

DHFL/CSD/2020-21/1898

Date: 26th November, 2020

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

Dear Sir/Madam,

Sub: Submission of Unaudited Financial Results (Standalone & Consolidated) for the quarter/half year ended 30th September, 2020 as per Regulation 33 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")

The Company has already intimated the Exchanges that the Reserve Bank of India ("RBI") had superseded the board of directors of Dewan Housing Finance Corporation Limited ("Company") on November 20, 2019 and appointed Mr R. Subramaniakumar as the Administrator of the Company in terms of Section 45-IE of the Reserve Bank of India Act, 1934 ("RBI Act"). Accordingly, the Administrator is vested with powers of the Board of Directors of the Company, pursuant to the aforesaid order of the RBI. The RBI, in exercise of powers conferred under Section 45 IE 5(a) of the RBI Act, had constituted a three member Advisory Committee to assist the Administrator of the Company in discharge of his duties. Further, pursuant to an order dated 3rd December, 2019 of the National Company Law Tribunal, Mumbai Bench ("NCLT"), Corporate Insolvency Resolution Process ("CIRP") has been initiated against the Company as per the provisions of the Insolvency and Bankruptcy Code, 2016 ("Code").

Pursuant to the above, we wish to inform you that the Administrator (assisted by the Advisory Committee), at the Advisory Committee Meeting held today i.e. on 25th November, 2020, which commenced at 09.00 p.m. and concluded at 1.45 a.m. on 26th November, 2020, have inter-alia, considered and taken on record the Ind-AS Unaudited Financial Results (Standalone & Consolidated) of the Company for the quarter and half year ended 30th September, 2020 as per Regulation 33, 52 and other applicable provisions of the SEBI Listing Regulations and in compliance with the Indian Accounting Standards as per the provisions of the Companies (Indian Accounting Standards) Rules, 2015.

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

Kindly take the same on your record.



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

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

SATYA NARAYAN BAHETI

Digitally signed by SATYA NARAYAN BAHETI
DN: cn=Personal, c=IN, o=DHFIL, ou=Personal, email=SATYA.NARAYAN.BAHETI@dhfi.com, postalCode=400059,
st=Maharashtra, serialNumber=13fec6f0d2ead01b6a8e4e9b648573f5c9772a6b31175e004138b81a82a95887,
cn=SATYA NARAYAN BAHETI
Date: 2020.11.26 01:53:05 +05'30'

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

DEWAN HOUSING FINANCE CORPORATION LIMITED

Registration Number (CIN) : L65910MH1984PLC032619

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

Toll Free No. 1800 22 3435, Visit us at : www.dhfl.com., email : response@dhfl.com

Corporate Office : National Office: 6th Floor, HDIL Towers, A K Marg, Station Road, Bandra (East), Mumbai - 400051

Tel. : (022) 7158 3333



STATEMENT OF UNAUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30th SEPTEMBER, 2020

(₹ in Lakh)

PARTICULARS	Quarter ended			Half Year ended		Year Ended
	30.09.2020 (Reviewed)	30.06.2020 (Reviewed)	30.09.2019 (Reviewed)	30.09.2020 (Reviewed)	30.09.2019 (Reviewed)	31.03.2020 (Audited)
1 INCOME:						
Revenue from operations:						
Interest Income	219,036	231,593	212,308	450,629	445,453	923,225
Dividend Income	-	-	-	-	-	-
Fees and Commission Income	95	16	80	111	182	283
Net gain / (loss) on derecognition of financial instruments under amortised cost category	-	(4)	(3,108)	(4)	1,609	2,397
Other operating revenue	1,350	868	1,394	2,218	3,037	6,318
Total Revenue from operations	220,481	232,473	210,674	452,954	450,281	932,223
Other Income	109	413	743	522	1,123	2,089
Total Income	220,590	232,886	211,417	453,476	451,404	934,312
2 EXPENSES:						
Finance costs (refer note 14)	5,666	5,752	200,983	11,418	416,880	572,518
Net loss on fair value changes	335,439	184,456	118,891	519,895	142,533	1,499,648
Impairment on financial instruments	144,896	22,174	632,656	167,070	636,728	624,113
Employee benefits expenses	5,356	5,675	8,661	11,031	16,951	30,120
Employee Stock Options/Employee Stock Appreciation Rights Expenses	386	(23)	(1,736)	363	(1,527)	(1,791)
Depreciation and amortisation expense	2,032	2,046	1,045	4,078	2,710	7,941
Others expenses	3,451	3,525	9,380	6,976	15,457	26,562
Total Expenses	497,226	223,605	969,860	720,831	1,229,732	2,759,111
3 Profit / (Loss) before tax (1-2)	(276,636)	9,281	(758,443)	(267,355)	(778,328)	(1,824,799)
4 Tax Expense						
Current tax	-	-	(2,363)	-	-	-
Earlier years adjustments	-	-	4	-	4	(1,133)
Deferred tax	(64,372)	2,271	(85,549)	(62,101)	(87,154)	(462,434)
Total tax expense	(64,372)	2,271	(87,908)	(62,101)	(87,150)	(463,567)
5 Profit / (Loss) for the period / Year (3-4)	(212,264)	7,010	(670,535)	(205,254)	(691,178)	(1,361,232)
6 Other comprehensive income						
- Items that will not be reclassified to profit or loss						
Remeasurements of the defined benefit plans	(38)	(39)	33	(77)	65	(154)
Tax on above	10	10	(9)	20	(17)	39
- Items that will be classified to profit or loss						
Cash flow hedge reserves	-	-	(7,345)	-	(9,736)	5,320
Tax on above	-	-	1,882	-	2,495	(1,488)
Total Other comprehensive income	(28)	(29)	(5,439)	(57)	(7,193)	3,717
7 Total comprehensive income for the period / Year (5+6)	(212,292)	6,981	(675,974)	(205,311)	(698,371)	(1,357,515)
Earnings per share (Face value of Rs. 10 each) (not annualised)						
Basic (in ₹)	(67.63)	2.23	(213.67)	(65.40)	(220.24)	(433.76)
Diluted (in ₹)	(67.63)	2.23	(213.67)	(65.40)	(220.24)	(433.76)
Paid-up Equity Share Capital (Face value ₹ 10/-)	31,382	31,382	31,382	31,382	31,382	31,382
Reserves excluding Revaluation Reserves as at March 31						(585,176)



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Note 2

Statement of Standalone Cash Flow

(₹ in Lakhs)

Particulars	For the half year ended	
	30th September, 2020	30th September, 2019
A. Cash flow from operating activities		
Net (Loss)/profit before tax	(2,67,355)	(1,78,378)
Adjustments for:		
Depreciation and amortisation expense	4,078	2,710
Share Based Payments to employees	363	(1,527)
Loss/(Profit) on Sale of Property, plant and equipments	57	109
Interest income from investments	(3,600)	(681)
Other interest income	(89)	(2,656)
Net loss/ (gain) on fair value changes	5,19,895	1,42,533
Net loss/ (gain) on derecognition of financial instruments under amortised cost category	4	596
Impairment on financial instruments	1,67,070	6,36,728
Intangible Assets under Development charged to P&L	870	
Operating profit before working capital changes	4,21,293	(516)
Adjustments for:		
Decrease/ (Increase) in other bank balances	9	31,784
(Increase)/ Decrease in trade receivables	(65)	146
(Increase)/Decrease in other financial asset	(17,461)	(5,972)
Decrease/ (Increase) in other non financial asset	12,290	12,117
(Increase)/ Decrease in housing and other property loans	(1,81,052)	7,04,368
(Decrease)/ Increase in trade payable	(1,301)	(4,461)
Increase/ (Decrease) in other financial liabilities	1,979	29,046
(Decrease) Increase in other non financial liabilities	(5,952)	2,415
Increase/ (Decrease) in provisions	450	450
Cash generated from operations during the year	2,30,190	7,69,377
Taxes paid (Net)	(2,415)	7,955
Net Cash (used in) Operating Activities [A]	2,27,775	7,77,332
B. Cash flow from investing activities		
Interest Income	3,644	3,708
Investment in Associates	-	14,529
Investment in Joint Venture	-	3,675
Net movement in Other Investments	(1,01,881)	57,148
Net movement in PTC	4,885	(65,066)
Capital Expenditure on Fixed Assets	(589)	(1,259)
Proceeds from Sale of Fixed Assets	3	121
Net Cash generated from / (used in) Investing Activities [B]	(93,938)	12,856
C. Cash flow from financing activities		
Repayment of redeemable non convertible debentures	-	(2,37,378)
(Repayment) of / Proceeds from Commercial Paper	-	(75,000)
Repayment of term loan	-	(4,78,772)
Proceeds from other borrowings (net)	-	2,38,273
Public / Other Deposits (repaid)/received (net)	-	(1,73,739)
Dividend & Dividend Distribution Tax Paid	-	(1)
Net Cash (used in)/ generated from financing activities [C]	-	(7,26,617)
Net increase / (decrease) in cash and cash equivalents [A+B+C]	1,33,838	63,571
Cash and cash equivalents at the beginning of the year	6,84,861	1,25,963
Cash and cash equivalents at the end of the period	8,18,698	1,89,534



