatures other than in the languages specified in the Eighth Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
 9. Ensure that the DP ID, the Client ID and the PAN mentioned in the Application Form, which shall be entered into the electronic system of the Stock Exchange, match with the DP ID, Client ID and PAN available in the Depository database;
 10. In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta. However, the PAN number of the HUF should be mentioned in the Application Form and not that of the Karta;
 11. Ensure that the Applications are submitted to the Members of Consortium, Trading Members of the Stock Exchanges or Designated Branches of the SCSBs, as the case may be, before the closure of application hours on the Issue Closing Date. For further information on the Issue programme, please refer to "**General Information – Issue Programme**" on page 38.
 12. Ensure that the Demographic Details including PAN are updated, true and correct in all respects;
 13. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek allotment of NCDs pursuant to the Issue;
 14. **Permanent Account Number:** Except for Application (i) on behalf of the Central or State Government and officials appointed by the courts, and (ii) (subject to SEBI circular dated April 3, 2008) from the residents of the state of Sikkim, each of the Applicants should provide their PAN. Application Forms in which the PAN is not provided will be rejected. The exemption for the Central or State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same;
 15. Ensure that if the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form;
 16. Applicants (other than ASBA Applicants) are requested to write their names and Application serial number on the reverse of the instruments by which the payments are made;
 17. All Applicants are requested to tick the relevant column "Category of Investor" in the Application Form;
 18. Tick the series of NCDs in the Application Form that you wish to apply for; and
 19. Submit KYC documents in case you are applying for physical allotment.

The Reserve Bank of India has issued standard operating procedure in terms of paragraph 2(a) of RBI circular number DPSS.CO.CHD.No./133/04.07.05/2013-14 dated July 16, 2013, detailing the procedure for processing CTS 2010 and non-CTS 2010 instruments in the three CTS grid locations.

SEBI Circular No. CIR/CFD/DIL/1/2011 dated April 29, 2011 stipulating the time between closure of the Issue and listing at 12 Working Days. In order to enable compliance with the above timelines, investors are advised to use CTS cheques or use ASBA facility to make payment. Investors using non-CTS cheques are cautioned that applications accompanied by such cheques are liable to be rejected due to any clearing delays beyond 6 Working Days from the date of the closure of the Issue to avoid any delay in the timelines mentioned in the aforesaid SEBI Circular.

Don'ts:

1. Do not apply for lower than the minimum application size;
2. Do not pay the Application Amount in cash, by money order or by postal order or by stock invest;
3. Do not send Application Forms by post; instead submit the same to the Members of Consortium, sub-brokers, Trading Members of the Stock Exchanges or Designated Branches of the SCSBs, as the case may be;
4. Do not fill up the Application Form such that the NCDs applied for exceeds the Issue size and/or investment limit or maximum number of NCDs that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
5. Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground;
6. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
7. Do not submit the Application Forms without the full Application Amount;
8. Do not submit Applications on plain paper or on incomplete or illegible Application Forms;
9. Do not apply if you are not competent to contract under the Indian Contract Act, 1872;
10. Do not submit an Application in case you are not eligible to acquire NCDs under applicable law or your relevant constitutional documents or otherwise;
11. Do not submit an Application that does not comply with the securities law of your respective jurisdiction;
12. Do not apply if you are a person ineligible to apply for NCDs under the Issue including Applications by Persons Resident Outside India, NRI (inter-alia including NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA);
13. Applicants other than ASBA Applicants should not submit the Application Form directly to the Escrow Collection Banks/ Bankers to the Issue, and the same will be rejected in such cases; and
14. Do not make an application of the NCD on multiple copies taken of a single form.

Additional Instructions Specific to ASBA Applicants**Do's:**

1. Before submitting the physical Application Form with the Member of the Syndicate at the Syndicate ASBA Application Locations ensure that the SCSB, whose name has been filled in the Application Form, has named a branch in that centre;
2. Ensure that you tick the ASBA option in the Application Form and give the correct details of your ASBA Account including bank account number/ bank name and branch;
3. For ASBA Applicants applying through Syndicate ASBA, ensure that your Application Form is submitted to the Members of the Syndicate at the Syndicate ASBA Application Locations or the Trading Members and not to the Escrow Collection Banks (assuming that such bank is not a SCSB), to the Issuer, the Registrar;
4. For ASBA Applicants applying through the SCSBs, ensure that your Application Form is submitted at a Designated Branch of the SCSB where the ASBA Account is maintained, and not to the Escrow Collection Banks (assuming that such bank is not a SCSB), to the Issuer, the Registrar or the Members of the Syndicate or Trading Members;
5. Ensure that the Application Form is signed by the ASBA Account holder in case the ASBA Applicant is not the account holder;
6. Ensure that you have mentioned the correct ASBA Account number in the Application Form;
7. Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the respective Designated Branch, or to the Members of the Syndicate at the Syndicate ASBA Application Locations, or to the Trading Members, as the case may be;
8. Ensure that you have correctly ticked, provided or checked the authorisation box in the Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for the Designated Branch to block funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form;
9. Ensure that you receive an acknowledgement from the Designated Branch or the concerned member of the Syndicate, or the Trading Member, as the case may be, for the submission of the Application Form; and
10. In terms of SEBI Circular no. CIR/CFD/DIL/1/2013 dated January 2, 2013, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any

other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Don'ts:

1. Payment of Application Amount in any mode other than through blocking of Application Amount in the ASBA Accounts shall not be accepted under the ASBA process;
2. Do not submit the Application Form to the Members of Consortium or Trading Members of the Stock Exchange, as the case may be, at a location other than the Specified Cities.
3. Do not send your physical Application Form by post. Instead submit the same to a Designated Branch or the Members of Consortium or Trading Members of the Stock Exchange, as the case may be, at the Specified Cities; and
4. Do not submit more than five Application Forms per ASBA Account.

Kindly note that ASBA Applications submitted to the Members of Consortium or Trading Members of the Stock Exchanges at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that Specified City for the Members of Consortium or Trading Members of the Stock Exchange, as the case may be, to deposit such Application Forms (A list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>)).

Please refer to “*Rejection of Applications*” on page 445 for information on rejection of Applications.

ADDITIONAL INSTRUCTIONS FOR APPLICANTS SEEKING ALLOTMENT OF NCDs IN PHYSICAL FORM

Only Applicants who do not have a demat account as on date of the Application shall be eligible to apply for Allotment of NCDs in the physical form. Any Applicant who subscribes to the NCDs in physical form shall undertake the following steps:

Complete the Application Form in all respects, by providing all the information including PAN and Demographic Details. However, do not provide DP details in the Application Form. The requirement for providing DP details shall be mandatory only for Applicants who wish to subscribe to the NCDs in dematerialised form.

Provide the following documents with the Application Form:

- (a) Self-attested copy of the PAN card (in case of a minor, the guardian shall also submit the self attested copy of his/her PAN card)
- (b) Proof of identification in case of Applications by or on behalf of the Central or State Government and the officials appointed by the courts and by Applicants residing in the State of Sikkim. Any one of the following documents shall be considered as a verifiable proof of identification:
 - i. valid passport issued by the GoI; or
 - ii. voter's identity card issued by the GoI; or
 - iii. valid driving license issued by any transport authority of the Republic of India; or
 - iv. Government ID card; or
 - v. Defence ID card; or
 - vi. ration card issued by the GoI
 - vii. Aadhar Card, Photo PAN Card
- (c) Self-attested copy of proof of residence:

Any one of the following documents shall be considered as a verifiable proof of residence:

- i. ration card issued by the GoI; or
- ii. valid driving license issued by any transport authority of the Republic of India; or
- iii. electricity bill (not older than three months); or

- iv. landline telephone bill (not older than three months); or
 - v. valid passport issued by the GoI; or
 - vi. voter's identity card issued by the GoI; or
 - vii. passbook or latest bank statement issued by a bank operating in India; or
 - viii. registered leave and license agreement or agreement for sale or rent agreement or flat maintenance bill.
 - ix. AADHAAR letter, issued by Unique Identification Authority of India, GoI.
- (d) Self-attested copy of a cancelled cheque of the bank account to which the amounts pertaining to payment of refunds, interest and redemption, as applicable, should be credited. In the absence of such cancelled cheque, our Company reserves the right to reject the Application or to consider the bank details given on the Application Form at its sole discretion. In such case our Company, the Members of Consortium and the Registrar to the Issue shall not be liable for any delays/errors in payment of refund and/or interest.

The Applicant shall be responsible for providing the above information accurately. Delays or failure in credit of the payments due to inaccurate details shall be at the sole risk of the Applicants and neither the Lead Managers, the Consortium Members nor our Company shall have any responsibility and undertake any liability for the same. Applications for Allotment of the NCDs in physical form, which are not accompanied with the above stated documents, may be rejected at the sole discretion of our Company.

In relation to the issuance of the NCDs in physical form, note the following:

1. An Applicant has the option to seek Allotment of NCDs in either dematerialised or physical mode. **However, an Applicant can seek Allotment of NCDs in physical mode only if the Applicant does not have a beneficiary account. No partial Application for the NCDs shall be permitted; any such partial Application is liable to be rejected.**
2. **Any Applicant who provides Depository Participant details in the Application Form shall be Allotted the NCDs in dematerialised form only, irrespective of whether such Applicant has provided the details required for Allotment in physical form. Such Applicant shall not be Allotted NCDs in physical form.**
3. In case of NCDs issued in physical form, our Company will issue one certificate to the holders of the NCDs for the aggregate amount of the NCDs for each of the series of NCDs that are applied for (each such certificate, a “**Consolidated NCD Certificate**”). A successful Applicant can also request for the issue of NCD certificates in the denomination of 1 (one) NCD at any time post allotment of the NCDs.
4. Our Company shall dispatch the Consolidated NCD Certificate to the (Indian) address of the Applicant provided in the Application Form, within the time and in the manner stipulated under Section 113 of the Companies Act, 2013 read with our Company's Articles of Association.

All terms and conditions disclosed in relation to the NCDs held in physical form pursuant to rematerialisation shall be applicable mutatis mutandis to the NCDs issued in physical form.

The Applicant shall be responsible for providing the above information and KYC documents accurately. Delay or failure in credit of payments or receipt of Allotment Advice or NCD certificates due to inaccurate or incomplete details shall be at the sole risk of the Applicants only and the Lead Managers, the Consortium Members, our Company and the Registrar to the Issue shall have no responsibility and undertake no liability in this relation. In case of Applications for Allotment of NCDs in physical form, which are not accompanied with the aforesaid documents, Allotment of NCDs in physical form may be held in abeyance by the Registrar to the Issue, pending receipt of KYC documents.

TERMS OF PAYMENT

The entire issue price for the NCDs is payable on Application only. In case of Allotment of lesser number of NCDs than the number applied, our Company shall refund the excess amount paid on Application to the Applicant (or the excess amount shall be unblocked in the ASBA Account, as the case may be).

Payment mechanism for ASBA Applicants

The ASBA Applicants shall specify the ASBA Account number in the Application Form.

For ASBA Applications submitted to the Members of Consortium or Trading Members of the Stock Exchanges at the Specified Cities, the ASBA Application will be uploaded onto the electronic system of the Stock Exchanges and deposited with the relevant branch of the SCSB at the Specified City named by such SCSB to accept such

ASBA Applications from the Members of Consortium or Trading Members of the Stock Exchange, as the case may be (A list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>). The relevant branch of the SCSB shall perform verification procedures and block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application.

For ASBA Applications submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application, before entering the ASBA Application into the electronic system of the Stock Exchange. SCSBs may provide the electronic mode of application either through an internet enabled application and banking facility or such other secured, electronically enabled mechanism for application and blocking of funds in the ASBA Account.

ASBA Applicants should ensure that they have funds equal to the Application Amount in the ASBA Account before submitting the ASBA Application to the Members of Consortium or Trading Members of the Stock Exchange, as the case may be, at the Specified Cities or to the Designated Branches of the SCSBs. An ASBA Application where the corresponding ASBA Account does not have sufficient funds equal to the Application Amount at the time of blocking the ASBA Account is liable to be rejected.

The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is approved, and upon receipt of intimation from the Registrar, the controlling branch of the SCSB shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB within 12 (twelve) Working Days of the Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the ASBA Application, as the case may be.

Escrow Mechanism for Applicants other than ASBA Applicants

Our Company shall open an Escrow Account with each of the Escrow Collection Bank(s) in whose favour the Applicants (other than ASBA Applicants) shall draw the cheque or demand draft in respect of his or her Application. Cheques or demand drafts received for the full Application Amount from Applicants would be deposited in the Escrow Account(s). All cheques/ bank drafts accompanying the Application should be crossed "A/c Payee only" for eligible Applicants must be made payable to the account details as specified in the relevant Tranche Prospectus. **Applicants must use only CTS compliant instruments and refrain from using NON-CTS 2010 instruments for the payment of the Application Amount.**

The Escrow Collection Bank(s) shall transfer the funds from the Escrow Account into the Public Issue Account(s), as per the terms of the Escrow Agreement and the Shelf Prospectus.

The Escrow Collection Banks will act in terms of this Draft Shelf Prospectus, the Shelf Prospectus, the relevant Tranche Prospectus and the Escrow Agreement. The Escrow Collection Banks, for and on behalf of the Applicants, shall maintain the monies in the Escrow Account until the Designated Date. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Applicants. On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by Allotment of NCDs (other than in respect of Allotment to successful ASBA Applicants) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account(s) maintained with the Bankers to the Issue provided that our Company will have access to such funds only after receipt of minimum subscription and creation of security for the NCDs as described in relevant Tranche Prospectus, receipt of final listing and trading approval from the Stock Exchanges and execution of the Debenture Trust Deed.

The balance amount after transfer to the Public Issue Account(s) shall be transferred to the Refund Account. Payments of refund to the relevant Applicants shall also be made from the Refund Account as per the terms of the Escrow Agreement, the Shelf Prospectus and the relevant Tranche Prospectus.

The Applicants should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Lead Managers, the Escrow Collection Banks and the Registrar to the Issue to facilitate collections from the Applicants.

Each Applicant shall draw a cheque or demand draft mechanism for the entire Application Amount as per the following terms:

1. All Applicants would be required to pay the full Application Amount at the time of the submission of the Application Form.
2. The Applicants shall, with the submission of the Application Form, draw a payment instrument for the Application Amount in favour of the Escrow Accounts and submit the same along with their Application. If the payment is not made favouring the Escrow Accounts along with the Application Form, the Application is liable to be rejected by the Escrow Collection Banks. Application Forms accompanied by cash, stockinvest, money order or postal order will not be accepted.
3. The payment instruments for payment into the Escrow Account should be drawn as specified in the relevant Tranche Prospectus.
4. The monies deposited in the Escrow Accounts will be held for the benefit of the Applicants (other than ASBA Applicants) till the Designated Date.
5. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Accounts as per the terms of the Escrow Agreement into the Public Issue Account(s) with the Bankers to the Issue and the refund amount shall be transferred to the Refund Account.
6. Payments should be made by cheque or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Application Form is submitted. Outstation cheques, post-dated cheques and cheques/ bank drafts drawn on banks not participating in the clearing process will not be accepted and Applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ stockinvest/ money orders/ postal orders will not be accepted. Please note that cheques without the nine-digit Magnetic Ink Character Recognition ("MICR") code are liable to be rejected.
7. Applicants are advised to provide the Application Form number on the reverse of the cheque or bank draft to avoid misuse of instruments submitted with the Application Form.
8. Applicants must use only CTS compliant instruments and refrain from using NON-CTS 2010 instruments for the payment of the Application Amount.

