

DHFL/CSD/2019-20/1678

27th September 2019

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

Dear Sir(s),

Ref: Disclosures under Regulation 30 and 51 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")

As has been intimated to the stock exchanges by the Company, the Company has formulated and submitted a draft resolution plan ("Resolution Plan") for discussions with and consideration of the core-committee of lenders under the circular dated 7 June 2019 issued by the Reserve Bank of India on the Prudential Framework for Resolution of Stressed Assets ("7 June Circular"). Several banks and financial institutions have entered into an inter-creditor agreement ("ICA") under the 7 June Circular to consider a resolution plan in respect of the Company.

Today, i.e. on 27th September 2019, the Company held a meeting to present the draft Resolution Plan to all its institutional creditors including banks, financial institutions, mutual funds, insurance companies and other institutional bond holders, and to apprise them of the various steps required to be undertaken to implement the Resolution Plan of the Company.

Please find enclosed the draft Resolution Plan formulated by the Company.

Request you to kindly take the same on record.

Thanking you,

Yours faithfully,
for **Dewan Housing Finance Corporation Ltd.**



Kapil Wadhawan
Chairman and Managing Director
DIN: 00028528

Encl.: as above



Dewan Housing Finance Corporation Limited

**Proposed Resolution Plan
as of September 27, 2019**



September 2019

Abbreviations

Abbreviations	Description	Abbreviations	Description
ARCIL	Asset Reconstruction Company India Limited	NBFC	Non- Banking Financial Company
AUM	Asset Under Management	NCD	Non- Convertible Debentures
CC	Cash Credit	NHB	National Housing Bank
CDO	Collateralised Debt Obligations	NPV	Net Present Value
DTD Tenor	Door to Door Tenor	NRI	Non Resident Individual
ECB	External Commercial Borrowings	PD	Public Deposits
EMI	Equal Monthly Instalments	PL	Project Loans
HFC	Housing Finance Company	PLD	Project Linked Debenture
HNI	High Net-worth Individuals	PTC	Pass Through Certificate
HUF	Hindu Undivided Family	ROI	Rate of Interest
ICD	Inter Corporate Deposit	SME	Small and Medium Enterprise
IRR	Internal Rate of Return	SR	Security Receipts
LIC	Life Insurance Company	SRA	Slum Rehabilitation Authority
LMI	Lower & Middle Income Group	Sub- Debt	Subordinate Debt
MCLR	Marginal Cost of funds based Lending Rate	TL	Term Loan
ML	Mortgage Loans	WCDL	Working Capital Demand Loan

Assumptions and Qualifications

- ▶ Cut-off date – July 6, 2019.
- ▶ All secured lenders have been treated at par.
- ▶ This proposed Resolution Plan, including all projections, cashflows, computation of liabilities, etc. are based on reports received from various consultants appointed by the ICA Lenders and the Company, and the assumptions and qualifications applied by such consultants. The cash flow projections factored for the proposed Resolution Plan do not take into account any tax impact that may occur, in the hands of the borrowers.
- ▶ The repayment / restructuring of terms of public deposits is under discussion with relevant stakeholders and regulators and may be subject to amendment.
- ▶ Any liquidation value required to be paid to the dissenting creditors under the ICA will be paid within a period of 12 months from the date of implementation of the proposed Resolution Plan as required under the 7 June Circular issued by the RBI.
- ▶ All numbers pertaining to FY2020 is for 9 months, i.e. from Jul-2019 to Mar-2020. Financial projections for FY2020 may differ post incorporation of actual results for Q1-FY2020 (Apr-June 2019).
- ▶ The debt of ECB lenders is assumed to be crystallized as on cut-off date in rupee terms basis the RBI reference rate on that day.
- ▶ The operating expenses of the Company has been apportioned between the existing & new retail assets (basis on-book AUM).
- ▶ All regulatory and contractual consents / approval as required for implementation of the proposed Resolution Plan will be received.
- ▶ Carve-outs / approvals for such carve outs in respect of any asset portfolios of the Company may be undertaken as part of this proposed Resolution Plan.
- ▶ The price for conversion of debt to equity under the proposed Resolution Plan will be determined in accordance with the 7 June 2019 Circular issued by the RBI.
- ▶ Laws of the Republic of India shall apply to this proposed Resolution Plan.