3. The above unaudited standalone financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 - Interim Financial Reporting, notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, and other accounting principles generally accepted in India subject to Note No 4 to 19 following hereinafter.
4. The Reserve Bank of India (RBI) vide Press Release dated November 20, 2019 in exercise of the powers conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934 (RBI Act) superseded the Board of Directors of the Company and appointed an Administrator under Section 45-IE (2) of the RBI Act. Thereafter, RBI vide its Press Release dated November 22, 2019, in exercise of the powers conferred under Section 45 IE 5(a) of the RBI Act 1934, constituted a three (3) member Advisory Committee to assist the Administrator in the discharge of his duties. On November 29, 2019, the RBI filed the Petition before the NCLT under sub-Clause (i) of clause (a) of Rule 5 of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudication Authority) Rules, 2019 (FSP Rules) to initiate CIRP against DHFL read with Section 227 of the Code. Accordingly, in terms of Rule 5(b)(i) of the FSP Rules, an interim moratorium came into effect on the filing of the application to initiate CIRP. Further, CIRP was initiated against the Corporate Debtor under Section 227 read with clause (zk) of sub - section (2) of section 239 of the Code and read with rules 5 and 6 of the FSP Rules by an order dated December 3, 2019 of the Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT/Adjudicating Authority). The Adjudicating Authority, vide the above order, appointed the Administrator to perform all the functions of a resolution professional to complete the CIRP of the Company as required under the provisions of the Code. The moratorium was declared by the NCLT. It is also incumbent upon the Resolution Professional, under section 20 of the Code, to manage the operations of the Company as a going concern. Accordingly, the Statement for the quarter ended 30th September, 2020 have been prepared on going concern assumptions.
5. The Administrator following his appointment and with the approval of Committee of Creditors of DHFL, as constituted by him in accordance with Section 18(c) and 21(1) of the Code and the Regulation 17(1) of the CIRP regulations, appointed the Company Secretary ("CS") and the Chief Financial Officer ("CFO"). The Key Managerial Personnel ("KMPs" or "Present Management") the Chief Executive Officer ("CEO"), appointed just before CIRP (October 2019) and joined the company on 21st November 2019 after the board was superseded on 20th November 2019, the Company Secretary ("CS") and the Chief Financial Officer ("CFO") along with the Senior management of the Company has ensured that the Company continues to operate as a "Going Concern" in line with the objective of the Code and requirements thereunder
6. The above unaudited standalone financial results of the Company for the quarter ended 30th September 2020 have been taken on record by the Administrator while discharging the powers of the Board of Directors of the Company which were conferred upon him by the RBI Order dated November 20, 2019 and subsequently, powers conferred upon him in accordance with the NCLT Order dated December 3, 2019 solely for the purpose of ensuring regulatory compliance. It is also incumbent upon the Resolution Professional, under section 20 of the Code, to manage the operations of the Company as a going concern. Accordingly, the Statement for the quarter and six months ended 30th September, 2020 have been prepared on going concern assumptions.
7. The Administrator and the Advisory Committee members along with the management team and the employees of the Company, upon their taking charge have taken various efforts to improve the operational, financial and managerial efficiency of the Company. In this regard, various initiatives to strengthen the financial/lending policies and processes, functioning of the IT system; legal audit of material loan documents, establishing risk management framework, updating internal financial controls and updating risk controls matrices, strengthening internal audit control through in-house resources and engagement of external professional experts/consultants have been undertaken. Various actions to ensure comprehensive compliance with various applicable rules and regulations during this period have also been undertaken. While substantial progress is stated to have been made by concluding some as well, these could not be fully concluded and implemented by 30th September, 2020 and various activities continue to be ongoing.



8. The Administrator, Advisors and KMPs have taken charge with effect from 31 November 2019 and have relied on information, data, clarifications and views provided by the existing staff of the Company for the purposes of the financial results. Only when the complete outcome and impact of ongoing investigations and transaction audits are known, the accuracy and completeness or otherwise of the data can be known. Further, since March 25, 2020 lockdown was imposed in the Country on account of Covid 19 causing a complete shutdown of offices which extended beyond the FY 2020. As a part of CIR process, a Transaction Audit to determine avoidable transactions in terms of Section 43, 45, 49, 50 and 66 of the Code and an exercise to determine the liquidation value and fair valuation of the Company was initiated. The Company has initiated appropriate actions on the basis of initial reports submitted by Transaction Auditor such as filing of application with NCLT and submission of FMRs to NHB. The Administrator and the KMPs have signed the unaudited standalone financial results solely for the purpose of compliance and discharging their duties during CIRP period of the Company and in accordance with the provisions of the Code, read with the regulations and rules thereunder, and based on the explanations, clarifications, certifications, representations and statements made by the existing staff of the Company in relation to the data pertaining to the period prior to the joining of the present management and does not have personal knowledge of the past affairs, finances and operations of the Company.
9. Pursuant to initial findings of the Transaction Auditor, an initial report under Section 66 of the Code covering certain transactions undertaken by the Company in the past has been filed before NCLT. The Company has also reported these transaction details to Stock Exchanges and NHB through three communications dated 2nd September 2020, 28th September 2020 and 6th October 2020 for an outstanding sum of Rs. 14,04,550 lakh : Rs. 12,70,553 lakh and Rs. 1,86,484 lakh respectively. The Company has made provisions as per NHB guidelines on 'Provisioning Pertaining to Fraud Accounts'. As per NHB Policy for all cases reported as fraud, the value of such transactions are required to be provided in full and in case a HFC is unable to make the entire provision in one go, the entire amount due to the HFC is to be provided for over a period not exceeding four quarters commencing with the quarter in which the fraud has been detected. However, this option is not available in case of loss accounts which will need provision in one go on detection of fraud. The Company has exercised the option to provide for balance provision amount in the 3 quarterly instalments of the current financial year commencing from the quarter ended 30th September 2020 including full provision in respect of all cases where no securities are available to the Company. The above provision requirement as per NHB guidelines will be used only for regulatory reporting purpose. The provision under the financial results have been made in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 – Interim Financial Reporting.
10. In certain instances, the amount of the claim admitted or to be admitted by the Administrator under CIRP may differ from the amount reflecting in the books of accounts of the Company. The above unaudited financial results are drawn on the basis of figures appearing in the books of accounts of the Company as on September 30, 2020. The Administrator, Advisors, and KMPs believe that these figures may be interpreted solely for the purpose of satisfying the regulatory requirement for filing of quarterly unaudited financial results and that these figures could change during the CIRP or thereafter depending upon the findings made during the CIRP.
11. The Ministry of Corporate Affairs (MCA), has initiated investigation in the month of December 2019, into the affairs of the Company under Section 212(1) of the Companies Act, 2013 through Serious Fraud Investigation Office (SFIO). Further, Enforcement Directorate (ED) has also initiated investigation in connection with the loans given by the Company to certain borrowers. Central Bureau of Investigation (CBI) has also started investigation in connection with certain loan granted by the Company. Apart from this CBI is also investigating into the matter of amounts invested by a Uttar Pradesh State Government entity – Provident Fund in the Fixed Deposits of the Company. The Company is fully co-operating with all the investigating agencies and providing the necessary information/data as and when the same is sought.
12. The World Health Organisation has declared the novel coronavirus (COVID- 19) as a pandemic on March 11, 2020. The Central Government in India had declared a national lockdown from March 25, 2020 to May 31, 2020, through various notifications. Apart from this, the State Government of

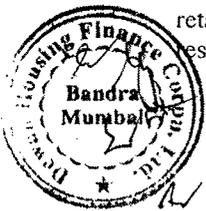


Maharashtra has also from time to time declared lockdown in the State. Subsequently, the Government lifted the lockdown in a phased manner outside containment zones and during this period private offices are allowed to operate with minimum number of the staff with certain conditions. The Company remains fully compliant with the guidelines and direction of both Central and State Government. However, with various working measures, the Company has been making efforts to restore its normal operations. With the lifting of lockdown by the Government in stages in permitted areas, the branches of the Company were made operational including national office and the field visits have also commenced.

In order to give effect to the RBI guidelines on regulatory measures on COVID-19 – Regulatory Package, the Company had offered moratorium to its eligible customers for a period for instalments falling due between 1st March, 2020 and 31st August 2020 based on approved policy in this regard. It is important to note that ~29% of account holders by numbers had availed Moratorium as on 31st August 2020. The recovery from accounts in moratorium is forthcoming with gradual implementation of Unlock and commencement of field visits. Monthly instalment from almost 76% of Moratorium customer was collected in September 2020, being first month after moratorium, it is believed that recovery will further improve in Moratorium accounts during forthcoming months of Financial Year 2020-21. In respect of accounts where moratorium benefit was granted, the staging of those accounts as on 30th September 2020 is based on the overdue status considering the benefit of moratorium period in accordance with the regulatory package announced by the RBI.