Payment by cash/ stockinvest/ money order

Payment through cash/ stockinvest/ money order shall not be accepted in this Issue.

SUBMISSION OF COMPLETED APPLICATION FORMS

| Mode of Submission of Application Forms | To whom the Application Form has to be submitted |
|---|---|
| ASBA Applications | (i) If using <u>physical Application Form</u> , (a) to the Members of Consortium or Trading Members of the Stock Exchanges only at the Specified Cities ("Syndicate ASBA"), or (b) to the Designated Branches of the SCSBs where the ASBA Account is maintained; or (ii) If using <u>electronic Application Form</u> , to the SCSBs, electronically through internet banking facility, if available. |
| Non-ASBA Applications | Consortium Members or Trading Members of the Stock Exchanges at the centres mentioned in the Application Form. Note: Applications for Allotment in physical form can be made only by using non-ASBA Applications and Applicants are not permitted to make Applications for Allotment in physical form using ASBA Applications. |

No separate receipts will be issued for the Application Amount payable on submission of Application Form. However, the Members of Consortium/ Trading Members of Stock Exchanges will acknowledge the receipt of

the Application Forms by stamping the date and returning to the Applicants an acknowledgement slip which will serve as a duplicate Application Form for the records of the Applicant.

Syndicate ASBA Applicants must ensure that their ASBA Applications are submitted to the Members of Consortium or Trading Members of the Stock Exchanges only at the Specified Cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat). Kindly note that ASBA Applications submitted to the Members of Consortium or Trading Members of the Stock Exchanges at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Application, is maintained has not named at least one branch at that Specified City for the Members of Consortium or Trading Members of the Stock Exchange, as the case may be, to deposit ASBA Applications (A list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>).

For information on the Issue programme and timings for submission of Application Forms, please refer to “*General Information – Issue Programme*” on page 38.

Applicants other than ASBA Applicants are advised not to submit the Application Form directly to the Escrow Collection Banks/ Bankers to the Issue, and the same will be rejected in such cases and the Applicants will not be entitled to any compensation whatsoever.

Electronic Registration of Applications

- (a) The Members of Consortium, Trading Members of the Stock Exchanges and Designated Branches of the SCSBs, as the case may be, will register the Applications using the on-line facilities of the Stock Exchange. **The Members of Consortium, our Company and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Applications accepted by the SCSBs, (ii) the Applications uploaded by the SCSBs, (iii) the Applications accepted but not uploaded by the SCSBs, (iv) with respect to ASBA Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts, or (v) any Applications accepted both uploaded and/or not uploaded by the Trading Members of the Stock Exchange.**

In case of apparent data entry error by the Members of Consortium, Trading Members of the Stock Exchange, Escrow Collection Banks or Designated Branches of the SCSBs, as the case may be, in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchange. However, the series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Members of Consortium, Trading Member of the Stock Exchanges in the data entries as such data entries will be considered for allotment/rejection of Application.

- (b) The Stock Exchanges will offer an electronic facility for registering Applications for the Issue. This facility will be available on the terminals of Members of Consortium, Trading Members of the Stock Exchanges and the SCSBs during the Issue Period. The Members of Consortium and Trading Members of the Stock Exchanges can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Applications on a regular basis, and before the expiry of the allocated time on the Issue Closing Date. On the Issue Closing Date, the Members of Consortium, Trading Members of the Stock Exchanges and the Designated Branches of the SCSBs shall upload the Applications till such time as may be permitted by the Stock Exchange. This information will be available with the Members of Consortium, Trading Members of the Stock Exchanges and the Designated Branches of the SCSBs on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation. For further information on the Issue programme, please refer to “*General Information – Issue Programme*” on page 38.
- (c) At the time of registering each Application, other than ASBA Applications, the Members of Consortium, or Trading Members of the Stock Exchanges shall enter the requisite details of the Applicants in the on-line system including:
- Application Form number
 - PAN (of the first Applicant, in case of more than one Applicant)
 - Investor category and sub-category
 - DP ID (not applicable to Applications for Allotment of NCDs in physical form)

- Client ID (not applicable to Applications for Allotment of NCDs in physical form)
 - Series of NCDs applied for
 - Number of NCDs Applied for in each series of NCD
 - Price per NCD
 - Application amount
 - Cheque number
- (d) With respect to ASBA Applications submitted directly to the SCSBs at the time of registering each Application, the Designated Branches shall enter the requisite details of the Applicants in the on-line system including:
- Application Form number
 - PAN (of the first Applicant, in case of more than one Applicant)
 - Investor category and sub-category
 - DP ID
 - Client ID
 - Series of NCDs applied for
 - Number of NCDs Applied for in each series of NCD
 - Price per NCD
 - Bank code for the SCSB where the ASBA Account is maintained
 - Bank account number
 - Application amount
- (e) With respect to ASBA Applications submitted to the Members of Consortium, or Trading Members of the Stock Exchanges only at the Specified Cities, at the time of registering each Application, the requisite details of the Applicants shall be entered in the on-line system including:
- Application Form number
 - PAN (of the first Applicant, in case of more than one Applicant)
 - Investor category and sub-category
 - DP ID
 - Client ID
 - Series of NCDs applied for
 - Number of NCDs Applied for in each series of NCD
 - Price per NCD
 - Bank code for the SCSB where the ASBA Account is maintained
 - Location of Specified City
 - Application amount
- (f) A system generated acknowledgement (TRS) will be given to the Applicant as a proof of the registration of each Application. **It is the Applicant's responsibility to obtain the acknowledgement from the Members of Consortium, Trading Members of the Stock Exchanges and the Designated Branches of the SCSBs, as the case may be. The registration of the Application by the Members of Consortium, Trading Members of the Stock Exchanges and the Designated Branches of the SCSBs, as the case may be, does not guarantee that the NCDs shall be allocated/ Allotted by our Company. The acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.**
- (g) Applications can be rejected on the technical grounds listed on page 445 or if all required information is not provided or the Application Form is incomplete in any respect.
- (h) The permission given by the Stock Exchanges to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Lead Managers are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Shelf Prospectus; nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchanges.

- (i) Only Applications that are uploaded on the online system of the Stock Exchanges shall be considered for allocation/ Allotment. The Members of Consortium, Trading Members of the Stock Exchanges and the Designated Braches of the SCSBs shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchange. In order that the data so captured is accurate the Members of Consortium, Trading Members of the Stock Exchanges and the Designated Braches of the SCSBs will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

REJECTION OF APPLICATIONS

Applications would be liable to be rejected on the technical grounds listed below or if all required information is not provided or the Application Form is incomplete in any respect. The Board of Directors and/or any committee of our Company reserves it's full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

Application may be rejected on one or more technical grounds, including but not restricted to:

- i. Applications submitted without payment of the entire Application Amount. However, our Company may allot NCDs up to the value of application monies paid, if such application monies exceed the minimum application size as prescribed hereunder;
- ii. Applications not being signed by the sole/joint Applicant(s);
- iii. Investor Category in the Application Form not being ticked;
- iv. In case of Applications for Allotment in physical form, bank account details not provided in the Application Form;
- v. Application Amount paid being higher than the value of NCDs Applied for. However, our Company may allot NCDs up to the number of NCDs Applied for, if the value of such NCDs Applied for exceeds the minimum Application size;
- vi. Applications where a registered address in India is not provided for the Applicant;
- vii. In case of partnership firms, NCDs may be applied for in the names of the individual partner(s) and no firm as such shall be entitled to apply for in its own name. However, a Limited Liability Partnership firm can apply in its own name;
- viii. Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, except bids by Minors (applying through the guardian) having valid demat account as per demographic details provided by the Depository Participants;
- ix. Minor Applicants (applying through the guardian) without mentioning the PAN of the minor Applicant;
- x. PAN not mentioned in the Application Form, except for Applications by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participants. In case of minor Applicants applying through guardian, when PAN of the Applicant is not mentioned;
- xi. DP ID and Client ID not mentioned in the Application Form (except in case Applicant has applied for Allotment of NCDs in the physical form);
- xii. GIR number furnished instead of PAN;
- xiii. Applications by OCBs;
- xiv. Applications for an amount below the minimum application size;
- xv. Submission of more than five ASBA Forms per ASBA Account;
- xvi. Applications by persons who are not eligible to acquire NCDs of our Company in terms of applicable laws, rules, regulations, guidelines and approvals;
- xvii. In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- xviii. Applications accompanied by Stockinvest/ money order/ postal order/ cash;
- xix. Signature of sole Applicant missing, or in case of joint Applicants, the Application Forms not being signed by the first Applicant (as per the order appearing in the records of the Depository);
- xx. Applications by persons debarred from accessing capital markets, by SEBI or any other regulatory authority.
- xxi. Date of Birth for first/sole Applicant for persons applying for Allotment not mentioned in the Application Form.
- xxii. ASBA Application Forms not being signed by the ASBA Account holder, if the account holder is different from the Applicant or the signature of the ASBA Account holder on the Application Form does

- not match with the signature available on the Applicant's bank records;
- xxiii. Application Forms submitted to the Members of Consortium, or Trading Members of the Stock Exchanges does not bear the stamp of the relevant Lead Manager or Trading Member of the Stock Exchange, as the case may be. ASBA Applications submitted directly to the Designated Branches of the SCSBs does not bear the stamp of the SCSB and/or the Designated Branch and/or the Members of Consortium, or Trading Members of the Stock Exchange, as the case may be;
- xxiv. ASBA Applications not having details of the ASBA Account to be blocked;
- xxv. In case no corresponding record is available with the Depositories that matches three parameters namely, DP ID, Client ID and PAN or if PAN is not available in the Depository database;
- xxvi. With respect to ASBA Applications, inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the ASBA Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds;
- xxvii. With respect to ASBA Applications, the ASBA Account not having credit balance to meet the Application Amounts or no confirmation is received from the SCSB for blocking of funds;
- xxviii. SCSB making an ASBA application (a) through an ASBA account maintained with its own self or (b) through an ASBA Account maintained through a different SCSB not in its own name or (c) through an ASBA Account maintained through a different SCSB in its own name, where clear demarcated funds are not present or (d) through an ASBA Account maintained through a different SCSB in its own name which ASBA Account is not utilised solely for the purpose of applying in public issues;
- xxix. Applications for amounts greater than the maximum permissible amount prescribed by the regulations and applicable law;
- xxx. Applications where clear funds are not available in Escrow Accounts as per final certificates from Escrow Collection Banks;
- xxxi. Authorization to the SCSB for blocking funds in the ASBA Account not provided;
- xxxii. Applications by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;
- xxxiii. Applications by any person outside India;
- xxxiv. Applications by other persons who are not eligible to apply for NCDs under the Issue under applicable Indian or foreign statutory/regulatory requirements;
- xxxv. Applications not uploaded on the online platform of the Stock Exchange;
- xxxvi. Applications uploaded after the expiry of the allocated time on the Issue Closing Date, unless extended by the Stock Exchange, as applicable;
- xxxvii. Application Forms not delivered by the Applicant within the time prescribed as per the Application Form and the Shelf Prospectus and as per the instructions in the Application Form, the Shelf Prospectus and the relevant Tranche Prospectus;
- xxxviii. Non- ASBA Applications accompanied by more than one payment instrument;
- xxxix. Applications by Applicants whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;
- xl. Where PAN details in the Application Form and as entered into the electronic system of the Stock Exchange, are not as per the records of the Depositories;
- xli. Applications for Allotment of NCDs in dematerialised form providing an inoperative demat account number;
- xlii. ASBA Applications submitted to the Members of Consortium, or Trading Members of the Stock Exchanges at locations other than the Specified Cities or at a Designated Branch of a SCSB where the ASBA Account is not maintained;
- xliii. ASBA Applications submitted directly to an Escrow Collecting Bank (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue;
- xliv. Applications tendered to the Trading Members of the Stock Exchanges at centers other than the centers mentioned in the Application Form;
- xlvi. Investor Category not ticked; and/or
- xlvi. In case of Applicants applying for the NCDs in physical form, if the address of the Applicant is not provided in the Application Form;
- xlvi. Application Form accompanied with more than one cheque.
- xlvi. In case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application.
- xlix. Forms not uploaded on the electronic software of the Stock Exchange.
- l. ASBA Application submitted directly to escrow banks who aren't SCSBs.
- li. Payment made through non CTS cheques.

Kindly note that ASBA Applications submitted to the Members of Consortium, or Trading Members of the Stock Exchanges at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has not named at least one branch at that Specified City for the Members of Consortium, or Trading Members of the Stock Exchange, as the case may be, to deposit ASBA Applications (A list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>).

For information on certain procedures to be carried out by the Registrar to the Offer for finalization of the basis of allotment, please refer to “*Information for Applicants*” on this page 447.

Information for Applicants

In case of ASBA Applications submitted to the SCSBs, in terms of the SEBI circular CIR/CFD/DIL/3/2010 dated April 22, 2010, the Registrar to the Issue will reconcile the compiled data received from the Stock Exchanges and all SCSBs and match the same with the Depository database for correctness of DP ID, Client ID and PAN. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock Exchange, the Lead Managers and the Registrar to the Issue, reserves the right to proceed as per the Depository records for such ASBA Applications or treat such ASBA Applications as rejected.

In case of ASBA Applicants submitted to the Members of Consortium, and Trading Members of the Stock Exchanges at the Specified Cities, the basis of allotment will be based on the Registrar’s validation of the electronic details with the Depository records, and the complete reconciliation of the final certificates received from the SCSBs with the electronic details in terms of the SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock Exchange, the Lead Managers and the Registrar to the Issue, reserves the right to proceed as per the Depository records or treat such ASBA Application as rejected.

In case of non-ASBA Applications, the basis of allotment will be based on the Registrar’s validation of the electronic details with the Depository records, and the complete reconciliation of the final certificates received from the Escrow Collection Banks with the electronic details in terms of the SEBI circular CIR/CFD/DIL/3/2010 dated April 22, 2010 and the SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011. The Registrar will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock Exchange, the Lead Managers and the Registrar to the Issue, reserves the right to proceed as per the Depository records or treat such Applications as rejected.

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship).

In case of Applications for a higher number of NCDs than specified for that category of Applicant, only the maximum amount permissible for such category of Applicant will be considered for Allotment.

BASIS OF ALLOTMENT

Basis of Allotment for NCDs

As specified in the relevant Tranche Prospectus.

Allocation Ratio

Allocation for each category of investors shall be specified in the relevant Tranche Prospectus.

Retention of oversubscription

As specified in the relevant Tranche Prospectus

PAYMENT OF REFUNDS

Refunds for Applicants other than ASBA Applicants

Within 12 Working Days of the Issue Closing Date, the Registrar to the Issue will dispatch refund orders/ give instructions for electronic refund, as applicable, of all amounts payable to unsuccessful Applicants (other than ASBA Applicants) and also any excess amount paid on Application, after adjusting for allocation/ Allotment of NCDs.

The Registrar to the Issue will obtain from the Depositories the Applicant's bank account details, including the MICR code, on the basis of the DP ID and Client ID provided by the Applicant in their Application Forms, for making refunds.

For Applicants who receive refunds through ECS, direct credit, RTGS or NEFT, the refund instructions will be given to the clearing system within 12 Working Days from the Issue Closing Date. A suitable communication shall be dispatched to the Applicants receiving refunds through these modes, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund. Such communication will be mailed to the addresses of Applicants, as per the Demographic Details received from the Depositories.