Statement of Key Assets & Liabilities

INR Crores

Key Liabilities	6 July 19
Borrowings*	
NHB	2,350
ECB	2,747
Banks – TL/ CC/ WCDL	27,527
Commercial Paper	100
NCD (Incl. Masala Bonds)	41,431
Perpetual Debt	1,263
Sub-debt	2,267
Fixed Deposits	6,188
Total Borrowings	83,873

INR Crores

Key Liabilities	6 July 19
Retail Loan Book	35,233
Wholesale Loan Book	
Project Loans & Mortgage Loans	18,078
SRA Loans	11,967
Other Project Loans	17,565
Other Assets	
ICDs	3,311
PTCs (Incl. Security Receipts)	3,322
Total Loan Assets	89,476
Cash & Investments	1,752

Details of the assets as on the cut-off date which is July 6, 2019 may undergo slight variation



Proposed Resolution Plan

Estimated Debt as on July 06, 2019

Cut off date

Category-wise Loan outstanding as on July 06, 2019

INR Crores

Category	Secured	Unsecured	Total O/s
Bank - TL	26,324	-	26,324
Bank – STL (Incl. CC)	1,203	-	1,203
Bank – NCDs	10,815	-	10,815
External Commercial Borrowings (ECBs)	2,747	-	2,747
National Housing Bank	2,350	-	2,350
NCD – Others (incl. Masala Bonds)	30,616	-	30,616
Commercial Paper	-	100	100
Perpetual Debt	-	1,263	1,263
Subordinate Debt	-	2,267	2,267
Public Deposits	-	6,188	6,188
Total	74,055	9,818	83,873

Existing Retail Assets – Category I

Projected cash flows

INR Crores

Particulars	Total	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31-35
Projected cash inflows	52,621	8,535	8,946	7,181	5,764	4,627	3,717	3,642	3,404	3,172	2,932	598	103
Cash flows considered for debt servicing	51,920	8,535	8,946	7,181	5,764	4,627	3,717	3,642	3,404	3,172	2,932	NA	
Less: Operating expenses	2,604	598	518	396	305	243	199	156	111	64	14		
Free cash flow for debt servicing – pre-cover	49,316	7,938	8,428	6,784	5,459	4,384	3,518	3,486	3,292	3,108	2,919		
Free cash flow for debt servicing – post-cover [1.05x]	46,967	7,560	8,027	6,461	5,199	4,175	3,350	3,320	3,136	2,960	2,780		

Proposed liabilities to be mapped	Amount	RoI
Public Deposits	6,188	NIL*
TL – 1 (Banks & NHB)	13,364	10.0% p.a.
NCD – 1 (Banks & NHB)	2,358	NIL
TL – 2 (ECBs)	1,062	8.5% p.a.
NCD – 2 (NCDs)	11,830	8.5% p.a.
Total	34,802	

**PDs payable till October 31, 2019 have been assumed to be paid with existing interest rates. The balance PDs are proposed to be restructured over 10 years with NIL interest*

A blended RoI of 8.5% p.a. is proposed (with a cash cover of 1.05x) for the Retail Assets.

Repayment schedule (other than PDs)	Total	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29
Repayment schedule (quarterly)	100.0%	0.01%	16.00%	24.00%	12.00%	9.00%	7.00%	8.00%	8.00%	8.00%	7.99%

Project & Mortgage Loans – Category II

Projected cash flows

INR Crores

Particulars	Total	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29
Projected cash flow for debt servicing – pre-cover	21,039	667	1,000	2,354	3,104	3,534	2,815	2,065	2,681	1,938	881
Free cash flow for debt servicing – post-cover [1.15x]	18,295	580	870	2,047	2,699	3,073	2,448	1,796	2,331	1,685	766

Proposed liabilities to be mapped	Amount
TL – 3 (ECBs)	444
NCD – 3 (Banks, NHB & NCDs)	11,536
Total	11,980

An IRR of 8.5% p.a. is proposed – with step-up interest rates (cash cover of 1.15x).

Particulars	Total	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29
RoI (semi-annual servicing)	8.50%	0.00%	6.50%	10.50%	11.00%	11.00%	11.00%	11.00%	12.00%	12.00%	12.00%
Repayment schedule (semi-annual)	100.0%	0.01%	0.01%	11.00%	12.00%	16.00%	13.00%	10.00%	16.00%	13.00%	8.98%

Others – Category III

Projected cash flows

INR Crores

Particulars	Total	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Projected cash flow for debt servicing – pre-cover	38,582	1,066	1,260	351	518	2,537	1,594	1,978	1,838	2,465	2,471	5,650	6,406	1,282
Free cash flow for debt servicing – post-cover [1.09x]	35,332	976	1,154	322	474	2,323	1,460	1,812	1,683	2,258	2,263	5,174	5,866	1,174

FY33	FY34	FY35	FY36	FY37	FY38	FY39	FY40
408	702	1,740	1,025	1,612	120	973	2,583
373	643	1,593	939	1,476	110	891	2,366

Proposed liabilities to be mapped	Amount	RoI
TL – 4: Secured (ECBs)	397	0.0001%
NCD – 4: Secured (Banks, NHB & NCDs)	10,310	0.0001%
Project Linked Debentures (PLD): Unsecured (All)	24,619	0.0001%
Total	35,326	

For the other projects, IRR has been considered as NIL (cash cover of ~1.10x).