13. The Company has a balance of Rs. 5,67,336 lakh as deferred tax asset created as per Ind AS – ‘Income Taxes’ as on 30th September 2020. The Company is running as a going concern as per the provisions of the Code, which requires that the value of the company is preserved and maintain it as a going concern. Further, various bidders have expressed interest and submitted a resolution Plan for the Company which itself is an indicator of Company will be running as a ‘going concern’ in future as well.
14. The Company has not made any provision for interest amount of Rs. 3,78,430 lakh on borrowings for the half year ended on 30.09.2020 in view of the Company’s current CIR process. Under the IBC, the treatment of creditors under the resolution plan is as per debts due as on the insolvency commencement date and therefore, no interest is accrued and payable after this date. If the interest was accrued on borrowings, the loss for the half year would have been higher by Rs. 2,81,439 lakh (net of tax) respectively.
15. The Company’s main business is financing by way of loans for the purchase and/or construction of residential houses, loan against property, loan to real estate developers, including all related activities and SRA projects. Accordingly, there are no separate reportable segments as per Ind AS 108.
16. The investments/ advance by way of unsecured Inter Corporate Deposit (ICD) including interest receivable aggregating Rs 3,94,819 lakh are outstanding as at September 30, 2020. As no securities are available to the Company, the appropriate provision of the entire outstanding amount has been made as a prudent measure.
17. The total wholesale loan portfolio including interest receivable aggregating Rs 52,01,075 lakh (pursuant to classification of this portfolio to “held for sale” in the year ended 31st March 2019) has been “fair valued” as at 30th September 2020 at Rs. 27,95,909 lakh, with the resulting fair value loss aggregating Rs 24,05,166 lakh. Out of this, fair value loss aggregating Rs 20,69,735 lakh has been accounted up to 30th June 2020 and balance loss of Rs 3,35,431 lakh has been charged to the Statement of Profit and Loss for the quarter ended September 30, 2020

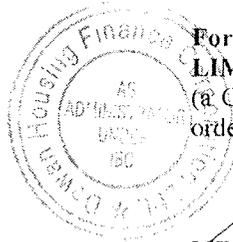
The recoverability or otherwise of these loans is yet to be ascertained and hence the appropriate provision has been made as a prudent measure on fair valuation method as per Ind As provisions.
18. According to Supreme Court Interim order dated September 3, 2020 in public interest litigation (PIL) filed by Gajendra Sharma vs. Union of India & ANR, no new account which was standard as on 31.08.2020 can be classified as NPA. Hence, all such accounts, which were standard as on 31.08.2020, but should have been classified as NPA based on record of actual recovery as on 30.09.2020 have been retained as standard. Total of such accounts amounts to Rs 83,943 lakhs (including Rs 65,172 lakhs in respect of Wholesale Loan Portfolio). However, the Company has classified such accounts under stage



3 and/or fair valued as per note no. 17 above and accordingly provision for ECL/Air value loss has been made in the Statement of Profit & Loss for the quarter and half year ended September 30, 2020.

19. The Company in the past has incurred cost for development of customised software for its operations and recording of transactions which has been carried as intangible asset under development. Out of the balance of Rs 10,517 lakh, the Company has capitalised Rs 3,415 lakh to Software Asset and charged Rs 870 lakh to the statement of Profit and Loss during the current quarter ended 30th September 2020.
20. The above results for the quarter ended 30th September, 2020 read with the disclosures stated vide notes 4 to 19 above have been reviewed by the Statutory Auditors of the Company.
21. Figures for the previous period have been regrouped wherever necessary.

Place: Mumbai
Date: 25th November 2020



For **DEWAN HOUSING FINANCE CORPORATION LIMITED**

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

MR. R SUBRAMANIKUMAR
ADMINISTRATOR APPOINTED UNDER IBC



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

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

Email ID for Correspondence: dhfladministrator@dhfl.com



Unaudited Standalone Financial Results pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015

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

1. We were engaged to review the accompanying statement of unaudited standalone financial results of **Dewan Housing Finance Corporation Limited** ("The Company") for the quarter ended 30th September 2020 and year to date results for the period from 1st April 2020 to 30th September 2020 ("financial results" or "Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015, as amended (the 'Listing Regulations').
2. The Reserve Bank of India (RBI) vide its letter and press release dated November 20, 2019 in exercise of the powers conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934 (RBI Act) superseded the Board of Directors of the Company and appointed an Administrator under Section 45-IE (2) of the RBI Act. Thereafter, RBI vide its Press Release dated November 22, 2019, in exercise of the powers conferred under Section 45 IE 5(a) of the RBI Act 1934, constituted a three (3) member Advisory Committee to assist the Administrator in the discharge of his duties. On November 29, 2019, the RBI filed the Petition before the NCLT under sub-clause (i) of clause (a) of Rule 5 of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudication Authority) Rules, 2019 (FSP Rules) to initiate Corporate Insolvency Resolution Process (CIRP) against the Company read with Section 227 of the Code. Accordingly, in terms of Rule 5(b)(i) of the FSP Rules, an interim moratorium came into effect on the filing of the application to initiate CIRP. Further, CIRP was initiated against the Corporate Debtor under Section 227 read with clause (zk) of sub - section (2) of section 239 of the Code and read with rules 5 and 6 of the FSP Rules by an order dated December 3, 2019 of the Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT/Adjudicating Authority). The Adjudicating Authority, vide the above order, appointed the Administrator to perform all the functions of a resolution professional to complete the CIRP of the Company as required under the provisions of the Code. The moratorium was declared by the NCLT.
3. The Administrator following his appointment and with the approval of Committee of Creditors (CoC) of the Company, as constituted by him in accordance with Section 18(c) and 21(1) of the Code and the Regulation 17(1) of the CIRP regulations, appointed the Company Secretary ("CS") and the Chief Financial Officer ("CFO") and the Chief Executive Officer ("CEO"), appointed just before CIRP (October 2019) and joined the company on 21st November 2019 after the board was superseded on 20th November 2019. The Key Managerial Personnel ("KMPs" or "Present Management" comprising of the Administrator; Advisory Committee Members, CEO, CS, and CFO) along with the Senior management of the Company has ensured that the Company continues to operate as a "Going Concern" in line with the objective of the Code and requirements thereunder.



4. We refer to Note no. 6 & 8 to the Statement with regard to the responsibility of KMPs in respect of the preparation of this Statement which have been taken on record by the Administrator while discharging the powers of the Board of Directors of the Company which were conferred upon him by the RBI Order dated November 20, 2019 and subsequently, powers conferred upon him in accordance with the NCLT Order dated December 3, 2019 solely for the purpose of ensuring regulatory compliance, have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the 'Listing Regulations'). Our responsibility is to express a conclusion on this Statement based on our review. Because of the matters described in paragraphs 6 to 10 below, we were not able to obtain sufficient appropriate evidence to provide a basis for conclusion on this Statement and hence we do not express a conclusion on this Statement.
5. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Disclaimer of Conclusion

6. We have issued a Disclaimer Report basis the observations forming part of the report for the financial year ended 31st March, 2020 and for the quarter ended 30th June, 2020. The predecessor joint auditors had also issued a 'Disclaimer Report' for the year ended 31st March, 2019. The status update of the observations reported together with the observations noted for the quarter and six months period ended 30th September, 2020 is as below:
 - a. We refer to the Note no 8 to the Statement regarding that the Administrator, Advisors and KMPs have taken charge with effect from 21st November 2019 and have relied on information, data, clarifications and views provided by the existing staff of the Company for the purposes of the financial results. Only when the complete outcome and impact of ongoing investigations and transaction audits are known, the accuracy and completeness or otherwise of the data can be known. Further, since March 25, 2020 lockdown was imposed in the Country on account of Covid 19 causing a complete shutdown of offices which extended beyond the FY 2020. As a part of CIRP, a Transaction Audit to determine avoidable transactions in terms of Section 43, 45, 49, 50 and 66 of the Code and an exercise to determine the liquidation value and fair valuation of the Company was initiated. The Administrator and the KMPs have signed the unaudited standalone financial results solely for the purpose of compliance and discharging their duties during CIRP period of the Company and in accordance with the provisions of the Code, read with



the regulations and rules thereunder, and based on the explanations, clarifications, certifications, representations and statements made by the existing staff of the Company in relation to the data pertaining to the period prior to the joining of the present management and does not have personal knowledge of the past affairs, finances and operations of the Company

- b. We refer to Note no. 7 to the Statement regarding the Administrator and the Advisory Committee members along with the management team and the employees of the Company, upon their taking charge have taken various efforts to improve the operational, financial and managerial efficiency of the Company. In this regard, various initiatives to strengthen the financial/lending policies and processes, functioning of the IT system; legal audit of material loan documents, establishing risk management framework, updating internal financial controls and updating risk controls matrices, strengthening internal audit control through in-house resources and engagement of external professional experts/consultants have been undertaken. Various actions to ensure comprehensive compliance with various applicable rules and regulations during this period have also been undertaken. While substantial progress is stated to have been made by concluding some as well, these could not be fully concluded and implemented by 30th September, 2020 and various activities continue to be ongoing.

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

- c. We also refer to the "Written Representations" explaining Present Management's limitations and inability thereof in confirming or non-confirming the assertions forming part of the standard "Written Representations" as required by us in accordance with the guidelines issued by the Institute of Chartered Accountants of India (the ICAI")
- d. We refer to Note no. 11 to the Statement together with multiple issues of financial significance as highlighted in our audit report for the year ended 31st March, 2020 and in context of the suspected irregularities as reported and under media scrutiny. These issues are presently investigated by the concerned agencies namely Ministry of Corporate Affairs (MCA) under Section 212(1) of the Companies Act, 2013 through Serious Fraud Investigation Office (SFIO). Further, Enforcement Directorate (ED) has also initiated investigation in connection with the loans given by the Company to certain borrowers. Central Bureau of Investigation (CBI) has also started investigation in connection with certain loan granted by the Company. Apart from this CBI is also investigating into the matter of amounts invested by a state government entity – Provident Fund in the Fixed Deposits of the Company. As of the date of this report, investigations are ongoing together with transactions audits performed by independent agencies/firms appointed by the Administrator. We also noted that various regulatory authorities / lenders are currently carrying out their own investigations which are yet to be completed/concluded; and they may make a determination on whether any fraud or any other non-compliance/ illegalities have occurred in relation to the allegations and matters under public scrutiny and other wise As informed, these investigations and audits are not yet fully



completed; and with no outcomes (except for the fraudulent transactions reported basis the Transaction Auditors Report referred to in '6(e)' below) being communicated by the concerned agencies / firms to the Present Management, no adjustments (except for the adjustments made against the reported fraudulent transaction referred to in '6(e)' below) are made in the Statement in respect of the said reported matters.