The Demographic Details would be used for mailing of the physical refund orders, as applicable.

Mode of making refunds for Applicants other than ASBA Applicants

The payment of refund, if any, for Applicants other than ASBA Applicants would be done through any of the following modes:

1. Direct Credit – Applicants having bank accounts with the Refund Bank(s), as per Demographic Details received from the Depositories, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company.
2. NACH – National Automated Clearing House which is a consolidated system of ECS. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.
3. RTGS – Applicants having a bank account at any of the centres where such facility has been made available and whose refund amount exceeds ₹ 2.0 lakh, have the option to receive refund through RTGS provided the Demographic Details downloaded from the Depositories contain the nine digit MICR code of the Applicant's bank which can be mapped with the RBI data to obtain the corresponding Indian Financial System Code (IFSC). Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant.
4. NEFT – Payment of refund shall be undertaken through NEFT wherever the Applicant's bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC of that particular bank branch and the payment of refund will be made to the Applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage, hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in the sections.
5. For all other Applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched through Speed Post or Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn on the relevant Refund Bank and payable at par at places where Applications are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at

other centres will be payable by the Applicants.

Mode of making refunds for ASBA Applicants

In case of ASBA Applicants, the Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within 12 Working Days of the Issue Closing Date.

ISSUANCE OF ALLOTMENT ADVICE

With respect to Applicants other than ASBA Applicants, our Company shall (i) ensure dispatch of Allotment Advice/ intimation within 12 Working Days of the Issue Closing Date, and (ii) give instructions for credit of NCDs to the beneficiary account with Depository Participants, for successful Applicants who have been allotted NCDs in dematerialized form, within 12 Working Days of the Issue Closing Date. The Allotment Advice for successful Applicants who have been allotted NCDs in dematerialized form will be mailed to their addresses as per the Demographic Details received from the Depositories.

With respect to the ASBA Applicants, our Company shall ensure dispatch of Allotment Advice and/ or give instructions for credit of NCDs to the beneficiary account with Depository Participants within 12 Working Days of the Issue Closing Date. The Allotment Advice for successful ASBA Applicants will be mailed to their addresses as per the Demographic Details received from the Depositories.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for commencement of trading at the Stock Exchanges where the NCDs are proposed to be listed are taken within 12 Working Days from the Issue Closing Date.

Allotment Advices shall be issued, or Application Amount shall be refunded within fifteen days from the Issue Closing Date or such lesser time as may be specified by SEBI or else the application amount shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of fifteen per cent. per annum for the delayed period

Our Company will provide adequate funds required for dispatch of refund orders and Allotment Advice, as applicable, to the Registrar to the Issue.

OTHER INFORMATION

Withdrawal of Applications during the Issue Period

Withdrawal of ASBA Applications

ASBA Applicants can withdraw their ASBA Applications during the Issue Period by submitting a request for the same to Consortium Member, Trading Member of the Stock Exchanges or the Designated Branch, as the case may be, through whom the ASBA Application had been placed. In case of ASBA Applications submitted to the Consortium Member, or Trading Members of the Stock Exchanges at the Specified Cities, upon receipt of the request for withdrawal from the ASBA Applicant, the relevant Consortium Member, or Trading Member of the Stock Exchange, as the case may be, shall do the requisite, including deletion of details of the withdrawn ASBA Application Form from the electronic system of the Stock Exchange. In case of ASBA Applications submitted directly to the Designated Branch of the SCSB, upon receipt of the request for withdraw from the ASBA Applicant, the relevant Designated Branch shall do the requisite, including deletion of details of the withdrawn ASBA Application Form from the electronic system of the Stock Exchanges and unblocking of the funds in the ASBA Account directly.

Withdrawal of Non-ASBA Applications

Non-ASBA Applicants can withdraw their Applications during the Issue Period by submitting a request for the same to Consortium Member, or Trading Member of the Stock Exchange, as the case may be, through whom the Application had been placed. Upon receipt of the request for withdrawal from the Applicant, the relevant Consortium Member, or Trading Member of the Stock Exchange, as the case may be, shall do the requisite,

including deletion of details of the withdrawn Non-ASBA Application Form from the electronic system of the Stock Exchange.

Withdrawal of Applications after the Issue Period

In case an Applicant wishes to withdraw the Application after the Issue Closing Date, the same can be done by submitting a withdrawal request to the Registrar to the Issue prior to the finalization of the Basis of Allotment.

Revision of Applications

As per the notice No: 20120831-22 dated August 31, 2012 issued by the BSE and notice No: NSE/CML/2012/0672 dated August 7, 2012 issued by NSE, cancellation of one or more orders (series) within an Application is permitted during the Issue Period as long as the total order quantity does not fall under the minimum quantity required for a single Application. Please note that in case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application will be liable for rejection by the Registrar.

Applicants may revise/ modify their Application details during the Issue Period, as allowed/permitted by the stock exchange(s), by submitting a written request to the Consortium Member / Trading Members of the Stock Exchange/ the SCSBs, as the case may be. However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchange(s) as per the procedures and requirements prescribed by each relevant Stock Exchange, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.

Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on Issue Closing Date. However, in order that the data so captured is accurate, the Consortium Member, Trading Members of the Stock Exchanges and the Designated Branches of the SCSBs will be given up to one Working Day after the Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period, after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

Depository Arrangements

We have made depository arrangements with NSDL and CDSL. Please note that Tripartite Agreements have been executed between our Company, the Registrar and both the depositories.

As per the provisions of the Depositories Act, 1996, the NCDs issued by us can be held in a dematerialized form. In this context:

- i. Tripartite agreement dated July 8, 2016 among our Company, the Registrar and CDSL and tripartite agreement dated July 8, 2016 among our Company, the Registrar and NSDL, respectively for offering depository option to the investors.
- ii. An Applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the Application.
- iii. The Applicant must necessarily provide the DP ID and Client ID details in the Application Form.
- iv. NCDs Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.
- v. Non-transferable Allotment Advice/ refund orders will be directly sent to the Applicant by the Registrar to this Issue.
- x. It may be noted that NCDs in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL or CDSL. The Stock Exchanges have connectivity with NSDL and CDSL.
- xi. Interest or other benefits with respect to the NCDs held in dematerialized form would be paid to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those NCDs for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.
- xii. The trading of the NCDs on the floor of the Stock Exchanges shall be in dematerialized form only.

Please also refer to “*Instructions for filling up the Application Form - Applicant’s Beneficiary Account and Bank Account Details*” on page 435.

Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable premium and interest for such NCDs) prior to redemption of the NCDs.

PLEASE NOTE THAT TRADING OF NCDs ON THE FLOOR OF THE STOCK EXCHANGES SHALL BE IN DEMATERIALIZED FORM ONLY IN MULTIPLE OF ONE NCD.

Allottees will have the option to re-materialize the NCDs Allotted under the Issue as per the provisions of the Companies Act, 2013 and the Depositories Act.

Communications

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or first Applicant, Application Form number, Applicant’s DP ID and Client ID, Applicant’s PAN, number of NCDs applied for, date of the Application Form, name and address of the Lead Manager, Trading Member of the Stock Exchanges or Designated Branch, as the case may be, where the Application was submitted, and cheque/ draft number and issuing bank thereof or with respect to ASBA Applications, ASBA Account number in which the amount equivalent to the Application Amount was blocked. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB.

Applicants may contact our Compliance Officer (and Company Secretary) or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of Allotment Advice, refunds, interest on application amount or credit of NCDs in the respective beneficiary accounts, as the case may be.

Interest in case of Delay

Our Company undertakes to pay interest, in connection with any delay in allotment, demat credit and refunds, beyond the time limit as may be prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under such applicable statutory and/or regulatory requirements.

Undertaking by the Issuer

Statement by the Board:

- a) All monies received pursuant to the Issue of NCDs to public shall be transferred to a separate bank account as referred to in sub-section (3) of section 40 of the Companies Act, 2013.
- b) Details of all monies utilised out of Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised; and
- c) Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.
- d) the details of all utilized and unutilised monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized, and the securities or other forms of financial assets in which such unutilized monies have been invested;
- e) Undertaking by our Company for execution of Debenture Trust Deed;
- f) We shall utilize the Issue proceeds only upon execution of the Debenture Trust Deed as stated in this Draft Shelf Prospectus and the Shelf Prospectus, on receipt of the minimum subscription of 75% of the Base Issue and receipt of listing and trading approval from the Stock Exchange.
- g) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property.

Other Undertakings by our Company

Our Company undertakes that:

- a) Complaints received in respect of the Issue will be attended to by our Company expeditiously and satisfactorily;
- b) Necessary cooperation to the relevant credit rating agency(ies) will be extended in providing true and adequate information until the obligations in respect of the NCDs are outstanding;
- c) Our Company will take necessary steps for the purpose of getting the NCDs listed within the specified time, i.e., within 12 Working Days of the Issue Closing Date;
- d) Funds required for dispatch of refund orders/Allotment Advice/NCD Certificates will be made available by our Company to the Registrar to the Issue;
- e) Our Company will forward details of utilisation of the proceeds of the Issue, duly certified by the Statutory Auditor, to the Debenture Trustee on a half-yearly basis;
- f) Our Company will provide a compliance certificate to the Debenture Trustee on an annual basis in respect of compliance with the terms and conditions of the Issue as contained in the Shelf Prospectus and the relevant Tranche Prospectus.
- g) Our Company will disclose the complete name and address of the Debenture Trustee in its annual report.

SECTION VIII- MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY

The main provisions of the AOA relating to the issue and allotment of debentures and matters incidental thereto have been set out below. Please note that each provision herein below is numbered as per the corresponding article number in the AOA. All defined terms used in this section have the meaning given to them in the AOA. Any reference to the term “Article” hereunder means the corresponding article contained in the AOA.

Article 6 provides that the Board or the Company as the case may be, may, in accordance with the Act and the Rules, issue further shares to:

Clause (a) of Article 6, Persons who, at the date of offer, are holders of equity shares of the Company; such offer shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; or

Clause (b) of Article 6, Employees under any scheme of Employees’ Stock Option; or

Clause (b) of Article 6, any persons, whether or not those persons include the persons referred to in clause (a) or (b) above.

Article 22 provides that the provisions of the forgoing Articles relating to issue of Certificate shall mutatis mutandis apply to issue of Certificate for any other Securities including debentures (except where the Act otherwise requires) of the Company.

Article 31 provides that Notwithstanding what is stated in these Articles, in the event it is permitted by the Act and rules thereunder and subject to such conditions, approvals or consents as may be laid down for the purpose, the Company shall have the power to buy-back its own shares or other specified securities, whether or not there is any consequent reduction of Capital. If and to the extent permitted by Act, the Company shall also have the power to re-issue the shares or other specified securities so bought back.

Article 46 provides that the provisions of these Articles relating to calls shall mutatis mutandis apply to other securities including debentures of the Company.

Article 58 provides that the provisions of these Articles relating to lien shall mutatis mutandis apply to any other securities including debentures issued by the Company from time to time.

Article 77 provides that the provisions of these Articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

Article 82 provides that the provisions of these Articles relating to transfer of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

Article 92 provides that the provisions of these Articles relating to transmission by operation of law shall mutatis mutandis apply to any other securities including debentures of the Company.

Article 96 provides that the Company may by resolution, as prescribed by the Act and the Rules, reduce its capital in the manner and in accordance with the provisions of the Act:

Clause (i) of Article 96, its share capital; and/or

Clause (ii) of Article 96, any capital redemption reserve account; and/or

Clause (iii) of Article 96, any securities premium account; and/or

Clause (iv) of Article 96, any other reserve in the nature of capital;

Article 93 provides that the Subject to the provisions of the Act, the Company may, by ordinary resolution:

- a. increase its share capital by such amount as it thinks expedient by issuing new shares;
- b. Consolidate and divide all or any of its share capital into shares of larger amounts than its existing shares; Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act;
- c. convert all or any of its fully paid-up shares into stock and reconvert that stock into fully paid-up shares of any denomination;
- d. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by its Memorandum of Association, so however that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced

share is derived.

- e. cancel any shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

Article 103 provides that the provisions of these Articles relating to joint holders of shares shall mutatis mutandis apply to any other securities including debentures of the Company registered in joint names.

Article 23 provides that If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of such number of the holders of the issued shares of that class or with the sanction of a resolution passed at a separate meeting of the holders of the shares of that class or in such other manner as may be prescribed by the Act and the Rules.

Article 226 provides that The Company shall keep and maintain all Statutory Registers as prescribed under the Act and the Rules (in physically or electronic mode), at its Registered Office or such other place as per the Act and the Rules and for such duration, as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act and the Rules. The Registers and copies of Annual Returns shall be available for inspection during working hours on all working days except Saturdays, during such time as may be fixed by the Board, at the place where such Registers are kept and maintained, by the persons entitled thereto on payment, where required of such fees as may be fixed by the Board of Directors not exceeding the limits prescribed by the Act and Act Rules or without any fees in absence of any fees fixed by the Board in this behalf.

Article 13 provides that every person whose name is entered as a member in the Register of Members, shall be entitled to receive within two months from the date of allotment or within such period as the Act or Rules may prescribe after the registration of transfer or transmission or within such other period as the conditions of issue shall provide:

Clause (i) of Article 13, One certificate for all his shares without payment of any charges; or

Clause (ii) of Article 13, Several Certificates, each for one or more of his shares, upon payment of such charges as may be fixed by the Board of Directors for each certificate after the first certificate.

Article 14 provides that Certificate shall be issued in the form and manner prescribed in the Act, the Rules and other applicable laws.

Article 17 provides that notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its shares, debentures and other securities pursuant to the Depositories Act, 1996 and to offer its further shares, debentures and other securities for subscription in a dematerialised form.

Article 227 provides that the Company may exercise the powers conferred on it by the Act with regard to keeping of a Foreign Register and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such Register. The Foreign Register shall be open for inspection and may be closed, and extracts may be taken there from and copies thereof may be required, in the same manner, mutatis mutandis, as is applicable to the Register of Members.

Article 47 provides that the Company shall have a first and paramount lien:-

- (i) on every share (not being a fully paid share), for all moneys (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
- (ii) on all shares (not being fully paid shares) standing registered in the name of a Member, for all monies presently payable by him or his estate to the Company:

Provided that the Board of Directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

Article 78 provides that the instrument of transfer of any share in the Company shall be duly executed by or on behalf of both the transferor and transferee.

The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

Article 79 provides that the Board may, subject to the right of appeal conferred by the Act decline to register –
Clause (i) of Article 79, the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

Clause (ii) of Article 79, any transfer of shares on which the Company has a lien.

Article 83 provides that on the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.

Article 85 provides that Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either –

(i) to be registered himself as holder of the share; or

(ii) to make such transfer of the share as the deceased or insolvent member could have made.

Article 86 provides that The Board shall, in either case, have the same right to decline or suspend registration as received from such legal heir as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

Article 104 provides that any debentures, debenture-stock or other securities may be issued subject to the provisions of the Act and these Articles, at a discount, premium or otherwise or may be issued on the condition that they shall be convertible into shares of any denomination or with any special privileges or conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the general meeting, appointment of directors and otherwise.