PLDs: These instruments will be serviced only through projected cashflows from the underlying projects.

Repayment schedule

Particulars	Total	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28
NCD-4 & TL-4	100%	0.01%	0.01%	0.01%	12.00%	25.00%	24.00%	17.00%	15.00%	6.97%

Particulars	Total	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35
PLD	100%	>0%*	>0%*	>0%*	>0%*	>0%*	>0%*	>0%*	>0%*	6.00%	9.50%	21.00%	24.00%	4.00%	2.00%	3.00%	5.00%

FY36	FY37	FY38	FY39	FY40
5.00%	5.00%	1.00%	4.00%	10.47%

*Nominal amount of INR 1 Cr is proposed to be repaid

Resolution Plan

Debt Instruments

Facility	Retail + Retail related PTCs	PL/ML + 2 PTCs	Others*
Existing Secured Creditors			
Bank and NHB			
Secured Term Loan 1 (TL1)	✓		
Secured Non Convertible Debenture 1 (NCD 1)	✓		
Secured Non Convertible Debenture 3 (NCD 3)		✓	
Secured Non Convertible Debenture 4 (NCD 4)			✓
Unsecured Project Linked Debenture (PLD)			✓
ECB			
Secured Term Loan 2 (TL2)	✓		
Secured Term Loan 3 (TL3)		✓	
Secured Term Loan 4 (TL4)			✓
Unsecured Project Linked Debenture (PLD)			✓
NCD			
Secured Non Convertible Debenture 2 (NCD 2)	✓		
Secured Non Convertible Debenture 3 (NCD 3)		✓	
Secured Non Convertible Debenture 4 (NCD 4)			✓
Unsecured Project Linked Debenture (PLD)			✓
Existing Unsecured Creditors			
Perpetual Debt			
Unsecured Project Linked Debenture (PLD)			✓
Commercial Paper			
Unsecured Project Linked Debenture (PLD)			✓
Sub - Debt			
Unsecured Project Linked Debenture (PLD)			✓
Public Deposit (PD)			
Deposit	✓		

*Others include SRA, Other PL, ICDs and balance PTCs

Resolution Plan Summary

INR Crores

Facility	O/s	Equity^	Retail + Retail related PTCs						PL/ML + 2 PTCs			Others*			
			PD	TL1	TL2	NCD1	NCD2	Total	NCD3	TL3	Total	NCD4	PLD	TL4	Total
Bank	38,342	2.3%	-	32.8%	-	5.8%	-	38.6%	16.2%	-	16.2%	14.5%	28.5%	-	42.9%
ECB	2,747	2.3%	-	-	38.6%	-	-	38.6%	-	16.2%	16.2%	-	28.5%	14.5%	42.9%
NCD	30,616	2.3%	-	-	-	-	38.6%	38.6%	16.2%	-	16.2%	14.5%	28.5%	-	42.9%
N H B	2,350	2.3%	-	32.8%	-	5.8%	-	38.6%	16.2%	-	16.2%	14.5%	28.5%	-	42.9%
Secured Debt	74,054	1,681	-	13,364	1,062	2,358	11,830	28,614	11,536	444	11,980	10,310	21,072	397	31,779
Perpetual Debt	1,263	2.3%	-	-	-	-	-	-	-	-	-	-	97.7%	-	97.7%
Commercial Paper	100	2.3%	-	-	-	-	-	-	-	-	-	-	97.7%	-	97.7%
Sub - Debt	2,267	2.3%	-	-	-	-	-	-	-	-	-	-	97.7%	-	97.7%
Public Deposit (PD)	6,188	-	100.0%	-	-	-	-	100.0%	-	-	-	-	-	-	-
Unsecured Debt	9,818	82	6,188	-	-	-	-	6,188	-	-	-	-	3,547	-	3,547
Total	83,873	1,764	6,188	13,364	1,062	2,358	11,830	34,802	11,536	444	11,980	10,310	24,619	397	35,326
Interest Rate		NA	NIL	10.0%	8.5%	0.0%	8.5%		8.5%	8.5%			0.0001%		
DTD tenor (in Yrs.)		NA	10	10	10	10	10		10	10		9	21	9	
Int. Moratorium		NA	NIL	NIL	NIL	NIL	NIL		NIL	NIL		NA	NA	NA	
Principal Moratorium		NA	NIL	NIL	NIL	NIL	NIL		NIL	NIL		NIL	NIL	NIL	
Security		NA	U	S	S	S	S		S	S		S	U	S	

*Others include SRA, Other PL, ICDs and balance PTCs

S--->Secured; U---> Unsecured

Repayment over the door-to-door tenor in structured instalments

^Assumed a price of INR 54 per share for debt conversion into equity by lenders to acquire 51% stake in the Company.