In view of the above, we are unable to comment on the completeness and appropriateness of the balances in relation to these subjected matters, as quoted, in the Statement and the consequential impact that the outcomes of the investigations and transaction audits may have on the financial results and the provisions made by the Present Management so far.

- e. We refer to the Note no. 9 to the Statement on initial findings of the Transaction Auditor, an initial report under Section 66 of the Code covering certain transactions undertaken by the Company in the past has been filed before NCLT. The Company has also reported these transaction details to Stock Exchanges and NHB through three communications dated 2nd September 2020, 28th September 2020 and 6th October 2020 for an outstanding sum of Rs. 14,04,550 lakh; Rs. 12,70,553 lakh and Rs. 1,86,484 lakh respectively. The Company has made provisions as per NHB guidelines on 'Provisioning Pertaining to Fraud Accounts'. As per NHB Policy for all cases reported as fraud, the value of such transactions are required to be provided in full and in case a Housing Finance Company (HFC) is unable to make the entire provision in one go, the entire amount due to the HFC is to be provided for over a period not exceeding four quarters commencing with the quarter in which the fraud has been detected. However, this option is not available in case of loss accounts which will need provision in one go on detection of fraud. The Company has exercised the option to provide for balance provision amount in the 3 quarterly instalments of the current financial year commencing from the quarter ended 30th September 2020 including full provision in respect of all cases where no securities are available to the Company.

In view of the foregoing we are unable to comment upon the completeness; correctness and adequacy / inadequacy of the underlying security covers; and of such provisions and their consequential effect/ impact on the Statement.

- f. In respect of certain loans granted or invested by the Company wherein for with regard to deficiencies in documentation of Project / Mortgage loans the Present Management has also expressed its inability to express any view on the documentation adequacy / completeness till the conclusion of the ongoing legal audit.
- g. We refer to the Note no. 17 to the Statement regarding the total wholesale loan portfolio including interest receivable aggregating Rs-52,01,075 lakh (pursuant to classification of this portfolio to "held for sale" in the year ended 31st March 2019) has been "fair valued" as at 30th September, 2020 at Rs 27,95,909 lakh, with the resulting fair value loss aggregating Rs 24,05,166 lakh. Out of this, fair value loss aggregating Rs 20,69,735 lakh has been accounted up to 30th June 2020 and balance loss of Rs 3,35,431 lakh has been charged to the Statement of Profit and Loss for the quarter ended 30th September 2020. Further, as an outcome of valuation exercise to be completed during the CIRP, this



may undergo change. The recoverability or otherwise of these loans is yet to be ascertained and hence the provision has been made by the Present Management as a prudent measure on fair valuation method as per Indian Accounting Standards (Ind AS) provisions.

- h. The net worth of the Company is fully eroded rendering the Company unable to comply with the regulatory requirements of NHB in respect of the Net Owned Fund (NOF) and which also resulted in multiple contraventions of the provisions of NHB Act, 1987, Directions and Guidelines thereon. Although the aforesaid non-compliance may in ordinary course result in potential action against the Company by NHB in this regard, we are not commenting on the same since the Company is presently under moratorium imposed by the Hon'ble NCLT which prevents any actions against the Company.
- i. We refer to Note No. 14 to the Statement regarding that the Company has not made any provision for interest amount of Rs. 614,563 lakh on borrowings for the period upto 30.09.2020 (including Rs. 2,36,133 lakh upto 31.03.2020) in view of the Company's current CIRP. Under the IBC, the treatment of creditors under the resolution plan is as per debts due as on the insolvency commencement date and therefore, no interest is accrued and payable after this date. If the interest was accrued on borrowings, the loss for the half year would have been higher to the same extent.

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

- j. We refer to Note no. 13 to the Statement regarding that the Company has a balance of Rs. 5,67,336 lakh as deferred tax asset as on 30th September 2020. The Company is required to perform an assessment as required by Ind AS 12 - 'Income Taxes' which requires the Company to determine the probability of future taxable income to utilize the deferred tax asset. In the light of the above and pending outcome of the CIRP, we are unable to comment on the same.
- k. We refer to Note no. 19 to the Statement regarding that the Company in the past has incurred cost for development of customized software for its operations and recording of transactions which has been carried as intangible asset under development. The Company has capitalized Rs 3,415 lakh to Software Asset and charged Rs 870 lakh to the Statement of Profit and Loss during the current quarter ended 30th September 2020 and remaining carrying value of Rs. 6,232 lakh has been shown as under "Intangible Assets under development". However the Company has not performed an impairment assessment as required by Ind AS 36 - 'Impairment of Assets' which requires the Company to determine whether the economic benefit in respect of this intangible asset shall be available to the Company in subsequent periods taking into consideration the uncertainty in respect of its plan to monetize its assets, secure funding from the bankers / investors, restructure its liabilities and recommence its operations

In view of foregoing, we have not been provided sufficient appropriate evidence about the carrying value of the intangible asset under development and adjustments required, if any, to the Statement



- l. In view of the possible effects of the matters described in paragraphs 6(a) to 6(k) above, we are also unable to comment on the Company's compliance of the covenants in respect of all borrowings and consequential implications including disclosures, if any.
7. In view of the foregoing, we have been unable to obtain sufficient appropriate evidence to support the values of the loans and are unable to determine if these matters would have an impact on the Statement including with regard to any adjustments to the carrying value of the loans, appropriateness of classification of loans, assets, restatement, related parties and other disclosures and compliances, as applicable. Further the loans referred in above paragraphs may not have been properly secured and may have been granted including terms and conditions there-of, in a manner that is prejudicial to the interest of the Company or its members, for the reasons stated therein.
8. We refer to Note no. 10 to the Statement regarding that the differences as noticed in some instances between the claims submitted by the Creditors of the Company, during CIRP, in which in some instances the amount of claim admitted or to be admitted by the Present Management may differ from the amount reflecting in the books of account of the Company. Pending final outcome of the CIRP, no adjustments, including of the effects arising due to changes in foreign exchange rates, have been made in the Statement and books of account for the differential amounts including for the amounts short/unclaimed, if any, in the claims admitted as on the date of acceptance of claims.

In view of the above we are unable to comment upon the completeness and correctness of the such accounts and the consequential effect of the adjustments arising thereof on the Statement.

9. We refer to Note no. 12 to the Statement which explain the uncertainties and the Present Management's assessment of the financial impact of the Covid-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve. Further, in respect of accounts where moratorium was granted, the staging of those accounts at September 30, 2020 is based on the days past due status considering the moratorium period in accordance with the Reserve Bank of India guidelines relating to COVID-19 Regulatory Package dated March 27, 2020, April 17, 2020 and May 23, 2020. Further, no additional borrower accounts have been classified as impaired (non-performing assets or NPA) which were not declared NPA till August 31, 2020, in view of the Supreme Court order dated September 3, 2020.

Material uncertainty related to Going Concern

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



Disclaimer of Conclusion

11. Because of the significance of the matters described in paras 6 to 10 above, we have not been able to obtain sufficient appropriate evidence as to whether the Statement has been prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India or state whether the Statement has disclosed the information required to be disclosed the information in terms of Regulation 33 of the Listing Regulation, including the manner in which it is to be disclosed, or that it contains any material misstatement.



DINESH KUMAR BACHCHAS

Partner

Membership No. 097820

For and on Behalf of

K .K. MANKESHWAR & CO.

Chartered Accountants

FRN: 106009W

UDIN: 20097820AAAAS18108

New Delhi, dated the

25th November 2020





STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30th SEPTEMBER 2020

(₹ in Lakh)