Article 104A provides that subject to the provisions of the Companies Act, 2013 and the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 or any other statutory enactment(s), modification(s) or amendment(s), thereof, the Board or Committee thereof shall have the power to consolidate or re-issue its debt securities from time to time, upon such terms and conditions and in such manner as the Board or Committee thereof may consider fit/beneficial for the Company.

Article 157 states that Whenever the Company enters into an agreement or contract with the Central or State Government, a local authority, bank or any financial Institutions, or any person or persons or anybody corporate (hereinafter referred to as “the appointer”) for borrowing any money or for providing any guarantee or security or for underwriting shares or debentures or other securities of the Company, the Board shall have, subject to the provisions of Section 152 and 161 of the Act, the power to agree that such appointer shall have it and to the extent provided by the terms of such agreement or contract the right to appoint or nominate, by a notice in writing addressed to the Company, one or more Directors on the Board, for such period and upon such conditions as may be mentioned in the agreement or contract. The Board may also agree that any such Director or Directors may be removed from time to time by the appointer entitled to appoint or nominate them and the appointer, may appoint another or others in his or their place and also fill any vacancy which may occur as a result or any Director or Directors appointed or nominated under this Articles shall be entitled to exercise and enjoy all or any of the rights and privileges exercised and enjoyed by the other Directors of the Company, including payment of remuneration and traveling expenses to such Director or Directors as may be agreed by the Company with the appointer. A Director appointed under this Article is herein referred as “Nominee Director” and the term “Nominee Director” means any director for time being in office under this Article.

Article 167 provides that the Company may by an ordinary resolution remove any Director (not being a Director appointed by the Tribunal in pursuance of Section 242 of the Act) in accordance with the provisions of Section 169 of the Act. A Director so removed shall not be re- appointed as a Director by the Board of Directors.

Article 235 provides that:

(a). Subject to the provisions of the Act, every director, managing director, whole-time director, manager, company secretary and other officer of the Company shall be indemnified by the Company out of the funds of the Company, to pay all costs, losses and expenses (including travelling expense) which such Director, Managing

Director, Whole Time Director, Manager, Company Secretary and officer may incur or become liable for by reason of any contract entered into or act or deed done by him in his capacity as such Director, Managing Director, Whole Time Director Manager, Company Secretary or officer or in any way in the discharge of his duties in such capacity including expenses.

(b). Subject as aforesaid, every director, managing director, manager, company secretary or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under applicable provisions of the Act in which relief is given to him by the Court.

Article 236 provides that The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors, key managerial personnel or officers for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

Article 191 provides that:

- a. subject to the provisions of Subject to the provisions of Section 135, 179, 180, 181, 182, 183, 184, 185, 186, 188 and 203 of the Act, and these articles, the Board of Directors of the Company shall be entitled to exercise all such powers, give all such consents, make all such arrangements, be nearly do all such and things as the Company is authorized to exercise and do.

Provided that the Board shall not exercise any power or do any act or thing which is directed or required, whether by the Act, or any other Act or by the Memorandum of Association of the Company or these articles or otherwise, to be exercised or done by the Company in general meeting.

Provided further that in exercising any such power or doing any such act or thing the Board shall be subject to the provisions contained in this behalf in Act or in any other Act or in the Memorandum of Association or in any regulations not inconsistent therewith and duly made there under including regulations made by the Company in general meeting.

- b. No regulation made by the Company in General Meeting shall invalidate any prior act of the Board, which would have been valid, if that regulation had not been made.

Article 58 provides that the provisions of these Articles relating to lien shall mutatis mutandis apply to any other securities including debentures issued by the Company from time to time.

Article 222 provides that Minutes of proceedings of every General Meeting and of the proceeding of every meetings of the Board kept in accordance with these presents shall be evidence of the proceedings recorded therein.

Article 239 provides that where any provisions of the Act, provides that the Company shall do such act, deed, or thing, or shall have a right, privilege or authority to carry out a particular transaction, only if it is s o authorised in its Articles, in respect of all such acts, deeds, things, rights, privileges and authority, this Article hereby authorizes the Company to carry out the same, without the need for any specific or explicit Article in that behalf.

SECTION IX- MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Draft Shelf Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected on Working Days at the Corporate Office of our Company situated at TCG Financial Centre, 10th Floor, BKC Road, Bandra Kurla Complex, Bandra (East), Mumbai – 400 098, Maharashtra, India between 10 am to 5 pm on any Working Day (Monday to Friday) during which issue is open for public subscription under the respective Tranche Prospectus.

MATERIAL CONTRACTS

1. Issue Agreement dated May 3, 2018 between our Company and the Lead Managers.
2. Agreement dated May 3, 2018 between our Company and the Registrar to the Issue.
3. Debenture Trustee Agreement dated May 3, 2018 executed between our Company and the Debenture Trustee.
4. Escrow Agreement dated [●] between our Company, the Registrar, the Escrow Collection Bank(s), and the Lead Managers.
5. Tripartite agreement dated July 8, 2016 among our Company, the Registrar and CDSL.
6. Tripartite agreement dated July 8, 2016 among our Company, the Registrar and NSDL.
7. Consortium Agreement dated [●] between our Company, the Consortium Members and the Lead Managers.

MATERIAL DOCUMENTS

1. Memorandum and Articles of Association of our Company, as amended to date.
2. Certificate of Incorporation of our Company dated April 11, 1984, issued by Registrar of Companies, Mumbai.
3. Certificate of Registration dated July 31, 2001 bearing registration no. 01.0014.01 issued by the National Housing Bank.
4. Copy of shareholders' resolution approved at the AGM dated July 21, 2017, under section 180 (1) (c) of the Companies Act, 2013 on overall borrowing limits of the Board of Directors of our Company.
5. Copy of the resolution by the Board of Directors dated April 30, 2018, approving the issue of NCDs.
6. Copy of the resolution passed by the NCD Public Issue Committee at its meeting held on May 4, 2018, approving this Draft Shelf Prospectus.
7. Copy of the resolution passed by the NCD Public Issue Committee at its meeting held on [●], approving the Shelf Prospectus.
8. Letter dated April 27, 2018 by CARE assigning a rating of 'CARE AAA; Stable (Triple A; Outlook: Stable)' for the Issue.
9. Letter dated April 27, 2018 by Brickwork assigning a rating of 'BWR AAA (Pronounced as BWR Triple A), Outlook: Stable' for the Issue.
10. Consents of the Directors, Chief Financial Officer, our Company Secretary and Compliance Officer, Lead Managers, Members of the Consortium, Legal Advisor to the Issue, Credit Rating Agencies, Bankers to the Issue, Refund Bank, Registrar to the Issue and the Debenture Trustee for the NCDs, to include their names in this Draft Shelf Prospectus, in their respective capacities and the NOCs received from Lenders to our Company.
11. Consent of the Statutory Auditors of our Company, for inclusion of their name and the report on the Reformatted Financial Statements in the form and context in which they appear in this Draft Shelf Prospectus and their statement on tax benefits mentioned herein.
12. The examination report dated May 3, 2018 in relation to the Reformatted Standalone Financial Statements included therein.
13. The examination report dated May 3, 2018 in relation to the Reformatted Consolidated Financial Statements included therein.
14. Statement of tax benefits dated May 3, 2018 issued by our Statutory Auditors.
15. Annual Report of our Company for the last five Fiscals.
16. In-principle listing approval from NSE by its letter no. [●] dated [●].
17. In-principle listing approval from BSE by its letter no. [●] dated [●].
18. Due Diligence Certificate dated [●] filed by the Lead Managers with SEBI on [●].

Any of the contracts or documents mentioned above may be amended or modified at any time, without reference to the Debenture Holders, in the interest of our Company in compliance with applicable laws.

DECLARATION

We, the Directors of the Company, hereby certify and declare that all applicable legal requirements in connection with the Issue including the relevant provisions of the Companies Act, 2013, as amended, relevant provisions of Companies Act, 1956, as applicable and rules prescribed thereunder to the extent applicable as on this date, the guidelines issued by the Government of India and the regulations and guidelines and circulars issued by the National Housing Bank and the Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992, as amended, as the case may be, including the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended, provisions under the Securities Contracts (Regulation) Act, 1956, as amended and rules made thereunder in connection with the Issue have been complied with and no statement made in this Draft Shelf Prospectus is contrary to the relevant provisions of any acts, rules, regulations, guidelines and circulars as applicable to this Draft Shelf Prospectus.

We further certify that all the disclosures and statements in this Draft Shelf Prospectus are true, accurate and correct in all material respects and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Draft Shelf Prospectus does not contain any misstatements.

Signed by the Board of Directors of the Company

Kapil Rajeshkumar Wadhawan
Chairman & Managing Director

Dheeraj Rajeshkumar Wadhawan
Non-Executive Director

Guru Prasad Kohli
Independent Director

Vijay Kumar Chopra
Independent Director

Mannil Venugopalan
Independent Director

Vijaya Sampath
Independent Director

Harshil Rajnikant Mehta
Joint Managing Director and Chief Executive Officer

Place: Mumbai
Date: May 4, 2018

CARE/HO/RL/2018-19/1523
Mr. Santosh Sharma
SVP- Head Finance
Dewan Housing Finance Corporation Ltd.
6th floor, Dheeraj Arma,
Anant Kanekar Marg,
Bandra East,
Mumbai 400 051

April 27, 2018

Dear Sir,

Confidential

Credit rating for proposed Public Issue of Non-Convertible Debentures

On a review of recent developments including operational and financial performance of your company for FY17 and 9MFY18, our Rating Committee has reviewed the following rating:

| Instrument | Rated Amount (Rs. crore) | Outstanding amount as on April 30, 2018 | Rating ¹ | Rating Action |
|---|--|---|---|---------------|
| Proposed Public Issue- Non-Convertible Debentures | 29000* (enhanced from 14000) (Rupees twenty nine thousand crore only) | 14000 | CARE AAA; Stable (Triple A; Outlook: Stable) | Reaffirmed |

*Rs 29,000 crore includes rated amount of Rs 14,000 crore for two public issues of NCDs by DHFL in FY17 and enhanced by Rs.15,000 crore for the proposed public issue of NCDs by DHFL.

2. Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

| Instrument type | ISIN | Issue Size (Rs cr) | Coupon Rate | Coupon Payment Dates | Terms of Redemption | Redemption date | Name and contact details of Debenture Trustee | Details of top 10 investors |
|-----------------|------|--------------------|-------------|----------------------|---------------------|-----------------|---|-----------------------------|
| | | | | | | | | |

3. The rationale for the rating will be communicated to you separately.

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

4. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
5. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the debt instrument, CARE shall carry out the review on the basis of best available information throughout the life time of such instrument. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.
6. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
7. CARE ratings are **not** recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

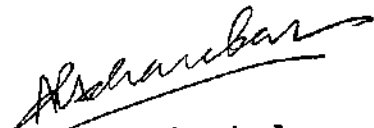
Yours faithfully,



[Viraj Dhond]

Analyst

viraj.dhond@careratings.com



[Aditya Acharekar]

A.G.M.

aditya.acharekar@careratings.com

Encl.: As above

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating/outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.



Annexure - I
Rating Rationale
Dewan Housing Finance Corporation Ltd.

Ratings

| Instrument/Facilities | Amount (Rs. crore) | Rating ¹ | Rating Action |
|---|---|---|-------------------|
| Proposed Public Issue- Non-Convertible Debentures | 29000 (enhanced from 14000) (Rupees twenty nine thousand crore only) | CARE AAA; Stable (Triple A; Outlook: Stable) | Reaffirmed |

Rating Rationale

The rating factors in consistent track record in the housing finance sector spanning over three decades across business cycles and expertise of Dewan Housing Finance Corporation Limited (DHFL) in lending to the niche borrower segment of lower-middle income group while maintaining asset quality. The growing credit demand in this market segment coupled with the Government's thrust in providing affordable housing are expected to enable DHFL in further strengthening its business position in this segment. The ratings also factor in DHFL's experienced management, comfortable capital adequacy, diversified resource profile, and stable financial profile.

It has come to our notice, instances of certain delays on repayment of FD on account of temporary technical problem due to software migration, while the company had ample liquidity during this period for meeting its obligations. This, however, highlights an instance of weakness in its internal control systems. Capitalisation levels, gearing, asset quality and improvement in internal control systems are the key rating sensitivities.

Background

Incorporated in 1984, DHFL is the third-largest housing finance company in India with total asset size of Rs.92,206 crore as on March 31, 2017. The company has a successful track record of over 30 years of lending in the low and middle income group in Tier II and Tier III cities, primarily to salaried individuals. DHFL had a loan portfolio of Rs.72,096 crore as on March 31, 2017. The company operates through a network of over 352 offices (incl. branches and service centres). Around 61.7% of DHFL's loan portfolio as on March 31, 2017, was from western India, 20.1% from northern, eastern and central India with remaining 18.2% being from southern India. DHFL also has international presence through representative offices located in London and Dubai which cater to the housing needs of non-resident Indians. Dewan Group also has presence in the housing finance business through its group companies, namely, Aadhar Housing Finance Private Limited. Furthermore, DHFL has presence in mutual fund business through DHFL Pramerica Asset Managers Private Limited. The company also raised Rs.1969 crore through 50% stake sale in DHFL Pramerica Life Insurance Co Limited to its 100% subsidiary DHFL Investments Ltd (DIL).

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

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(Formerly known as Credit Analysis & Research Limited)

DHFL has infused Rs.100 crore in the subsidiary. Further, DIL raised Rs.1901 crore CCDs from Wadhawan Global Ltd (WGC) which is the holding company for DHFL and is going to be the ultimate parent for DIL upon conversion of CCDs. WGC has borrowed the said amount through NCD. The debt funding is supported by a backstop arrangement with DHFL.

Credit Risk Assessment

Consistent track record of business performance across business cycles and expertise in lending in the niche market segment of Lower and Middle Income group

DHFL has a consistent track record of over three decades in the housing finance business spanning across business cycles. Over the years, the company has developed expertise in lending to borrowers in the lower and middle income group segment while maintaining stable asset quality. The penetration of housing finance market in India continues to be low and India's urban housing shortage is primarily driven by the LIG and EWS categories. The growing credit demand in this market segment coupled with the Government's thrust in providing affordable housing throughout the country through various schemes/ programmes is expected to enable DHFL in further strengthening its business position in this segment.

Experienced management

The company's management team is led by Mr Kapil Wadhawan who is the Chairman and Managing Director (CMD). He is assisted by an experienced management team. During FY14 (refers to the period April 1 to March 31), the promoters have constituted a Group Management Centre (GMC) at the DHFL group level, which has inducted experienced professionals from the industry. The GMC comprises of Mr. Srinath Sridharan, Mr. M. Suresh (former MD and CEO – Tata AIG) and Mr. G Ravi Shankar (former CEO and CFO roles in GE, Jet Airways and Geometric Limited). The role of the GMC is to provide strategic direction to group companies and bring in better governance.