Resolution Plan Summary

INR Crores

Facility	O/s	Equity^	Retail + Retail related PTCs						PL/ML + 2 PTCs			Others*			
			PD	TL1	TL2	NCD1	NCD2	Total	NCD3	TL3	Total	NCD4	PLD	TL4	Total
Bank	38,342	871	-	12,593	-	2,222	-	14,815	6,203	-	6,203	5,544	10,910	-	16,453
ECB	2,747	62	-	-	1,062	-	-	1,062	-	444	444	-	782	397	1,179
NCD	30,616	695	-	-	-	-	11,830	11,830	4,953	-	4,953	4,427	8,712	-	13,138
N H B	2,350	53	-	772	-	136	-	908	380	-	380	340	669	-	1,008
Secured Debt	74,054	1,681	-	13,364	1,062	2,358	11,830	28,614	11,536	444	11,980	10,310	21,072	397	31,779
Perpetual Debt	1,263	29	-	-	-	-	-	-	-	-	-	-	1,234	-	1,234
Commercial Paper	100	2	-	-	-	-	-	-	-	-	-	-	98	-	98
Sub - Debt	2,267	51	-	-	-	-	-	-	-	-	-	-	2,216	-	2,216
Public Deposit (PD)	6,188	-	6,188	-	-	-	-	6,188	-	-	-	-	-	-	-
Unsecured Debt	9,818	82	6,188	-	-	-	-	6,188	-	-	-	-	3,547	-	3,547
Total	83,873	1,764	6,188	13,364	1,062	2,358	11,830	34,802	11,536	444	11,980	10,310	24,619	397	35,326
Interest Rate		NA	NIL	10.0%	8.5%	0.0%	8.5%		8.5%	8.5%		0.0001%			
DTD tenor (in Yrs.)		NA	10	10	10	10	10		10	10		9	21	9	
Int. Moratorium		NA	NIL	NIL	NIL	NIL	NIL		NIL	NIL		NA	NA	NA	
Principal Moratorium		NA	NIL	NIL	NIL	NIL	NIL		NIL	NIL		NIL	NIL	NIL	
Security		NA	U	S	S	S	S		S	S		S	U	S	

*Others include SRA Other Large PL ICDs and balance PTCs

S--->Secured; U---> Unsecured

Repayment over the door-to-door tenor in structured instalments

^Assumed a price of INR 54 per share for debt conversion into equity by lenders to acquire 51% stake in the Company.

Disclaimer

This proposed Resolution Plan has been prepared by the Company taking into account its own assessment and the information and opinions provided by various consultants appointed by the lenders and is being shared in the interest of all stakeholders to achieve a consensus towards a debt restructuring exercise by the Company. The Company reiterates that this is a draft and remains subject to any further discussions, amendments and negotiations.

This proposed Resolution Plan contains selected information to assist the recipient in making the initial decision to proceed with further investigation and is not intended to form the basis of any investment decision by a prospective lender. Interested parties should carry out their own investigations and analysis of the Company and its promoters/subsidiaries/ associate/promoter companies and of the data referred to in the report and should consult their own advisors before proceeding with any offer. This proposed Resolution Plan does not purport to be all-inclusive or necessarily contain all the information that a prospective lender may desire for approval of the Resolution Plan.

Having taken all reasonable care to ensure that the information contained in this proposed Resolution Plan is, to the best of the Company's knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information. No person is or has been authorized by us to give any information or to make any representation or provide any details to any persons on the Resolution Plan by the Company. The projected financial information, if any, contained in the report are based on judgmental estimates and assumptions, about circumstances and events that have not yet taken place. Accordingly, there can be no assurance that the projected results will be attained. In particular, but without prejudice to the generality of the foregoing, no representation or warranty whatsoever is given in relation to the reasonableness or achievability of the projections contained in the report or in relation to the bases and assumptions underlying such projections and you must satisfy yourself in relation to the reasonableness, achievability and accuracy thereof. The proposed Resolution Plan has not been approved / reviewed by any statutory / regulatory authorities and you are requested to obtain independent advice from the appropriate sources for any decisions undertaken / to be undertaken based on this proposed Resolution Plan.

This proposed Resolution Plan includes forward-looking statements that relate to future events, which are, by their nature, subject to significant risks and uncertainties. All statements other than statements of historical fact contained in this proposed Resolution Plan, including, without limitation, those regarding our future financial position and results of operations, strategy, plans, objectives, goals and targets, future developments or similar expressions or the negative thereof, are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond our control, which may cause our actual results, performance or achievements, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

The Company is sharing this proposed Resolution Plan as a material disclosure under the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015 and on a bona fide basis in order to provide its various stakeholders visibility on the proposed Resolution Plan and enable them to take an informed decision and participate in the resolution process proposed by the Company.



Thank You