PARTICULARS	Quarter ended			Half Year ended		Year ended
	30.09.2020 (Reviewed)	30.06.2020 (Reviewed)	30.09.2019 (Reviewed)	30.09.2020 (Reviewed)	30.09.2019 (Reviewed)	31.03.2020 (Audited)
INCOME:						
Revenue from operations:						
Interest Income	2,19,036	2,31,593	2,12,305	4,50,629	4,45,447	9,23,216
Dividend Income	-	-	-	-	-	-
Fees and Commission Income	95	16	80	111	182	283
Net gain/(loss) on derecognition of financial instruments under	-	4	(3,108)	(4)	1,609	2,397
Other operating revenue	1,350	868	1,394	2,218	3,037	29,900
I Total Revenue from operations	2,20,481	2,32,473	2,10,671	4,52,954	4,50,275	9,55,796
II Other Income	109	413	47,445	522	47,825	2,089
III Total Income (I+II)	2,20,590	2,32,886	2,58,116	4,53,476	4,98,100	9,57,885
EXPENSES:						
Finance costs	5,666	5,752	2,01,419	11,418	4,17,974	5,73,621
Net loss on fair value changes	3,35,439	1,84,456	1,58,479	5,19,895	1,82,121	15,03,471
Impairment on financial instruments	1,44,896	77,174	6,32,656	1,67,070	6,36,971	6,24,213
Employee benefits expenses	5,356	5,675	8,661	11,031	16,951	30,120
Employee Stock Options/Employee Stock Appreciation Rights Expenses	386	(23)	(1,756)	363	(1,527)	(1,791)
Depreciation and amortisation expense	2,032	2,046	1,045	4,078	2,710	7,941
Others expenses	3,452	3,525	9,386	6,977	15,464	26,562
IV Total Expenses	4,97,227	2,23,605	10,09,890	7,20,832	12,70,664	27,64,137
V (Loss)/Profit before Share of Net Profits of Associates and Joint Ventures and tax (III-IV)	(2,76,637)	9,281	(7,51,774)	(2,67,356)	(7,72,564)	(18,06,252)
Tax Expense						
Current tax	-	-	(2,359)	-	4	-
Earlier years adjustments	-	-	-	-	-	(1,133)
Deferred tax	(64,372)	2,271	(85,549)	(62,101)	(87,154)	(4,62,434)
VI Total Tax expense	(64,372)	2,271	(87,908)	(62,101)	(87,150)	(4,63,567)
VII Net (Loss)/Profit After Tax before share of Net Profits of Associates and Joint Ventures for the period (V-VI)	(2,12,265)	7,010	(6,63,866)	(2,05,255)	(6,85,414)	(13,42,685)
VIII Share of Net Profits/(Loss) of Associates and Joint Ventures	-	-	(196)	-	(2,897)	(2,896)
IX Net (Loss)/Profit After Tax (Fully attributable to owners of the Parent) (VII+VIII)	(2,12,265)	7,010	(6,64,062)	(2,05,255)	(6,88,311)	(13,45,581)
Other comprehensive Income						
(A) Items that will not be reclassified to profit or loss						
(i) Remeasurements of the defined employee benefit plans	(38)	(39)	33	(77)	65	(154)
(ii) Share of Other comprehensive income/(loss) of associates and joint ventures	-	-	1	-	-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss	10	10	(9)	20	(17)	39
Subtotal (A)	(28)	(29)	25	(57)	48	(115)
(B) Items that will be classified to profit or loss						
(i) Cash flow hedge reserves	-	-	(7,345)	-	(9,736)	5,320
(ii) Tax on above	-	-	1,882	-	2,495	(1,488)
Subtotal (B)	-	-	(5,463)	-	(7,241)	3,832
X Total Other comprehensive income/(loss) (Fully attributable to owners of the Parent) (A+B)	(28)	(29)	(5,438)	(57)	(7,193)	3,717
XI Total Comprehensive income/(loss) Fully attributable to owners of the Parent (IX+X)	(2,12,293)	6,981	(6,69,500)	(2,05,312)	(6,95,504)	(13,41,864)
Earnings per share (Face value of ₹ 10 each) (not annualised)						
Basic (in ₹)	(67.64)	2.23	(211.60)	(65.41)	(219.33)	(428.77)
Diluted (in ₹)	(67.64)	2.23	(211.60)	(65.41)	(219.33)	(428.77)
Paid-up Equity Share Capital (Face value ₹ 10/-)	31,382	31,382	31,382	31,382	31,382	31,382
Reserves excluding Revaluation Reserves as at March 31						(5,85,996)



Notes:

1: STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES

(₹ in Lakhs)

Particulars	As at 30-Sept-20 (Reviewed)	As at 31-Mar-20 (Audited)
ASSETS		
Financial assets		
Cash and cash equivalents	818,769	684,928
Bank Balances other than above	87,520	87,064
Receivables	338	275
Housing and other loans:		
At Amortised Cost	3,287,980	3,547,037
At Fair Value	2,795,881	3,073,231
	6,083,861	6,620,268
Investments	485,058	388,051
Other financial assets	175,081	158,085
Total Financial Assets	7,650,627	7,938,671
Non-Financial assets		
Current Tax Assets (Net)	35,438	33,023
Deferred tax assets	567,336	504,330
Property, plant and equipment	82,453	85,361
Intangible assets under development	6,232	10,517
Other intangible assets	9,100	6,669
Other non-financial assets	12,671	14,124
Total Non-Financial Assets	713,230	654,024
TOTAL ASSETS	8,363,857	8,592,695
LIABILITIES AND EQUITY		
LIABILITIES		
Financial Liabilities		
Trade Payables		
(i) total outstanding dues of micro enterprises and small enterprises	15	34
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	10,806	12,088
Debt Securities	4,550,215	4,542,829
Borrowings (Other than Debt Securities)	3,815,455	3,841,077
Deposits	528,677	527,889
Subordinated liabilities	129,632	129,430
Other financial liabilities	81,025	79,272
Total Financial Liabilities	9,115,825	9,132,619
Non-Financial Liabilities		
Provisions	1,203	753
Other non-financial liabilities	7,985	13,937
Total Non-Financial Liabilities	9,188	14,690
Total liabilities	9,125,013	9,147,309
EQUITY		
Equity Share Capital	31,382	31,382
Other equity	(792,539)	(585,996)
Total equity	(761,157)	(554,614)
TOTAL LIABILITIES AND EQUITY	8,363,857	8,592,695



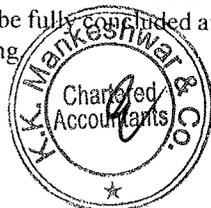
2. Statement of Consolidated Cash Flow

(₹ in Lakh)

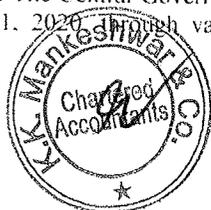
Particulars	For the Half year ended	
	30 Sep 20	30 Sep 19
	Reviewed	Reviewed
A. Cash flow from operating activities		
Net (Loss)/profit before tax	(2,67,356)	(2,72,564)
Adjustments for:		
Depreciation and amortisation expense	4,078	2,710
Share Based Payments to employees	363	(1,527)
(Profit)/Loss on Sale of Property, plant and equipments	57	109
Interest income from investments	(3,600)	(681)
Other interest income	(89)	(2,656)
Net loss/ (gain) on fair value changes	5,19,895	1,59,001
Net loss/ (gain) on derecognition of financial instruments under amortised cost category	4	596
Impairment on financial instruments	1,67,070	6,36,971
Liability written off	-	(23,582)
Interest Expense	-	1,100
Intangible Assets under Development charged to P&L	870	-
Operating profit before working capital changes	4,21,293	(524)
Adjustments for:		
(Increase) in other bank balances	9	31,784
Decrease/ (Increase) in trade receivables	(63)	146
(Increase) in other non financial asset	12,292	12,247
(Increase) in other financial asset	(17,461)	(5,972)
Increase/ (Decrease) in housing and other property loans	(1,81,052)	7,04,368
(Increase)/Decrease in trade payable	(1,301)	(4,461)
(Decrease)/ Increase in other financial liabilities	1,980	29,048
(Decrease) Increase in other non financial liabilities	(5,952)	2,415
Increase/(Decrease) in provisions	450	450
Cash generated from operations during the period	2,30,195	7,69,502
Taxes paid (Net)	(2,415)	7,955
Net Cash (used in) Operating Activities [A]	2,27,780	7,77,457
B. Cash flow from investing activities		
Interest Income	3,644	3,708
Investment in Associates	-	14,529
Investment in Joint Ventures	-	3,675
Net movement in Other Investments	(1,01,881)	57,148
Net movement in PTC	4,885	(65,066)
Capital Expenditure on Fixed Assets	(589)	(1,259)
Proceeds from Sale of Fixed Assets	3	121
Net Cash generated from / (used in) Investing Activities [B]	(93,939)	12,856
C. Cash flow from financing activities		
Repayment of redeemable non convertible debentures	-	(2,37,378)
(Repayment) of / Proceeds from Commercial Paper	-	(75,000)
Repayment of term loan	-	(4,78,772)
Proceeds from other borrowings (net)	-	2,31,623
Public / Other Deposits (repaid)/received (net)	-	(1,73,739)
Dividend & Dividend Distribution Tax Paid	-	(1)
Proceeds from Investments in Equity Shares	-	6,880
Net Cash (used in)/ generated from financing activities [C]	-	(7,26,387)
Net Increase / (decrease) in cash and cash equivalents [A+B+C]	1,33,841	63,926
Cash and cash equivalents at the beginning of the year	6,84,928	1,25,837
Cash and cash equivalents at the end of the period	8,18,769	1,89,763