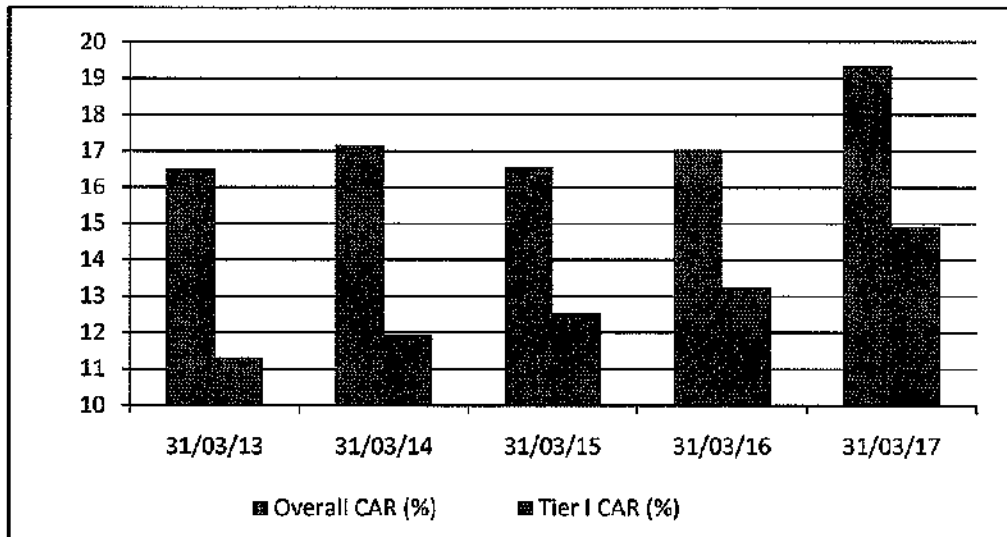
Diversified resource profile and comfortable capitalisation levels

The company has demonstrated track record of raising capital (both equity and debt) at regular intervals to fund business growth and has a diversified resource profile. As on March 31, 2017, bank borrowings comprised 42% of the total borrowings [P.Y.: 53%], NHB refinance- 4% [P.Y.: 2%], market borrowings- 42% [P.Y.:33%], public deposits- 8% [P.Y.: 8%] and external commercial borrowings- 4% [P.Y.: 4%]. DHFL's overall gearing stood at 10.18x as on March 31, 2017 [P.Y.: 12.26x]. However, the improvement in gearing levels is on account of sale of stake in DHFL Pramerica Life Insurance to its 100% subsidiary DHFL Investments Ltd, which in turn has been debt funded by WGC. The debt funding is supported by a backstop arrangement with DHFL. The company has also given letter of comfort to group companies Aadhar Housing Finance, and Avanse Financial Services².

²For details refer to the rationale of Aadhar Housing, and Avanse Financial services on the website www.careratings.com

As on March 31, 2017, company's CAR and Tier I CAR stood at 19.12% [P.Y.: 16.74%] and 14.75% [P.Y.: 12.97%] respectively. During FY17, DHFL promoters infused Rs.375 crore via warrants. As on December 31, 2017, DHFL's CAR and Tier I CAR stood comfortable at 16.32% and 12.22% respectively.

Following is the capitalisation snapshot of the company over the last five years:



Credit portfolio & financial performance

During FY17, DHFL's disbursements increased by 18.09% y-o-y vis-à-vis 22.10% growth witnessed in the previous year primarily on account of surge in builder loans. Although housing loans (incl. individual home loans, self-construction & improvement) continued to account for majority of total disbursements during FY17 (45%), the share of LAP and builder loan disbursals has steadily increased to around 40%. As a result, the share of non-housing & builder loans (comprising LAP, non-residential properties, SME and builder loans) increased to 34.22% of the outstanding loan book as on March 2017 from 27.91% as on March 2016 which is a relatively riskier segment. Due to rise in share of other non-housing products, the average ticket size of DHFL's portfolio has increased from Rs.12.4 lakh in FY16 to Rs.14.0 lakh in FY 17.

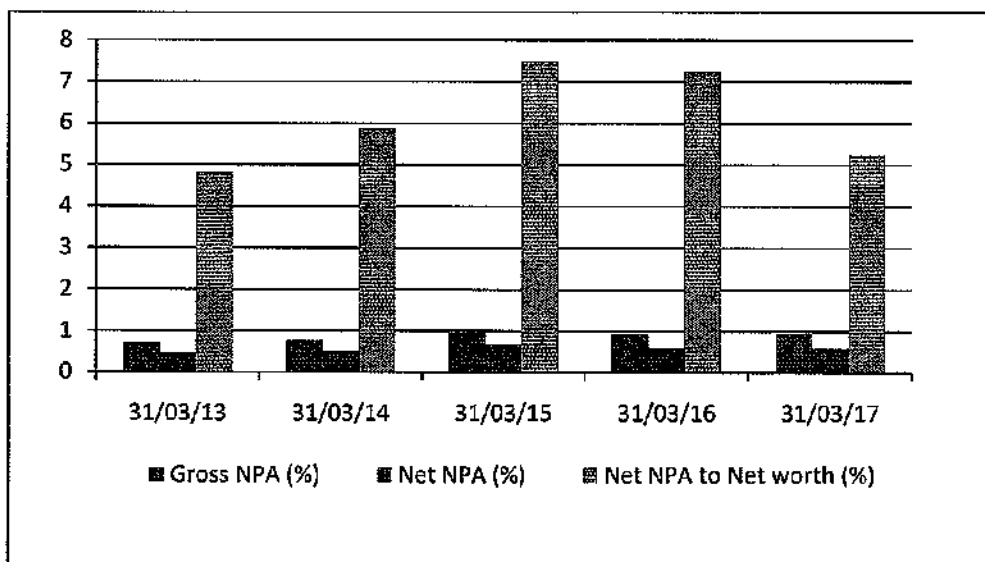
During FY17, DHFL reported PAT of Rs.2896 crore (including one-time gain of Rs.1969 crore) as against PAT of Rs.729 crore in FY16. DHFL's ROTA as well as adjusted ROTA (adjusted for off book assets and one time profit) during FY17 marginally declined to 1.16% [P.Y.: 1.19%] and 1.03% [P.Y.: 1.07%]. Marginal decline in margins coupled with rise in provisioning costs have impacted DHFL's ROTA during FY17. During FY17, NIM remains stable at 2.41% as compared to 2.42% in FY16. During 9MFY18, DHFL reported PAT of Rs.859 crore on the total income of Rs.7657 crore as against PAT of Rs.679 crore on the total income of Rs.6494 crore in 9MFY17. During 9MFY18, DHFL's ROTA and adjusted ROTA stood at 1.23% and 1.07% respectively.

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Comfortable asset quality

Over the years, DHFL has developed the expertise in lending in the low-middle income group segment while maintaining comfortable asset quality parameters. However, asset quality of its LAP and project finance portfolio remains to be seen. Following is the asset quality snapshot of the company over the last five years:



The company reported Gross NPA ratio of 0.94% as on March 31, 2017 [P.Y.: 0.93%] and Net NPA ratio of 0.58% [P.Y.: 0.58%]. The Net NPA to Net worth ratio stood at 5.30% as on March 31, 2017 [P.Y.: 7.24%]. As on December 31, 2017, DHFL's GNPA, NNPA and NNPA to net worth ratio stood comfortable at 0.96%, 0.52% and 5.10% respectively.

Expertise in lending to low and middle income segment which is relatively riskier segment

DHFL has exposure to the lower and middle income group which is more prone to defaults in case of a stressed economic scenario. Although the company continues to report comfortable asset quality parameters which is due to its lower ticket size, portfolio granularity as well as its expertise in catering to this customer segment.

Comfortable liquidity profile

As on December 31, 2017, the liquidity statement showed positive cumulative mismatch in the short term bucket of upto 1 year. Further, DHFL also has unutilized funding lines of Rs.6,968 crore (including NHB sanctions, unutilized CC facilities and unavailed term loan and pool buyout sanctions) which is expected to enable the company in bridging the probable mismatches.

Delays in FD repayments on account of system migration highlights an instance of weakness in internal controls

DHFL delayed on its repayment on FD during the period from April 26, 2017 onwards in few cases and the delays were to the tune of 2 to 14 days. The company in its response has stated that the Fixed Deposits Operations were

migrated to a new technology platform with effect from 26th April 2017 and the system however developed some teething problem on migration mainly in closing of deposit and generation of pay outs. As per management, by 10th May 2017, it rectified the problems in the new system and made payment to the customers with interest on delayed period. The software vendor (IBM) has confirmed in writing about the technical problem during software migration. The company has also informed about the same to the regulator (NHB). The company had ample liquidity and had cash and cash equivalent of more than Rs.14,000 crore during Q1FY18 to meet its all obligations and the delay was on account of technical glitch developed during software migration. However, the delays in FD payment due to software migration highlight an instance of weakness in internal control.

Prospects

The housing finance segment in India has emerged as one of the most secured and resilient asset classes witnessing healthy growth rates and low delinquencies. As a result, housing finance has continued to be a focus segment for both banks as well as housing finance companies registering a robust growth during past few years. Owing to the stress in their corporates portfolios, banks have been increasingly shifting their focus towards retail asset classes such as mortgage finance. Although banks continue to dominate the housing finance space in India given their extensive reach and access to low cost funds which has resulted into a rise in balance transfers from HFCs to banks; HFCs continue to mark their presence with their focus, systems as well as specialisation in their target segment and geographies.

Continued healthy portfolio growth, stable margins and operating efficiencies as well as low credit costs have contributed to healthy profitability parameters of HFCs. The GNPA ratios continue to be stable. While some of the players are witnessing rising NPA levels in their loans against property (LAP) and non-housing loans portfolio; the fact that individual housing loans (excluding LAP) account for bulk of the total mortgage finance portfolios of HFCs, the overall delinquencies are still low. Over the last few years, many new HFCs backed by private equity players and or strong promoters with a focus on affordable housing have started operations. Recent initiatives such as lowering of risk weights for housing loans upto Rs.75 lakh, revision in interest rates and on-lending spread caps under Rural Housing Fund by NHB in addition to Housing for All by 2022 are expected to boost credit growth in the affordable housing segment. Furthermore, initiatives such as Real Estate Act, 2016, 100% tax exemption to developers on profits from building affordable housing and services tax exemption are expected to help transparency and supply side issues.

HFCs are expected to maintain their good profitability on the basis of strong business growth and stable asset quality over the medium term. However, rising competition and the resultant possible dilution in credit underwriting norms, long-term funding and asset quality are the key challenges for the sector.

DHFL with its long track record, experienced management, comfortable capitalisation and focus on relatively underserved low and middle income segment has been able to register robust portfolio growth over the last few years. Capitalisation levels, gearing, asset quality and improvement in internal control systems are DHFL's key rating sensitivities.

Financial performance

(Rs crore)

| Year ended / As on as on March 31 | 2015 12m, A | 2016 12m, A | 2017 12m, A |
|--|----------------|----------------|----------------|
| Disbursements | 19,821 | 24,202 | 28580 |
| Interest Income | 5,790 | 7,137 | 8631 |
| Other Income | 191 | 179 | 2196 |
| Total Income | 5,982 | 7,317 | 10827 |
| Interest expended | 4,460 | 5490 | 6654 |
| Net Interest Income | 1,256 | 1,481 | 1977 |
| Operating Expenses | 474 | 550 | 583 |
| Provisions | 105 | 175 | 218 |
| PBT | 943 | 1102 | 3372 |
| PAT | 621 | 729 | 2896 |
| Adjusted PAT | 621 | 729 | 927 |
| Total Loans outstanding(Net) | 51,040 | 61775 | 72096 |
| Off balance sheet portfolio | 5,845 | 7,749 | 11464 |
| Assets Under Management (On + Off balance sheet) | 56,884 | 69,524 | 83560 |
| Tangible Net worth | 4,631 | 4,981 | 7989 |
| Borrowings | 48,881 | 61,050 | 81341 |
| Total Assets | 54,610 | 67,817 | 92298 |
| Key Ratios % | | | |
| Increase in total income (%) | 20.38 | 22.32 | 47.97 |
| Increase in PAT (%) | 17.45 | 17.37 | 297.26 |
| Increase in adjusted PAT (%) | 17.45 | 17.37 | 27.16 |
| Increase in Total Loan portfolio (%) | 26.18 | 21.03 | 16.71 |
| Net Interest Margin* (%) | 2.7 | 2.42 | 2.41 |
| Yield on Advances *(%) | 12.31 | 12.2 | 11.84 |
| Interest/ Borrowed Funds* (%) | 10.1 | 9.99 | 9.35 |
| Interest Spread (%) * | 2.21 | 2.22 | 2.49 |
| RONW on reported PAT* (%) | 15.18 | 15.17 | 44.66 |
| RONW on adjusted PAT* (%) | 15.18 | 15.17 | 14.29 |
| ROTA on reported PAT* (%) | 1.26 | 1.19 | 3.62 |
| ROTA on adjusted PAT * (%) | 1.26 | 1.19 | 1.16 |
| Overall Debt/ Equity ratio (times) | 10.6 | 12.26 | 10.18 |
| Interest Coverage ratio (times) | 1.21 | 1.2 | 1.51 |
| Capital Adequacy Ratio (CAR) (%) | 16.56 | 16.74 | 19.34 |
| Tier I CAR | 12.53 | 12.97 | 14.92 |
| GNPA | 0.95 | 0.93 | 0.94 |
| NNPA | 0.68 | 0.58 | 0.58 |
| Net NPA/ Network | 7.5 | 7.24 | 5.25 |

A: Audited

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*Computed on basis of average of year end balances

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In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

df

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Annexure II

Press Release

Dewan Housing Finance Corporation Ltd.

Ratings

| Instrument/Facilities | Amount (Rs. crore) | Rating ³ | Rating Action |
|---|---|---|---------------|
| Proposed Public Issue- Non-Convertible Debentures | 29000 (enhanced from 14000) (Rupees twenty nine thousand crore only) | CARE AAA; Stable (Triple A; Outlook: Stable) | Reaffirmed |

Details of instruments/facilities in Annexure-1

Rating Rationale & Key Rating Drivers

The rating factors in consistent track record in the housing finance sector spanning over three decades across business cycles and expertise of Dewan Housing Finance Corporation Limited (DHFL) in lending to the niche borrower segment of lower-middle income group while maintaining asset quality. The growing credit demand in this market segment coupled with the Government's thrust in providing affordable housing are expected to enable DHFL in further strengthening its business position in this segment. The ratings also factor in DHFL's experienced management, comfortable capital adequacy, diversified resource profile, and stable financial profile.

It has come to our notice, instances of certain delays on repayment of FD on account of temporary technical problem due to software migration, while the company had ample liquidity during this period for meeting its obligations. This, however, highlights an instance of weakness in its internal control systems. Capitalisation levels, gearing, asset quality and improvement in internal control systems are the key rating sensitivities.

Detailed description of the key rating drivers

Key rating strengths

Diversified resource profile and comfortable capitalisation levels

The company has demonstrated track record of raising capital (both equity and debt) at regular intervals to fund business growth and has a diversified resource profile. As on March 31, 2017, bank borrowings comprised 42% of the total borrowings [P.Y.: 53%], NHB refinance- 4% [P.Y.: 2%], market borrowings- 42% [P.Y.:33%], public deposits- 8% [P.Y.: 8%] and external commercial borrowings- 4% [P.Y.: 4%]. DHFL's overall gearing stood at 10.18x as on March 31, 2017 [P.Y.: 12.26x]. However, the improvement in gearing levels is on account of sale of stake in DHFL Pramerica Life Insurance to its 100% subsidiary DHFL investments Ltd, which in turn has been debt funded by WGC. The debt funding is supported by a backstop arrangement with DHFL. The company has also given letter of comfort to group companies Aadhar Housing Finance, and Avanse Financial Services.

³Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

As on March 31, 2017, company's CAR and Tier I CAR stood at 19.12% [P.Y.: 16.74%] and 14.75% [P.Y.: 12.97%] respectively. During FY17, DHFL promoters infused Rs.375 crore via warrants. As on December 31, 2017, DHFL's CAR and Tier I CAR stood comfortable at 16.32% and 12.22% respectively.