3. The above unaudited consolidated financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 - Interim Financial Reporting, notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, and other accounting principles generally accepted in India subject to Note No 4 to 19 following hereinafter.
4. The Reserve Bank of India (RBI) vide Press Release dated November 20, 2019 in exercise of the powers conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934 (RBI Act) superseded the Board of Directors of the Company and appointed an Administrator under Section 45-IE (2) of the RBI Act. Thereafter, RBI vide its Press Release dated November 22, 2019, in exercise of the powers conferred under Section 45 IE: 5(a) of the RBI Act 1934, constituted a three (3) member Advisory Committee to assist the Administrator in the discharge of his duties. On November 29, 2019, the RBI filed the Petition before the NCLT under sub-Clause (i) of clause (a) of Rule 5 of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudication Authority) Rules, 2019 (FSP Rules) to initiate CIRP against DHFL read with Section 227 of the Code. Accordingly, in terms of Rule 5(b)(i) of the FSP Rules, an interim moratorium came into effect on the filing of the application to initiate CIRP. Further, CIRP was initiated against the Corporate Debtor under Section 227 read with clause (zk) of sub - section (2) of section 239 of the Code and read with rules 5 and 6 of the FSP Rules by an order dated December 3, 2019 of the Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT/Adjudicating Authority). The Adjudicating Authority, vide the above order, appointed the Administrator to perform all the functions of a resolution professional to complete the CIRP of the Company as required under the provisions of the Code. The moratorium was declared by the NCLT. It is also incumbent upon the Resolution Professional, under section 20 of the Code, to manage the operations of the Company as a going concern. Accordingly, the Statement for the quarter ended 30th September, 2020 have been prepared on going concern assumptions.
5. The Administrator following his appointment and with the approval of Committee of Creditors of DHFL, as constituted by him in accordance with Section 18(c) and 21(1) of the Code and the Regulation 17(1) of the CIRP regulations, appointed the Company Secretary ("CS") and the Chief Financial Officer ("CFO"). The Key Managerial Personnel ("KMPs" or "Present Management") the Chief Executive Officer ("CEO"), appointed just before CIRP (October 2019) and joined the company on 21st November 2019 after the board was superseded on 20th November 2019, the Company Secretary ("CS") and the Chief Financial Officer ("CFO") along with the Senior management of the Company has ensured that the Company continues to operate as a "Going Concern" in line with the objective of the Code and requirements thereunder
6. The above unaudited consolidated financial results of the Company for the quarter ended 30th September 2020 have been taken on record by the Administrator while discharging the powers of the Board of Directors of the Company which were conferred upon him by the RBI Order dated November 20, 2019 and subsequently, powers conferred upon him in accordance with the NCLT Order dated December 3, 2019 solely for the purpose of ensuring regulatory compliance. It is also incumbent upon the Resolution Professional, under section 20 of the Code, to manage the operations of the Company as a going concern. Accordingly, the Statement for the quarter and six months ended 30th September, 2020 have been prepared on going concern assumptions.
7. The Administrator and the Advisory Committee members along with the management team and the employees of the Company, upon their taking charge have taken various efforts to improve the operational, financial and managerial efficiency of the Company. In this regard, various initiatives to strengthen the financial/lending policies and processes, functioning of the IT system; legal audit of material loan documents, establishing risk management framework, updating internal financial controls and updating risk controls matrices, strengthening internal audit control through in-house resources and engagement of external professional experts/consultants have been undertaken. Various actions to ensure comprehensive compliance with various applicable rules and regulations during this period have also been undertaken. While substantial progress is stated to have been made by concluding some as well, these could not be fully concluded and implemented by 30th September, 2020 and various activities continue to be ongoing.



8. The Administrator, Advisors and KMPs have taken charge with effect from 21st November 2019 and have relied on information, data, clarifications and views provided by the existing staff of the Company for the purposes of the financial results. Only when the complete outcome and impact of ongoing investigations and transaction audits are known, the accuracy and completeness or otherwise of the data can be known. Further, since March 25, 2020 lockdown was imposed in the Country on account of Covid 19 causing a complete shutdown of offices which extended beyond the FY 2020. As a part of CIR process, a Transaction Audit to determine avoidable transactions in terms of Section 43, 45, 49, 50 and 66 of the Code and an exercise to determine the liquidation value and fair valuation of the Company was initiated. The Company has initiated appropriate actions on the basis of initial reports submitted by Transaction Auditor such as filing of application with NCLT and submission of EMRs to NHB. The Administrator and the KMPs have signed the unaudited consolidated financial results solely for the purpose of compliance and discharging their duties during CIRP period of the Company and in accordance with the provisions of the Code, read with the regulations and rules thereunder, and based on the explanations, clarifications, certifications, representations and statements made by the existing staff of the Company in relation to the data pertaining to the period prior to the joining of the present management and does not have personal knowledge of the past affairs, finances and operations of the Company.
9. Pursuant to initial findings of the Transaction Auditor, an initial report under Section 66 of the Code covering certain transactions undertaken by the Company in the past has been filed before NCLT. The Company has also reported these transaction details to Stock Exchanges and NHB through three communications dated 2nd September 2020, 28th September 2020 and 6th October 2020 for an outstanding sum of Rs. 14,04,550 lakh : Rs. 12,70,553 lakh and Rs. 1,86,484 lakh respectively. The Company has made provisions as per NHB guidelines on 'Provisioning Pertaining to Fraud Accounts'. As per NHB Policy for all cases reported as fraud, the value of such transactions are required to be provided in full and in case a HFC is unable to make the entire provision in one go, the entire amount due to the HFC is to be provided for over a period not exceeding four quarters commencing with the quarter in which the fraud has been detected. However, this option is not available in case of loss accounts which will need provision in one go on detection of fraud. The Company has exercised the option to provide for balance provision amount in the 3 quarterly instalments of the current financial year commencing from the quarter ended 30th September 2020 including full provision in respect of all cases where no securities are available to the Company. The above provision requirement as per NHB guidelines will be used only for regulatory reporting purpose. The provision under the financial results have been made in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 – Interim Financial Reporting.
10. In certain instances, the amount of the claim admitted or to be admitted by the Administrator under CIRP may differ from the amount reflecting in the books of accounts of the Company. The above unaudited financial results are drawn on the basis of figures appearing in the books of accounts of the Company as on September 30, 2020. The Administrator, Advisors, and KMPs believe that these figures may be interpreted solely for the purpose of satisfying the regulatory requirement for filing of quarterly unaudited financial results and that these figures could change during the CIRP or thereafter depending upon the findings made during the CIRP.
11. The Ministry of Corporate Affairs (MCA), has initiated investigation in the month of December 2019, into the affairs of the Company under Section 212(1) of the Companies Act, 2013 through Serious Fraud Investigation Office (SFIO). Further, Enforcement Directorate (ED) has also initiated investigation in connection with the loans given by the Company to certain borrowers. Central Bureau of Investigation (CBI) has also started investigation in connection with certain loan granted by the Company. Apart from this CBI is also investigating into the matter of amounts invested by a Uttar Pradesh State Government entity – Provident Fund in the Fixed Deposits of the Company. The Company is fully co-operating with all the investigating agencies and providing the necessary information/data as and when the same is sought.
12. The World Health Organisation has declared the novel coronavirus (COVID- 19) as a pandemic on March 11, 2020. The Central Government in India had declared a national lockdown from March 25, 2020 to May 31, 2020 through various notifications. Apart from this, the State Government of



Maharashtra has also from time to time declared lockdown in the State. Subsequently, the Government lifted the lockdown in a phased manner outside containment zones and during this period private offices are allowed to operate with minimum number of the staff with certain conditions. The Company remains fully compliant with the guidelines and direction of both Central and State Government. However, with various working measures, the Company has been making efforts to restore its normal operations. With the lifting of lockdown by the Government in stages in permitted areas, the branches of the Company were made operational including national office and the field visits have also commenced.

In order to give effect to the RBI guidelines on regulatory measures on COVID-19 – Regulatory Package, the Company had offered moratorium to its eligible customers for a period for instalments falling due between 1st March, 2020 and 31st August 2020 based on approved policy in this regard. It is important to note that ~29% of account holders by numbers had availed Moratorium as on 31st August 2020. The recovery from accounts in moratorium is forthcoming with gradual implementation of Unlock and commencement of field visits. Monthly instalment from almost 76% of Moratorium customer was collected in September 2020, being first month after moratorium, it is believed that recovery will further improve in Moratorium accounts during forthcoming months of Financial Year 2020-21. In respect of accounts where moratorium benefit was granted, the staging of those accounts as on 30th September 2020 is based on the overdue status considering the benefit of moratorium period in accordance with the regulatory package announced by the RBI.

13. The Company has a balance of Rs. 5,67,336 lakh as deferred tax asset created as per Ind AS – ‘Income Taxes’ as on 30th September 2020. The Company is running as a going concern as per the provisions of the Code, which requires that the value of the company is preserved and maintain it as a going concern. Further, various bidders have expressed interest and submitted a resolution Plan for the Company which itself is an indicator of Company will be running as a ‘going concern’ in future as well.
14. The Company has not made any provision for interest amount of Rs. 3,78,430 lakh on borrowings for the half year ended on 30.09.2020 in view of the Company’s current CIR process. Under the IBC, the treatment of creditors under the resolution plan is as per debts due as on the insolvency commencement date and therefore, no interest is accrued and payable after this date. If the interest was accrued on borrowings, the loss for the half year would have been higher by Rs. 2,81,439 lakh (net of tax) respectively.
15. The Company’s main business is financing by way of loans for the purchase and/or construction of residential houses, loan against property, loan to real estate developers, including all related activities and SRA projects. Accordingly, there are no separate reportable segments as per Ind AS 108.
16. The investments/ advance by way of unsecured Inter Corporate Deposit (ICD) including interest receivable aggregating Rs 3,94,819 lakh are outstanding as at September 30, 2020. As no securities are available to the Company, the appropriate provision of the entire outstanding amount has been made as a prudent measure.
17. The total wholesale loan portfolio including interest receivable aggregating Rs 52,01,075 lakh (pursuant to classification of this portfolio to “held for sale” in the year ended 31st March 2019) has been “fair valued” as at 30th September 2020 at Rs. 27,95,909 lakh, with the resulting fair value loss aggregating Rs 24,05,166 lakh. Out of this, fair value loss aggregating Rs 20,69,735 lakh has been accounted up to 30th June 2020 and balance loss of Rs 3,35,431 lakh has been charged to the Statement of Profit and Loss for the quarter ended September 30, 2020

The recoverability or otherwise of these loans is yet to be ascertained and hence the appropriate provision has been made as a prudent measure on fair valuation method as per Ind As provisions.

18. According to Supreme Court Interim order dated September 3, 2020 in public interest litigation (PIL) filed by Gajendra Sharma vs. Union of India & ANR, no new account which was standard as on 31.08.2020 can be classified as NPA. Hence, all such accounts, which were standard as on 31.08.2020, but should have been classified as NPA based on record of actual recovery as on 30.09.2020 have been retained as standard. Total of such accounts amounts to Rs 83,943 lakhs (including Rs 65,172 lakhs in respect of Wholesale Loan Portfolio). However, the Company has classified such accounts under stage



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3 and/or fair valued as per note no. 17 above and accordingly provision for ECL/fair value loss has been made in the Statement of Profit & Loss for the quarter and half year ended September 30, 2020

19. The Company in the past has incurred cost for development of customised software for its operations and recording of transactions which has been carried as intangible asset under development. Out of the balance of Rs 10.517 lakh, the Company has capitalised Rs 3.415 lakh to Software Asset and charged Rs 870 lakh to the statement of Profit and Loss during the current quarter ended 30th September 2020
20. The above results for the quarter ended 30th September, 2020 read with the disclosures stated vide notes 4 to 19 above have been reviewed by the Statutory Auditors of the Company.
21. Figures for the previous period have been regrouped wherever necessary.

For DEWAN HOUSING FINANCE CORPORATION LIMITED

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

Place: Mumbai
Date: 25th November 2020


MR. R SUBRAMANIAKUMAR
ADMINISTRATOR APPOINTED UNDER IBC

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

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

Email ID for Correspondence: dhfladministrator@dhfl.com



DEWAN HOUSING FINANCE CORPORATION LIMITED

Corporate Identity Number (CIN) - I69510MH1982PLC026299
 Regd. Office : Warren House, 2nd Floor, Sir 7th Road, Fort, Mumbai - 400 007
 Toll Free No. : 1800 22 3435. Visit us at: www.dhfc.com. email: response@dhfc.com
 National Office: 6th Floor, PCL Towers, A.K. 60th, Station Road, Bandra East, Mumbai - 400051.
 Tel: (022) 7418 3333



UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED 30th SEPTEMBER, 2020

PARTICULARS	STANDALONE											
	Quarter ended		Half Year ended		Year ended		Quarter ended		Half Year ended		Year ended	
	30.09.2020 (Reviewed)	30.09.2019 (Reviewed)	30.09.2020 (Reviewed)	30.09.2019 (Reviewed)	31.03.2020 (Audited)	31.03.2019 (Reviewed)	30.09.2020 (Reviewed)	30.09.2019 (Reviewed)	30.09.2020 (Reviewed)	30.09.2019 (Reviewed)	30.09.2020 (Reviewed)	30.09.2019 (Reviewed)
Total income from operations (Net)	2,70,590	2,12,886	2,11,417	4,51,476	9,34,312	9,34,312	2,20,590	2,12,886	7,58,118	4,51,476	3,98,100	9,57,880
NET Profit / (Loss) for the period (Before Tax and Exceptional items)	(2,76,636)	9,381	(7,58,443)	(2,67,355)	(7,78,128)	(18,24,799)	(2,76,637)	9,381	(7,51,724)	(2,67,355)	(7,78,128)	(18,24,799)
NET Profit / (Loss) for the period (After Exceptional items)	(2,76,636)	9,381	(7,58,443)	(2,67,355)	(7,78,128)	(18,24,799)	(2,76,637)	9,381	(7,51,724)	(2,67,355)	(7,78,128)	(18,24,799)
NET Profit / (Loss) for the period (After Exceptional items)	(2,12,764)	7,010	(6,70,535)	(2,05,254)	(6,91,178)	(13,61,232)	(2,12,765)	7,010	(6,63,856)	(2,05,254)	(6,85,114)	(13,42,880)
Share of Net Profits of Associates and Joint Ventures									(196)		(2,876)	
NET Profit / (Loss) After Tax (fully attributable to owners of the Parent)	(2,12,264)	7,010	(6,70,535)	(2,05,254)	(6,91,178)	(13,61,232)	(2,12,265)	7,010	(6,64,052)	(2,05,254)	(6,88,110)	(13,45,581)
Other Comprehensive Income (After Tax)	(28)	(19)	(5,439)	(57)	(7,191)	3,717	(28)	(19)	(5,438)	(57)	(7,191)	3,717
Total Comprehensive Income (fully attributable to owners of the Parent)	(2,12,292)	6,991	(6,75,974)	(2,05,311)	(6,98,371)	(13,57,515)	(2,12,293)	6,981	(6,69,500)	(2,05,311)	(6,95,303)	(13,41,864)
Equity Share Capital (Face Value of ₹ 10/- each)	31,382	31,382	31,382	31,382	31,382	31,382	31,382	31,382	31,382	31,382	31,382	31,382
Reserves excluding Revaluation Reserves as at March 31												
Earnings Per Share (Before / After extraordinary items) (Face Value of ₹ 10/- each)												
Basic	(67.63)	2.23	(213.67)	(65.40)	(220.24)	(433.76)	(67.64)	2.23	(211.50)	(65.41)	(219.33)	(428.77)
Diluted	(67.63)	2.23	(213.67)	(65.40)	(220.24)	(433.76)	(67.64)	2.23	(211.50)	(65.41)	(219.33)	(428.77)

Note:

- The above unaudited financial results of the Company for the quarter /half year ended 30th September 2020 have been taken on record by the Administrator while discharging the powers of the Board of Directors of the Company which were conferred upon him by the RBI Order dated November 20, 2019 and subsequently, powers conferred upon him in accordance with the NCLT Order dated December 3, 2019 only for the purpose of ensuring regulatory compliance. It is also incumbent upon the Resolution Professional, under section 20 of the Code, to manage the operations of the Company as a going concern. Accordingly, the Statement of the Company for the quarter and six months ended 30th September, 2020 have been prepared on going concern assumptions.
- The Administrator, Advisors and KMPS have taken charge with effect from 21st November 2019 and have relied on information, data, clarifications and views provided by the existing staff of the Company for the purposes of the financial results. Only when the complete outcome and impact of ongoing investigations and transaction audits are known, the accuracy and completeness or otherwise of the data can be known. Further, since March 26, 2020 lockdown was imposed in the country on account of Covid-19 causing a complete shutdown of offices which extended beyond the FY 2020. As a part of CIR process, a Transaction Audit to determine viable transactions in terms of sections 4, 11, 43, 49 and 61 of the Insolvency and Bankruptcy Code, 2016 to determine the liquidation value and fair valuation of the Company was initiated. The Company has initiated appropriate actions on the basis of initial reports submitted by Transaction Auditor such as filing of application with NCLT and admission of KMPS to NHB. The Administrator and the KMPS, have signed the unaudited consolidated financial results solely for the purpose of compliance and discharging their duties during CIR period of the Company and in accordance with the provisions of the Code, read with the regulations and rules thereunder, and based on the explanations, clarifications, verifications, representations and statements made by the existing staff of the Company in relation to the data pertaining to the period prior to the coming of the present management and does not have personal knowledge of the past affairs, finance and operations of the Company.
- The Company has not made any provision for interest amount of ₹ 78,430 lakh on borrowings for the half year ended on 30.09.2020 in view of the Company's current CIR process. Under the IRC, the treatment of earnings under the resolution plan is as per debts due as on the insolvency commencement date and therefore, no interest is accrued and payable after this date. If the interest was accrued on borrowings, the loss for the half year would have been higher by ₹ 28,13,139 lakh (net of tax) respectively.
- The above is an extract of the detailed format of quarterly/half yearly Financial Results filed with the Stock Exchanges under Regulation 33 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the Financial Results with notes there to and Limited Review Report are available on the Stock Exchange website (www.bseindia.com and www.nseindia.com) and on the Company's website www.dhfc.com.

For DEWAN HOUSING FINANCE CORPORATION LIMITED
 To Company Liquidator/Resolution Professional Process by an order dated December 3, 2019
 issued by NCLT, Mumbai)

(Signature)
 ADMINISTRATOR APPOINTED UNDER IRC

AS ADMINISTRATOR
 DEWAN HOUSING FINANCE CORPORATION LIMITED

Place: Mumbai
 Date: November 25, 2020



The Administrator has been appointed under Rule 10(a) of the Insolvency and Bankruptcy Code, 2016 and the Insolvency and Bankruptcy (Liquidation Process) Regulations, 2016 under the Insolvency and Bankruptcy Code, 2016. The affairs, business and property of Dewan Housing Finance Corporation Limited are being managed by the Administrator, Mr. S. Subramanian, who acts as agent of the liquidator, and will continue to act as agent of the liquidator until the liquidation process is completed.