Comfortable asset quality

Over the years, DHFL has developed the expertise in lending in the low-middle income group segment while maintaining comfortable asset quality parameters. However asset quality of its LAP and project finance portfolio remains to be seen. The company reported Gross NPA ratio of 0.94% as on March 31, 2017 [P.Y.: 0.93%] and Net NPA ratio of 0.58% [P.Y.: 0.58%]. The Net NPA to Net worth ratio stood at 5.30% as on March 31, 2017 [P.Y.: 7.24%]. As on December 31, 2017, DHFL's GNPA, NNPA and NNPA to net worth ratio stood comfortable at 0.96%, 0.52% and 5.10% respectively.

Financial performance

During FY17, DHFL reported PAT of Rs.2896 crore (including one-time gain of Rs.1969 crore) as against PAT of Rs.729 crore in FY16. DHFL's ROTA as well as adjusted ROTA (adjusted for off book assets and one time profit) during FY17 marginally declined to 1.16% [P.Y.: 1.19%] and 1.03% [P.Y.: 1.07%]. Marginal decline in margins coupled with rise in provisioning costs have impacted DHFL's ROTA during FY17. During FY17, NIM remains stable at 2.41% as compared to 2.42% in FY16. During 9MFY18, DHFL reported PAT of Rs.859 crore on the total income of Rs.7657 crore as against PAT of Rs.679 crore on the total income of Rs.6494 crore in 9MFY17. During 9MFY18, DHFL's ROTA and adjusted ROTA stood at 1.23% and 1.07% respectively.

Expertise in lending to low and middle income segment which is relatively riskier segment

DHFL has exposure to the lower and middle income group which is more prone to defaults in case of a stressed economic scenario. Although the company continues to report comfortable asset quality parameters which is due to its lower ticket size, portfolio granularity as well as its expertise in catering to this customer segment.

Key rating weaknesses

Delays in FD repayments on account of system migration highlights an instance of weakness in internal controls

DHFL delayed on its repayment on FD during the period from April 26, 2017 onwards in few cases and the delays were to the tune of 2 to 14 days. The company in its response has stated that the Fixed Deposits Operations were migrated to a new technology platform with effect from 26th April 2017 and the system however developed some teething problem on migration mainly in closing of deposit and generation of pay outs. As per management, by 10th May 2017, it rectified the problems in the new system and made payment to the customers with interest on delayed period. The software vendor (IBM) has confirmed in writing about the technical problem during software migration. The company has also informed about the same to the regulator (NHB). The company had ample

liquidity and had cash and cash equivalent of more than Rs.14,000 crore during Q1FY18 to meet its all obligations and the delay was on account of technical glitch developed during software migration. However, the delays in FD payment due to software migration highlight an instance of weakness in internal control.

Industry Prospects

HFC's are expected to maintain their good profitability on the basis of strong business growth and stable asset quality over the medium term. However, rising competition and the resultant possible dilution in credit underwriting norms, long term funding and asset quality are the key challenges for the sector. However, there are some industry concerns on the LAP book with many players witnessing substantial rise in the delinquency level.

Analytical approach: Standalone

Applicable Criteria

Criteria on assigning Outlook to Credit Ratings

CARE Policy on Default Recognition

Rating Methodology- Housing Finance Companies

Financial ratios - Financial Sector

About the Company

Incorporated in 1984, DHFL is the third-largest housing finance company in India with total asset size of Rs.92,206 crore as on March 31, 2017. The company has a successful track record of over 30 years of lending in the low and middle income group in Tier II and Tier III cities, primarily to salaried individuals. DHFL had a loan portfolio of Rs.72,096 crore as on March 31, 2017. The company operates through a network of over 352 offices (incl. branches and service centres). Around 61.7% of DHFL's loan portfolio as on March 31, 2017, was from western India, 20.1% from northern, eastern and central India with remaining 18.2% being from southern India. DHFL also has international presence through representative offices located in London and Dubai which cater to the housing needs of non-resident Indians. Dewan Group also has presence in the housing finance business through its group companies, namely, Aadhar Housing Finance Private Limited. Furthermore, DHFL has presence in mutual fund business through DHFL Pramerica Asset Managers Private Limited. The company also raised Rs.1969 crore through 50% stake sale in DHFL Pramerica Life Insurance Co Limited to its 100% subsidiary DHFL Investments Ltd (DIL). DHFL has infused Rs.100 crore in the subsidiary. Further, DIL raised Rs.1901 crore CCDs from Wadhwan Global Ltd (WGC) which is the holding company for DHFL and is going to be the ultimate parent for DIL upon conversion of CCDs. WGC has borrowed the said amount through NCD. The debt funding is supported by a backstop arrangement with DHFL.

| Brief Financials (Rs. crore) | FY16 (A) | FY17 (A) |
|------------------------------|----------|----------|
| Total operating income | 6971 | 8631 |
| PAT | 729 | 2896 |
| Interest coverage (times) | 1.20 | 1.51 |
| Total Assets | 67817 | 92298 |
| Net NPA (%) | 0.58 | 0.58 |
| ROTA (%) | 1.19 | 3.62 |

A- Audited

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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Annexure-1: Details of Instruments/Facilities

| Name of the Instrument | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. crore) | Rating assigned along with Rating Outlook |
|--|------------------|-------------|---------------|-------------------------------|---|
| Debentures-Non Convertible Debentures (Public Issue) | 9-Sep-16 | 9.05% | 9-Sep-19 | 2,536.78 | CARE AAA; Stable |
| Debentures-Non Convertible Debentures (Public Issue) | 9-Sep-16 | 9.10% | 9-Sep-19 | 1,071.88 | CARE AAA; Stable |
| Debentures-Non Convertible Debentures (Public Issue) | 9-Sep-16 | 9.05% | 9-Sep-21 | 369.93 | CARE AAA; Stable |
| Debentures-Non Convertible Debentures (Public Issue) | 9-Sep-16 | 9.15% | 9-Sep-21 | 292.09 | CARE AAA; Stable |
| Debentures-Non Convertible Debentures (Public Issue) | 9-Sep-16 | 9.05% | 9-Sep-26 | 1,661.02 | CARE AAA; Stable |
| Debentures-Non Convertible Debentures (Public Issue) | 9-Sep-16 | 9.25% | 9-Sep-26 | 4,068.31 | CARE AAA; Stable |
| Debentures-Non Convertible Debentures (Public Issue) | 16-Aug-16 | 8.74% | 16-Aug-19 | 0.67 | CARE AAA; Stable |
| Debentures-Non Convertible Debentures (Public Issue) | 16-Aug-16 | 8.83% | 16-Aug-19 | 16.09 | CARE AAA; Stable |
| Debentures-Non Convertible Debentures (Public Issue) | 16-Aug-16 | 8.74% | 16-Aug-21 | 0.34 | CARE AAA; Stable |
| Debentures-Non Convertible Debentures (Public Issue) | 16-Aug-16 | 8.88% | 16-Aug-21 | 10.76 | CARE AAA; Stable |
| Debentures-Non Convertible Debentures (Public Issue) | 16-Aug-16 | 8.74% | 16-Aug-26 | 0.48 | CARE AAA; Stable |
| Debentures-Non Convertible Debentures (Public Issue) | 16-Aug-16 | 8.93% | 16-Aug-26 | 44.54 | CARE AAA; Stable |
| Debentures-Non Convertible Debentures (Public Issue) | 16-Aug-16 | 9.10% | 16-Aug-19 | 946.28 | CARE AAA; Stable |
| Debentures-Non Convertible Debentures (Public Issue) | 16-Aug-16 | 9.20% | 16-Aug-19 | 60.84 | CARE AAA; Stable |
| Debentures-Non Convertible Debentures (Public Issue) | 16-Aug-16 | 9.10% | 16-Aug-21 | 268.6 | CARE AAA; Stable |

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| | | | | | |
|---|-----------|-------|-----------|----------|------------------|
| Debentures-Non Convertible Debentures (Public Issue) | 16-Aug-16 | 9.25% | 16-Aug-21 | 186.56 | CARE AAA; Stable |
| Debentures-Non Convertible Debentures (Public Issue) | 16-Aug-16 | 9.10% | 16-Aug-26 | 367.34 | CARE AAA; Stable |
| Debentures-Non Convertible Debentures (Public Issue) | 16-Aug-16 | 9.30% | 16-Aug-26 | 2,036.06 | CARE AAA; Stable |
| Debentures-Non Convertible Debentures (Public Issue) | 16-Aug-16 | 9.10% | 16-Aug-19 | 0.1 | CARE AAA; Stable |
| Debentures-Non Convertible Debentures (Public Issue) | 16-Aug-16 | 9.20% | 16-Aug-19 | 17.82 | CARE AAA; Stable |
| Debentures-Non Convertible Debentures (Public Issue) | 16-Aug-16 | 9.25% | 16-Aug-21 | 11.57 | CARE AAA; Stable |
| Debentures-Non Convertible Debentures (Public Issue) | 16-Aug-16 | 9.10% | 16-Aug-26 | 0.02 | CARE AAA; Stable |
| Debentures-Non Convertible Debentures (Public Issue) | 16-Aug-16 | 9.30% | 16-Aug-26 | 13.82 | CARE AAA; Stable |
| Debentures-Non Convertible Debentures (Public Issue) | 16-Aug-16 | 9.10% | 16-Aug-19 | 16.17 | CARE AAA; Stable |
| Debentures-Non Convertible Debentures (Public Issue) | 16-Aug-16 | 9.20% | 16-Aug-19 | 1.94 | CARE AAA; Stable |
| Debentures-Non Convertible Debentures (Public Issue proposed) | - | - | - | 15000 | CARE AAA; Stable |

Annexure-2: Rating History of last three years

| Sr. No. | Name of the Instrument/Bank Facilities | Current Ratings | | | Rating history | | | |
|---------|--|-----------------|--------------------------------|------------------|---|---|--|--|
| | | Type | Amount Outstanding (Rs. crore) | Rating | Date(s) & Rating(s) assigned in 2018-2019 | Date(s) & Rating(s) assigned in 2017-2018 | Date(s) & Rating(s) assigned in 2016-2017 | Date(s) & Rating(s) assigned in 2015-2016 |
| 1. | Loan-Long Term | LT | 2447.50 | CARE AAA; Stable | - | 1)CARE AAA; Stable (06-Jul-17) | 1)CARE AAA; Stable (21-Feb-17) 2)CARE AAA (13-Jul-16) | 1)CARE AAA (21-Dec-15) 2)CARE AAA (13-Jul-15) 3)CARE AAA (03-Apr-15) |
| 2. | Debentures-Non Convertible Debentures | LT | 163.00 | CARE AAA; | - | 1)CARE AAA; Stable | 1)CARE AAA; Stable | 1)CARE AAA (13-Jul-15) |

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| | | | | | | | | |
|----|---------------------------------------|----|----------|---------------------|---|--------------------------------------|--|---|
| | | | | Stable | | (06-Jul-17) | (21-Feb-17) 2)CARE AAA (13-Jul-16) | |
| 3. | Debentures-Non Convertible Debentures | LT | 302.11 | CARE AAA; Stable | - | 1)CARE AAA; Stable (06-Jul-17) | 1)CARE AAA; Stable (21-Feb-17) 2)CARE AAA (13-Jul-16) | 1)CARE AAA (13-Jul-15) |
| 4. | Debt-Subordinate Debt | LT | 80.00 | CARE AA+; Stable | - | 1)CARE AA+; Stable (06-Jul-17) | 1)CARE AA+; Stable (21-Feb-17) 2)CARE AA+ (13-Jul-16) 3)CARE AA+ (09-May-16) | 1)CARE AA+ (13-Jul-15) |
| 5. | Debentures-Non Convertible Debentures | LT | 140.01 | CARE AAA; Stable | - | 1)CARE AAA; Stable (06-Jul-17) | 1)CARE AAA; Stable (21-Feb-17) 2)CARE AAA (13-Jul-16) | 1)CARE AAA (13-Jul-15) |
| 6. | Debentures-Non Convertible Debentures | LT | 1000.00 | CARE AAA; Stable | - | 1)CARE AAA; Stable (06-Jul-17) | 1)CARE AAA; Stable (21-Feb-17) 2)CARE AAA (13-Jul-16) | 1)CARE AAA (13-Jul-15) |
| 7. | Fund-based - LT-LC/BG | LT | 803.00 | CARE AAA; Stable | - | 1)CARE AAA; Stable (06-Jul-17) | 1)CARE AAA; Stable (21-Feb-17) 2)CARE AAA (13-Jul-16) 3)CARE AAA (03-Apr-15) | 1)CARE AAA (21-Dec-15) 2)CARE AAA (13-Jul-15) 3)CARE AAA (03-Apr-15) |
| 8. | Debt-Subordinate Debt | LT | 500.00 | CARE AA+; Stable | - | 1)CARE AA+; Stable (06-Jul-17) | 1)CARE AA+; Stable (21-Feb-17) 2)CARE AA+ (13-Jul-16) 3)CARE AA+ (09-May-16) | 1)CARE AA+ (13-Jul-15) |
| 9. | Term Loan-Long Term | LT | 16073.16 | CARE AAA; Stable | - | 1)CARE AAA; Stable (06-Jul-17) | 1)CARE AAA; Stable (21-Feb-17) 2)CARE AAA (13-Jul-16) 3)CARE AAA (03-Apr-15) | 1)CARE AAA (21-Dec-15) 2)CARE AAA (13-Jul-15) 3)CARE AAA (03-Apr-15) |

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| | | | | | | | | |
|-----|---------------------------------------|----|----------|-----------------------|---|---|--|--|
| 10. | Fixed Deposit | LT | 20000.00 | CARE AAA (FD); Stable | - | 1)CARE AAA (FD); Stable (19-Mar-18) 2)CARE AAA (FD); Stable (31-Aug-17) 3)CARE AAA (FD); Stable (06-Jul-17) | 1)CARE AAA (FD); Stable (21-Feb-17) 2)CARE AAA (FD) (13-Jul-16) | 1)CARE AAA (FD) (13-Jul-15) |
| 11. | Debentures-Non Convertible Debentures | LT | 1000.00 | CARE AAA; Stable | - | 1)CARE AAA; Stable (06-Jul-17) | 1)CARE AAA; Stable (21-Feb-17) 2)CARE AAA (13-Jul-16) | 1)CARE AAA (13-Jul-15) |
| 12. | Debt-Perpetual Debt | LT | 1300.00 | CARE AA; Stable | - | 1)CARE AA; Stable (13-Jul-17) 2)CARE AA; Stable (06-Jul-17) | 1)CARE AA; Stable (21-Feb-17) 2)CARE AA (30-Aug-16) 3)CARE AA (13-Jul-16) | 1)CARE AA (13-Jul-15) |
| 13. | Fund-based - LT-Term Loan | LT | 673.11 | CARE AAA; Stable | - | 1)CARE AAA; Stable (06-Jul-17) | 1)CARE AAA; Stable (21-Feb-17) 2)CARE AAA (13-Jul-16) | 1)CARE AAA (21-Dec-15) 2)CARE AAA (13-Jul-15) 3)CARE AAA (03-Apr-15) |
| 14. | Fund-based - LT-Term Loan | LT | 4050.00 | CARE AAA; Stable | - | 1)CARE AAA; Stable (06-Jul-17) | 1)CARE AAA; Stable (21-Feb-17) 2)CARE AAA (13-Jul-16) | 1)CARE AAA (21-Dec-15) 2)CARE AAA (13-Jul-15) 3)CARE AAA (03-Apr-15) |
| 15. | Fund-based - LT-Term Loan | LT | 9430.84 | CARE AAA; Stable | - | 1)CARE AAA; Stable (06-Jul-17) | 1)CARE AAA; Stable (21-Feb-17) 2)CARE AAA (13-Jul-16) | 1)CARE AAA (21-Dec-15) 2)CARE AAA (13-Jul-15) 3)CARE AAA (03-Apr-15) |
| 16. | Debt-Subordinate Debt | LT | 400.00 | CARE AA+; Stable | - | 1)CARE AA+; Stable (06-Jul-17) | 1)CARE AA+; Stable (21-Feb-17) 2)CARE AA+ (13-Jul-16) 3)CARE AA+ (09-May-16) | 1)CARE AA+ (13-Jul-15) |

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| | | | | | | | | |
|-----|---------------------------------------|----|----------|------------------|---|--------------------------------|--|--|
| 17. | Debentures-Non Convertible Debentures | LT | 1500.00 | CARE AAA; Stable | - | 1)CARE AAA; Stable (06-Jul-17) | 1)CARE AAA; Stable (21-Feb-17) 2)CARE AAA (13-Jul-16) | 1)CARE AAA (13-Jul-15) |
| 18. | Debentures-Non Convertible Debentures | LT | 1000.00 | CARE AAA; Stable | - | 1)CARE AAA; Stable (06-Jul-17) | 1)CARE AAA; Stable (21-Feb-17) 2)CARE AAA (13-Jul-16) | 1)CARE AAA (13-Jul-15) |
| 19. | Debentures-Non Convertible Debentures | LT | 1050.00 | CARE AAA; Stable | - | 1)CARE AAA; Stable (06-Jul-17) | 1)CARE AAA; Stable (21-Feb-17) 2)CARE AAA (13-Jul-16) | 1)CARE AAA (13-Jul-15) |
| 20. | Debt-Subordinate Debt | LT | 1225.00 | CARE AA+; Stable | - | 1)CARE AA+; Stable (06-Jul-17) | 1)CARE AA+; Stable (21-Feb-17) 2)CARE AA+ (13-Jul-16) 3)CARE AA+ (09-May-16) | 1)CARE AA+ (13-Jul-15) |
| 21. | Fund-based - LT-Term Loan | LT | 8522.39 | CARE AAA; Stable | - | 1)CARE AAA; Stable (06-Jul-17) | 1)CARE AAA; Stable (21-Feb-17) 2)CARE AAA (13-Jul-16) 3)CARE AAA (03-Apr-15) | 1)CARE AAA (21-Dec-15) 2)CARE AAA (13-Jul-15) 3)CARE AAA (03-Apr-15) |
| 22. | Debentures-Non Convertible Debentures | LT | 1000.00 | CARE AAA; Stable | - | 1)CARE AAA; Stable (06-Jul-17) | 1)CARE AAA; Stable (21-Feb-17) 2)CARE AAA (13-Jul-16) | 1)CARE AAA (13-Jul-15) |
| 23. | Debentures-Non Convertible Debentures | LT | 29000.00 | CARE AAA; Stable | - | 1)CARE AAA; Stable (06-Jul-17) | 1)CARE AAA; Stable (21-Feb-17) 2)CARE AAA (30-Aug-16) 3)CARE AAA (13-Jul-16) | 1)CARE AAA (13-Jul-15) |
| 24. | Debentures-Non Convertible Debentures | LT | 10500.00 | CARE AAA; Stable | - | 1)CARE AAA; Stable (06-Jul-17) | 1)CARE AAA; Stable (21-Feb-17) 2)CARE AAA | 1)CARE AAA (13-Jul-15) |

CARE Ratings Limited
(Formerly known as Credit Analysis & Research Limited)

| | | | | | | | | |
|-----|--|----|----------|---------------------------------|---|--|---|---------------------------|
| | | | | | | | (13-Jul-16) | |
| 25. | Borrowings-Secured Long Term Borrowings | LT | 713.80 | CARE AAA; Stable | - | 1)CARE AAA; Stable (06-Jul-17) | 1)CARE AAA; Stable (21-Feb-17) 2)CARE AAA (13-Jul-16) | 1)CARE AAA (18-Nov-15) |
| 26. | Preference Shares- Reedemable | LT | 750.00 | CARE AA+ (RPS); Stable | - | 1)CARE AA+ (RPS); Stable (06-Jul-17) 2)CARE AA+ (RPS); Stable (07-Apr-17) | - | - |
| 27. | Commercial Paper | ST | 10000.00 | CARE A1+ | - | 1)CARE A1+ (11-Oct-17) | - | - |

CARE Ratings Limited
(Formerly known as Credit Analysis & Research Limited)



SEBI Registered
RBI Accredited
NSIC Empanelled

ANNEXURE B

BWR/NCD/HO/ERC/MM/0042/2018-19

April 27, 2018

Mr. Kapil Wadhawan

Chairman & Managing Director

Dewan Housing Finance Corporation Limited

10th Floor, TCG Financial Centre

BKC Road, Bandra Kurla Complex

Bandra (East), Mumbai – 400098

Dear Sir,

Sub: Rating of proposed Secured Non Convertible Debentures (Public Issue) up to Rs.15000 Crores (INR Fifteen Thousand Crores only) of Dewan Housing Finance Corporation Limited

Ref: Your mandate dated April 24, 2018

Thank you for giving us an opportunity to undertake rating of the proposed **Secured Non Convertible Debentures (Public Issue) of Dewan Housing Finance Corporation Limited**. Based on the information and clarifications provided by your company, draft terms of issue shared with us, as well as information available in public sources, Brickwork Ratings is pleased to inform you that **Dewan Housing Finance Corporation Limited's** proposed **Secured Non Convertible Debentures (Public Issue) up to Rs. 15000 Crores (INR Fifteen Thousand Crores only)** has been assigned a rating of **BWR AAA (Pronounced as BWR Triple A), Outlook: Stable**.

Instruments with this rating are considered to have **highest degree** of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

The Rating is valid for one year from the date of this letter subject to the terms and conditions that were agreed in your mandate dated April 24, 2018 and other correspondence, if any, and Brickwork Ratings' standard disclaimer appended below.



Brickwork Ratings India Pvt. Ltd.

3rd Floor, Raj Alkaa Park, Kalena Agrahara, Bannerghatta Road, Bengaluru - 560 076

Phone: +91 80 4040 9940 • Fax: +91 80 4040 9941 | info@brickworkratings.com • www.BrickworkRatings.com

Ahmedabad • Bengaluru • Chandigarh • Chennai • Guwahati • Hyderabad • Kolkata • Mumbai • New Delhi

CIN: U67190KA2007PTC043591



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NSIC Empanelled

Dewan Housing Finance Corporation Limited

Brickwork Ratings would conduct surveillance every year till maturity/redemption of the instrument. Please note that Brickwork Ratings would need to be kept informed of any information/development that may affect your Company's finances/performance without any delay.

Please let us have your acceptance of the above Rating within two days of the date of this letter. Kindly note that unless acceptance is received by us, the rating is not valid and should not be used for any purpose whatsoever.

Best Regards,

MSR Manjunatha

Head – Ratings Administration



Note: In case of all valid Ratings, respective Rating Rationale is published on Brickwork Ratings website. Interested persons are well advised to refer to our website www.brickworkratings.com, if they are unable to view the rationale, they are requested to inform us on brickworkhelp@brickworkratings.com

Disclaimer: Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented "as is" without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.

Rating Rationale

Dewan Housing Finance Corporation Limited

April, 2018

Brickwork Ratings assigns rating for the Proposed Secured NCD (Public issue) issue up to Rs. 15000 Crores and reaffirms the existing ratings for the Bank facilities and various Debt issues of Dewan Housing Finance Corporation Limited (“DHFL” or “the Company”)

Brickwork Ratings (BWR) assigns the rating for the proposed facility of Dewan Housing Finance Corporation Limited (‘DHFL’ or ‘the Company’) as detailed below:

| Issue | Limit (Rs. In Cr) | Tenure | Rating ¹ |
|----------------------|----------------------|---|----------------------------|
| Proposed secured NCD | 15000 | Long Term | BWR AAA Outlook: Stable |
| Total | 15000 | INR Fifteen thousand crores only | |

It has also reaffirmed the **Ratings¹** for the Bank Facility and various Debt issues as detailed below:

| Existing Issues [#] | Issue Size (` Cr) | Outstanding (` Cr) | Unutilized Amount (` Cr) | Ratings History (December 2017) | Ratings Reaffirmed |
|------------------------------|----------------------|---|-----------------------------|------------------------------------|-------------------------------|
| | | as of April 26, 2018 | | | |
| Secured NCD | 6900 | 5347.20 | 1552.80 | BWR AAA (Outlook: Stable) | BWR AAA (Outlook: Stable) |
| Secured NCD (Public Issue) | 14000 | 14000 | Nil | BWR AAA (Outlook: Stable) | BWR AAA (Outlook: Stable) |
| Subordinated NCD | 2250 | 2195.50 | 54.50 | BWR AAA (Outlook: Stable) | BWR AAA (Outlook: Stable) |
| IPDI | 1300 | 1160.70 | 139.30 | BWR AA+ (Outlook: Stable) | BWR AA+ (Outlook: Stable) |
| Fixed Deposit | 12000 | 9661.30 (as on 31 st December 2017) | 2338.70 | BWR FAAA (Outlook: Stable) | BWR FAAA (Outlook: Stable) |
| Total | 36450 | INR Thirty six thousand & four hundred and fifty crores only | | | |

¹Please refer to BWR website www.brickworkratings.com/ for definition of the ratings
ISIN details are given in Annexure



Rationale/Description of Key Rating Drivers/Rating sensitivities:

The rating has factored, *inter alia*, the strong track record of DHFL and Group companies in housing finance business coupled with experienced & professional management in the company, growing business & financial risk profile of the company, continuous growth in mortgage finance portfolio while maintaining asset quality, comfortable capitalization with ability to raise funds and strong credit appraisal and recovery policy as well. The rating is, however, constrained by the competitive landscape for HFCs.

Analytical Approach:

Risk profile of DHFL is evaluated on a stand-alone basis. Please refer to the applicable Rating Criteria at the end of this rationale.

Key Risk Drivers:

- Ownership and Management: DHFL is held by Wadhwan Global Capital - Promoter group of company, headed by Mr. Kapil Wadhwan (CEO & Managing Director), having experience of more than 2 decades in the financial services business.
- Good financial risk profile: The company has maintained steady growth in its Loan Book, while maintaining asset quality. GNPA at < 1%, NIM at 3%, good profitability and CRAR at 16.32% (as on 31 Dec 2017) are positive.
- Industry prospects: Housing Finance industry has been growing significantly over the last several years, with the NHB recognized entities competing with commercial banks. The field has many players – big and small, and is highly competitive. However, DHFL leverages on its strong management, shareholders, network and infrastructure.

Rating Outlook: Stable

BWR believes DHFL's business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. Going forward, the ability of the company to grow while maintaining profitability, efficiently managing its asset quality, maintain healthy capitalization level and cope with the changing & competitive nature of housing finance industry would be the key rating sensitivities.

About the Company

Dewan Housing Finance Corporation Limited (DHFL), incorporated in 1984, is a housing finance company registered under NHB, listed in BSE/NSE and is engaged in providing both Housing and Non-Housing Loans. Mr. Kapil Wadhawan is the Chairman and Managing Director of DHFL. Besides him, the Board of Directors of DHFL consists of Mr. Dheeraj Wadhawan as Non – Executive Director, Mr. Harshil Mehta as Joint MD & CEO, Mr. G. P. Kohli, Mr. V K Chopra, Mr. Mannil Venugopal, Ms. Vijaya



Sampath as Independent Directors. The company also has well qualified and experienced professionals looking after different domain functions.

DHFL's distribution network is focused on Tier II and Tier III Cities with products for purchase of new house property, purchase of resale house property, self-construction and extension & improvement and non-housing loans with products such as loan against property, lease rental financing, loans for purchase of commercial premises and SME loans. As of December 31, 2017, it had a network of 352 company operated locations across India.

DHFL's subsidiaries/associates include companies in affordable housing, educational loans, insurance and asset management.

Proposed Secured NCD's (Public Issue) Structure

Important terms of the proposed secured NCD (public issue) issue as per the draft term sheet shared by the Company are as follows:

1. Issue size: Rs. 15000 Cr.
2. It is a secured non-convertible nature of debentures for public issue with a tenor ranging from 2 years to 10 years.

Company's Financial Performance

During 9MFY18, the company disbursed fresh loans to the extent of Rs. 10900 Crores, and the outstanding loan portfolio as of December 31, 2017 was Rs. 83963 Crores compared to Rs. 72096 Crores as of March 31, 2017, a Y-o-Y growth of 22%. For 9MFY17, Home loans segment constitutes 63% of DHFL's loan portfolio followed by Loan against Property with ~18% share. The Company has also undertaken securitization and selling/assignment of its loan assets. Thus, the Gross Assets under Management was Rs. 101200 Crores for 9MFY18 compared to Rs. 83560 Crores for FY17 with an average growth of ~ 25%. As of December 31, 2017, the Gross NPA of the Company remained stable at 0.96% with a provision coverage ratio at 45% for 9MFY18.

DHFL's Tangible Net Worth stood at Rs. 8560.73 Crores in 9MFY18. DHFL's capital adequacy in the form of CRAR was at 16.32% as of December 31, 2017 with Tier I CRAR being 12.22%. For short to medium term, the company has a comfortable liquidity position and in general HFCs have mismatches in the long term, which they need to manage appropriately. The company stipulates floating rates of interest for its loans, and hence, can pass on the varying cost of its borrowings to its customers.

For 9MFY18, Total Interest Income for the Company stood at Rs. 7649 Crores, while Net Interest Income was Rs. 1958.25 Crores. Net Interest Margin marginally improved to 3.03% in 9MFY18 mainly due to decline in cost of funds of the Company. Return on Asset was at around 1.82% for 9MFY18.

Key Financial Figures:

| Financial Ratios | FY16 (A) | FY17 (A) | 9MFY18 |
|---------------------------------|----------|----------|---------|
| Asset Under Management (Rs. Cr) | 69524 | 83560 | 101200 |
| Gross NPA % | 0.93 | 0.94 | 0.96 |
| Net NPA % | 0.58 | 0.58 | 0.52 |
| Net Interest Income (Rs. Cr) | 1669 | 2000 | 626 |
| PAT (Rs. Cr) | 792.20 | 2896.54 | 305 |
| Net Interest Margin (NIM) % | 2.96 | 3.00 | 3.03 |
| Tangible Net Worth (Rs. Cr) | 5017 | 7996 | 8560.73 |
| CRAR % | 17.03 | 19.34 | 16.32 |

Rating History for the last three years:

| Sl. No. | Instrument/ Facility | Current Rating (Year 2018) (Rs. Cr) | | Rating History | | |
|---------|--|---|--|-----------------------------|-----------------------------|-----------------------------|
| | | | | 2017 | 2016 | 2015 |
| 1 | Proposed Secured NCD (Public Issue) | 15000 | BWR AAA Outlook: Stable | NA | | |
| 2 | Subordinated NCD | 2250 | BWR AAA Outlook: Stable | BWR AAA Outlook: Stable | BWR AAA Outlook: Stable | BWR AAA Outlook: Stable |
| 3 | IPDI | 1300 | BWR AA+ Outlook: Stable | BWR AA+ Outlook: Stable | BWR AA+ Outlook: Stable | BWR AA+ Outlook: Stable |
| 4 | Secured NCD (Public Issue) | 14000 | BWR AAA Outlook: Stable | BWR AAA Outlook: Stable | BWR AAA Outlook: Stable | BWR AAA Outlook: Stable |
| 5 | Secured NCD | 6900 | BWR AAA Outlook: Stable | BWR AAA Outlook: Stable | BWR AAA Outlook: Stable | BWR AAA Outlook: Stable |
| 6 | Fixed Deposit | 12000 | BWR FAAA Outlook: Stable | BWR FAAA Outlook: Stable | BWR FAAA Outlook: Stable | BWR FAAA Outlook: Stable |
| | Total | 51450 | INR Fifty one thousand & four hundred and fifty crores only | | | |

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Banks & Financial Institutions](#)



| Analytical Contacts | Media |
|---|--|
| MSR Manjunatha Head - Ratings Administration analyst@brickworkratings.com | media@brickworkratings.com |
| | Relationship Contact |
| | bd@brickworkratings.com |
| Phone: 1-860-425-2742 | |

For print and digital media

The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.

DISCLAIMER



Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.

Annexure

Details of the issue

| ISIN | Amount | Maturity |
|--------------|--------|-----------|
| INE202B07787 | 10.00 | 4-Jun-18 |
| INE202B07803 | 0.50 | 17-Jun-18 |
| INE202B07829 | 15.00 | 28-Jun-18 |
| INE202B07837 | 50.00 | 3-Jul-18 |
| INE202B07HC0 | 60.00 | 16-Aug-18 |
| INE202B07969 | 5.00 | 5-Feb-19 |
| INE202B07HD8 | 100.00 | 18-Mar-19 |
| INE202B07AE1 | 10.00 | 19-Mar-19 |
| INE202B07GO7 | 28.50 | 28-Mar-19 |
| INE202B07AK8 | 500.00 | 30-Apr-19 |
| INE202B07GW0 | 6.50 | 28-May-19 |
| INE202B07GX8 | 30.00 | 3-Jun-19 |
| INE202B07GZ3 | 35.00 | 10-Jun-19 |
| INE202B07HE6 | 5.00 | 18-Jun-19 |
| INE202B07IF1 | 2.80 | 2-Jul-19 |
| INE202B07IG9 | 6.30 | 23-Jul-19 |
| INE202B07IH7 | 2.50 | 5-Aug-19 |
| INE202B07II5 | 11.00 | 6-Aug-19 |
| INE202B07GP4 | 60.00 | 20-Sep-19 |
| INE202B07CL2 | 75.00 | 18-Nov-19 |
| INE202B07HF3 | 50.00 | 16-Apr-20 |

| | | |
|--------------|--------|-----------|
| INE202B07EQ7 | 750.00 | 20-May-20 |
| INE202B07ER5 | 500.00 | 21-May-20 |
| INE202B07IQ8 | 150.00 | 23-Jun-20 |
| INE202B07FI1 | 95.00 | 8-Jul-20 |
| INE202B07FP6 | 110.00 | 16-Jul-20 |
| INE202B07IR6 | 175.00 | 17-Jul-20 |
| INE202B07FX0 | 100.00 | 25-Aug-20 |
| INE202B07IT2 | 25.00 | 25-Sep-20 |
| INE202B07GF5 | 137.00 | 30-Oct-20 |
| INE202B07GJ7 | 200.00 | 12-Jan-21 |
| INE202B07951 | 75.00 | 5-Feb-21 |
| INE202B07993 | 20.00 | 21-Mar-21 |
| INE202B07AB7 | 35.00 | 28-Mar-21 |
| INE202B07GT6 | 33.20 | 23-Apr-21 |
| INE202B07AJ0 | 5.00 | 30-Apr-21 |
| INE202B07AI2 | 50.00 | 30-Apr-21 |
| INE202B07AY9 | 15.00 | 10-Jun-21 |
| INE202B07HG1 | 104.00 | 17-Jun-21 |
| INE202B07BC3 | 9.00 | 18-Jun-21 |
| INE202B07HJ5 | 274.00 | 28-Jul-21 |
| INE202B07530 | 10.00 | 29-Jul-21 |
| INE202B07555 | 35.00 | 12-Aug-21 |
| INE202B07IE4 | 125.00 | 20-Aug-21 |
| INE202B07597 | 62.90 | 29-Jun-22 |
| INE202B07647 | 25.00 | 27-Aug-22 |
| INE202B07GG3 | 15.00 | 28-Oct-22 |
| INE202B07852 | 250.00 | 24-Sep-23 |
| INE202B07845 | 4.00 | 25-Sep-23 |
| INE202B07886 | 5.00 | 25-Sep-23 |
| INE202B07878 | 12.00 | 25-Sep-23 |
| INE202B07894 | 5.00 | 31-Oct-23 |
| INE202B07902 | 22.00 | 31-Oct-23 |
| INE202B07928 | 25.00 | 22-Nov-23 |



| | | |
|--------------|--------|-----------|
| INE202B07944 | 40.00 | 5-Feb-24 |
| INE202B07AC5 | 3.00 | 28-Mar-24 |
| INE202B07AD3 | 53.40 | 28-Mar-24 |
| INE202B07AX1 | 20.00 | 10-Jun-24 |
| INE202B07AZ6 | 55.00 | 12-Jun-24 |
| INE202B07BH2 | 25.00 | 24-Jun-24 |
| INE202B07BI0 | 45.00 | 14-Aug-24 |
| INE202B07BJ8 | 5.00 | 20-Aug-24 |
| INE202B07CM0 | 15.00 | 18-Nov-24 |
| INE202B07FJ9 | 205.00 | 8-Jul-25 |
| INE202B07FQ4 | 90.00 | 16-Jul-25 |
| INE202B07FY8 | 50.00 | 25-Aug-25 |
| INE202B07GH1 | 105.00 | 30-Oct-25 |
| INE202B07GN9 | 25.00 | 23-Mar-26 |
| INE202B07GU4 | 11.50 | 24-Apr-26 |
| INE202B07GY6 | 20.00 | 3-Jun-26 |
| INE202B07HA4 | 35.00 | 10-Jun-26 |
| INE202B07HH9 | 1.10 | 17-Jun-26 |
| INE202B07936 | 22.00 | 5-Feb-29 |
| INE202B08413 | 45.5 | 2-May-18 |
| INE202B08439 | 8 | 2-May-18 |
| INE202B08462 | 5 | 22-May-18 |
| INE202B08470 | 10 | 22-May-18 |
| INE202B08512 | 2.3 | 15-Aug-18 |
| INE202B08546 | 10 | 15-Aug-18 |
| INE202B08579 | 2 | 28-Sep-18 |
| INE202B08587 | 25 | 28-Sep-18 |
| INE202B08645 | 5 | 22-Oct-18 |
| INE202B08363 | 175 | 24-Nov-20 |
| INE202B08371 | 150 | 31-Mar-21 |
| INE202B08405 | 75 | 27-Mar-22 |
| INE202B08421 | 15 | 2-Nov-22 |
| INE202B08447 | 18 | 22-Nov-22 |
| INE202B08454 | 5 | 22-Nov-22 |
| INE202B08488 | 39 | 14-Dec-22 |



| | | |
|--------------|------|-----------|
| INE202B08496 | 25 | 14-Dec-22 |
| INE202B08504 | 31 | 15-Feb-23 |
| INE202B08520 | 16.7 | 15-Feb-23 |
| INE202B08538 | 25 | 15-Feb-23 |
| INE202B08553 | 15 | 15-Feb-23 |
| INE202B08561 | 13 | 28-Mar-23 |
| INE202B08637 | 36 | 22-Apr-23 |
| INE202B08652 | 44 | 22-Apr-23 |
| INE202B08777 | 400 | 8-May-26 |
| INE202B08389 | 100 | Perpetual |
| INE202B08397 | 25.2 | Perpetual |
| INE202B08595 | 3.3 | Perpetual |
| INE202B08603 | 6.3 | Perpetual |
| INE202B08611 | 0.4 | Perpetual |
| INE202B08629 | 15 | Perpetual |
| INE202B08660 | 15 | Perpetual |
| INE202B08678 | 3 | Perpetual |
| INE202B08686 | 2.4 | Perpetual |
| INE202B08694 | 3.9 | Perpetual |
| INE202B08702 | 1.2 | Perpetual |
| INE202B08710 | 1.2 | Perpetual |
| INE202B08728 | 0.5 | Perpetual |
| INE202B08736 | 3.3 | Perpetual |
| INE202B08744 | 1 | Perpetual |
| INE202B08751 | 1 | Perpetual |
| INE202B08769 | 3 | Perpetual |
| INE202B08785 | 475 | Perpetual |
| INE202B08793 | 500 | Perpetual |



The Company Secretary
Dewan Housing Finance Corporation Limited
DHFL House,
3rd Floor, 19 Sahar Road, Off Western Express Highway,
Vile Parle (East),
Mumbai – 400 099

Dear Sir/ Madam,

Sub: Proposed public issue ("Issue") of secured, redeemable, non-convertible debentures ("NCDs") aggregating up to Rs. 15000 Crore by Dewan Housing Finance Corporation Limited ("Company")

We, the undersigned, hereby consent to be named as the Debenture Trustee to the Issue pursuant to Regulation 4(4) of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended and to our name being inserted as the Debenture Trustee to the Issue in the Draft Shelf Prospectus to be filed with the BSE Limited and National Stock Exchange of India Limited ("**Stock Exchanges**") and Securities and Exchange Board of India ("**SEBI**") and the Shelf Prospectus / Tranche Prospectus to be filed with the Registrar of Companies, Maharashtra, Mumbai ("**RoC**"), Stock Exchanges and SEBI in respect of the Issue and in all related advertisements and in all the subsequent periodical communications to be sent to the holders of the NCDs issued pursuant to this Issue.

The following details with respect to us may be disclosed:

Name: Catalyst Trusteeship Limited (Formerly GDA Trusteeship Limited)
 Address: 'GDA House', Plot No 85, Bhusari Colony (Right),
 Kothrud, Pune – 411038
 Tel: 020 - 25280081
 Fax: 020 - 25280275
 Email: dt@ctltrustee.com
 Website: www.catalysttrustee.com
 Contact Person: Ms. Shamala Nalawade
 Investor Grievance e-mail: grievance@ctltrustee.com
 SEBI Registration No: IND000000034

We confirm that we are registered with the SEBI and that such registration is valid as on date of this letter. We enclose a copy of our registration certificate and declaration regarding our registration with SEBI in the required format [As Annexure A]. We also certify that we have not been prohibited from SEBI to act as an intermediary in capital market issues. [a copy of the registration certificate and declaration is enclosed]. We also authorize you to deliver a copy of this letter of consent to the RoC, pursuant to the provisions of Section 26 of the Companies Act, 2013 and other applicable laws or any other regulatory authority as required by law.

We also agree to keep strictly confidential, until such time as the proposed transaction is publicly announced by the company in the form of a press release, (i) the nature and scope of this transaction; and (ii) Our knowledge of the proposed transaction of the Company.

Yours faithfully,

For Catalyst Trusteeship Limited.

S. B. Nalawade.

Ms. Shamala Nalawade
Authorised Signatory



Annexure A



April 26, 2018

Dewan Housing Finance Corporation Limited
DHFL House,
3rd Floor, 19 Sahar Road, Off Western Express Highway,
Vile Parle (East),
Mumbai – 400 099

Dear Sir/ Madam,

Sub: Proposed Public Issue ("Issue") of Secured, Non-Convertible Debentures ("NCDs") aggregating up to Rs. 15000 Crore by Dewan Housing Finance Corporation Limited ("Company")

We hereby confirm that as on date the following details in relation to our registration with the Securities and Exchange Board of India as a Debenture Trustee is true and correct:

| S. No. | Particulars | Details |
|--------|---|------------------------|
| 1. | Registration Number | IND000000034 |
| 2. | Date of registration/ date of last renewal of registration/ date of application for renewal of registration | July 29,2016 |
| 3. | Date of expiry of registration | Permanent Registration |
| 4. | Details of any communication from SEBI prohibiting from acting as an intermediary | NIL |
| 5. | Details of any pending inquiry/ investigation being conducted by SEBI | NIL |
| 6. | Details of any penalty imposed by SEBI | NIL |

We shall immediately intimate the Company of any changes, additions or deletions in respect of the matters covered in this certificate till the date when the securities of the Issuer, offered, issued and allotted pursuant to the Issue, are traded on the Stock Exchange. In the absence of any such communication from us, the above information should be taken as updated information until the listing and trading of the Non-convertible Debentures on the Stock Exchange.

Yours faithfully,

S.B. Kralawade.
For Catalyst Trusteeship Ltd.
Authorised Signatory

डिबेंचर न्यासी

प्रकार 8
FORM-B

DEBENTURE TRUSTEE

भारतीय प्रतिभूति और विनियम बोर्ड
SECURITIES AND EXCHANGE BOARD OF INDIA

(डिबेंचर न्यासी) विनियम, 1993
(DEBENTURE TRUSTEE) REGULATIONS, 1993

000258

(विनियम 8)
(Regulation 8)

(Regulation 8A)

रजिस्ट्रीकरण प्रमाणपत्र
CERTIFICATE OF REGISTRATION PERMANENT REGISTRATION

- 1) बोर्ड, भारतीय प्रतिभूति और विनियम बोर्ड अधिनियम, 1992 के अधीन डिबेंचर न्यासी के लिए बनाए गए नियमों और विनियमों के साथ उचित उक्त अधिनियम की धारा-12 की उपधारा (1) द्वारा प्रकृत शक्तियों का प्रयोग करते हुए,
1) In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992, read with the rules and regulations made thereunder for the debenture trustee the Board hereby grants a certificate of registration to

CATALYST TRUSTEESHIP LIMITED
GDA HOUSE, PLOT NO. 85,
BHUSARI COLONY (RIGHT), PAUD ROAD
PUNE - 411 038
MAHARASHTRA

को नियमों में, शर्तों के अधीन रहते हुए और विनियमों के अनुसार डिबेंचर न्यासी के रूप में रजिस्ट्रीकरण का प्रमाणपत्र इसके द्वारा प्रदान करता है।
as a debenture trustee subject to the conditions in the rules and in accordance with the regulations.

- 2) डिबेंचर न्यासी के लिए रजिस्ट्रीकरण चूट

2) Registration Code for the debenture trustee is **IND000000034**

- 3) जब तक नवीकृत न किया जाए, रजिस्ट्रीकरण का प्रमाणपत्र

3) Unless renewed, the certificate of registration is valid from

से

to

तक विधिवत है।

3) This Certificate of Registration shall be valid for permanent, unless suspended or cancelled by the Board.



आदेश से
भारतीय प्रतिभूति और विनियम बोर्ड
के लिए और उसकी ओर से
By order
For and on behalf of
Securities and Exchange Board of India

स्थान Place : **MUMBAI**

तारीख Date : **JULY 29, 2016**

M. J. Sonparote

MEDHA SONPAROTE

प्रमाणित हस्ताक्षरकर्ता Authorised Signatory