Additional Information in Compliance with Regulation 52(4) of Chapter V (Obligations of Listed Entity which has listed its Non- Convertible Debt Securities) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

a)	Credit rating and change in credit rating (if any): Details of the Credit Rating				
	Nature of borrowing	Rating / Outlook			
		CARE	Brickworks	ICRA	CRISIL
	Short-term debt / commercial paper	-	-	[ICRA]D	CRISIL D
	IPDIs	CARE D (Single D)	BWR D	-	-
	Subordinated debt	CARE D (Single D)	BWR D	-	-
	NCDs	CARE D (Single D)	BWR D	-	-
	NCDs (Public Issue)	CARE D (Single D)	BWR D	-	-
	Long-term Bank Loans	CARE D (Single D)	-	-	-
	FD	CARE D (FD) [Single D(Fixed Deposit)]	BWR FD	-	-
b)	Asset cover available				
	The company has maintained asset cover as per the respective offer documents / Prospectus are secured by the way first of pari-passu charge on the Company's current assets (both present and future), current and future loans assets (including monies receivable thereunder) and certain properties as on 30th September, 2020 .				
	Particulars	As on 30th September, 2020			
c)	Debt – equity ratio;	(11.71)			
d)	Previous due date for the payment of interest/ dividend for non-convertible redeemable preference shares/ repayment of principal of non-convertible preference shares /non convertible debt securities and whether the same has been paid or not; and.	There have been defaults. Details as per Annexure A			
e)	Next due date for the payment of interest/ dividend of non-convertible preference shares /principal along with the amount of interest/ dividend of non-convertible preference shares payable and the redemption amount; <i>(As the Company has been admitted in the NCLT under IBC code and moratorium is on presently we are not making any payment on NCDs.)</i>	Details as per Annexure B			
f)	Debt service coverage ratio;	NA			
g)	Interest service coverage ratio;	NA			
h)	Outstanding redeemable preference shares (quantity and value)	Nil			
i) 1	Capital redemption reserve (Rs. In lakh)	-			
i) 2	Debenture redemption reserve for Privately Placed Debenture (*)	-			
i) 3	Debenture redemption reserve for Public Issue of NCDs (Rs. In lakh)	1,17,000			
j)	Net worth (Rs. In lakh)	(761220)			
k)	Net Profit after tax (Rs. In lakh)	(205254)			



l)	Earnings per share (Basic) (Rs.)	(65.40)
m)	Earnings per share (Diluted) (Rs.)	(65.40)

*The MCA has vide its notification dated 18th June, 2014 amended the Companies (Share Capital and Debentures) Rules, 2014 and has exempted Housing Finance Companies registered with the National Housing Bank from creating a Debenture Redemption Reserve in respect of privately placed debentures.

Annexure A

Details of payment of Interest / principal of the Redeemable Non- Convertible Debentures in accordance with Regulation 52(4)(d) and Regulation 52(4)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As per the provisions of the offer Documents/ Prospectus Debenture Trustee has issued the Demand Notices and entire amount has become due as per respective Demand Notices.

As the Company has been admitted in the NCLT under IBC code and moratorium is on, presently we are not making any payment on NCDs.

Annexure B

Details of the next due date with the amount of Due payment of Interest and Principal for Non-Convertible Debentures.

As per the provisions of the offer Documents/ Prospectus Debenture Trustee has issued the Demand Notices and entire amount has become due as per respective Demand Notices.

As the Company has been admitted in the NCLT under IBC code and moratorium is on, presently we are not making any payment on NCDs.



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Limited Review Report

Unaudited Consolidated Financial Results pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015

To

The Administrator

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

Dewan Housing Finance Corporation Limited

1. We were engaged to review the accompanying statement of unaudited consolidated financial results ("Statement") of **Dewan Housing Finance Corporation Limited** ('the Parent' or 'the Company') and its subsidiaries (the Parent and its subsidiaries together referred to as the 'Group') for the quarter ended 30th September 2020 and year to date results for the period from 1st April 2020 to 30th September 2020, being submitted by the Parent pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015, as amended (the 'Listing Regulations').
2. The Reserve Bank of India (RBI) vide Press Release dated November 20, 2019 in exercise of the powers conferred under Section 45-IE (1) of the Reserve Bank of India Act, 1934 (RBI Act) superseded the Board of Directors of the Company and appointed an Administrator under Section 45-IE (2) of the RBI Act. Thereafter, RBI vide its Press Release dated November 22, 2019, in exercise of the powers conferred under Section 45 IE 5(a) of the RBI Act 1934, constituted a three (3) member Advisory Committee to assist the Administrator in the discharge of his duties. On November 29, 2019, the RBI filed the Petition before the NCLT under sub-clause (i) of clause (a) of Rule 5 of the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudication Authority) Rules, 2019 (FSP Rules) to initiate Corporate Insolvency Resolution Process (CIRP) against the Company read with Section 227 of the Code. Accordingly, in terms of Rule 5(b)(i) of the FSP Rules, an interim moratorium came into effect on the filing of the application to initiate CIRP. Further, CIRP was initiated against the Corporate Debtor under Section 227 read with clause (zk) of sub - section (2) of section 239 of the Code and read with rules 5 and 6 of the FSP Rules by an order dated December 3, 2019 of the Hon'ble National Company Law Tribunal, Mumbai Bench (NCLT/Adjudicating Authority). The Adjudicating Authority, vide the above order, appointed the Administrator to perform all the functions of a resolution professional to complete the CIRP of the Company as required under the provisions of the Code. The moratorium was declared by the NCLT.
3. The Administrator following his appointment and with the approval of Committee of Creditors (CoC) of the Company, as constituted by him in accordance with Section 18(c) and 21(1) of the Code and the Regulation 17(1) of the CIRP regulations, appointed the Company Secretary ("CS") and the Chief Financial Officer ("CFO") and the Chief Executive Officer ("CEO"), appointed just before CIRP (October 2019) and joined the company on 21st



November 2019 after the board was superseded on 20th November 2019. The Key Managerial Personnel ("KMPs" or "Present Management" comprising of the Administrator; Advisory Committee Members, CEO, CS, and CFO) along with the Senior management of the Company has ensured that the Company continues to operate as a "Going Concern" in line with the objective of the Code and requirements thereunder.

4. We refer to Note no. 6 & 8 to the Statement with regard to the responsibility of KMPs in respect of the preparation of this Statement which have been taken on record by the Administrator while discharging the powers of the Board of Directors of the Company which were conferred upon him by the RBI Order dated November 20, 2019 and subsequently, powers conferred upon him in accordance with the NCLT Order dated December 3, 2019 solely for the purpose of ensuring regulatory compliance, have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the 'Listing Regulations'). Our responsibility is to express a conclusion on this Statement based on our review. Because of the matters described in paragraphs 7 to 11 below, we were not able to obtain sufficient appropriate evidence to provide a basis for conclusion on this Statement and hence we do not express a conclusion on this Statement.
5. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
6. The Statement includes the results of the following entities:
 - i) Parent entity
 - Dewan Housing Finance Corporation Limited
 - ii) Subsidiary companies:
 - DHFL Advisory & Investments Private Limited
 - DHFL Holdings Limited

Basis for Disclaimer of Conclusion

7. We have issued a Disclaimer Report basis the observations forming part of the report for the financial year ended 31st March, 2020 and for the quarter ended 30th June, 2020. The predecessor joint auditors had also issued a 'Disclaimer Report' for the year ended 31st March, 2019. The status update of



the observations reported together with the observations noted for the quarter and six months period ended 30th September, 2020 is as below:

- a. We refer to the Note no 8 to the Statement regarding that the Administrator, Advisors and KMPs have taken charge with effect from 21st November 2019 and have relied on information, data, clarifications and views provided by the existing staff of the Company for the purposes of the financial results. Only when the complete outcome and impact of ongoing investigations and transaction audits are known, the accuracy and completeness or otherwise of the data can be known. Further, since March 25, 2020 lockdown was imposed in the Country on account of Covid 19 causing a complete shutdown of offices which extended beyond the FY 2020. As a part of CIRP, a Transaction Audit to determine avoidable transactions in terms of Section 43, 45, 49, 50 and 66 of the Code and an exercise to determine the liquidation value and fair valuation of the Company was initiated. The Administrator and the KMPs have signed the unaudited standalone financial results solely for the purpose of compliance and discharging their duties during CIRP period of the Company and in accordance with the provisions of the Code, read with the regulations and rules thereunder, and based on the explanations, clarifications, certifications, representations and statements made by the existing staff of the Company in relation to the data pertaining to the period prior to the joining of the present management and does not have personal knowledge of the past affairs, finances and operations of the Company
- b. We refer to Note no. 7 to the Statement regarding the Administrator and the Advisory Committee members along with the management team and the employees of the Company, upon their taking charge have taken various efforts to improve the operational, financial and managerial efficiency of the Company. In this regard, various initiatives to strengthen the financial/lending policies and processes, functioning of the IT system; legal audit of material loan documents, establishing risk management framework, updating internal financial controls and updating risk controls matrices, strengthening internal audit control through in-house resources and engagement of external professional experts/consultants have been undertaken. Various actions to ensure comprehensive compliance with various applicable rules and regulations during this period have also been undertaken. While substantial progress is stated to have been made by concluding some as well, these could not be fully concluded and implemented by 30th September, 2020 and various activities continue to be ongoing.

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

- c. We also refer to the "Written Representations" explaining Present Management's limitations and inability thereof in confirming or non-confirming the assertions forming part of the standard "Written



Representations" as required by us in accordance with the guidelines issued by the Institute of Chartered Accountants of India (the ICAI")

- d. We refer to Note no. 11 to the Statement together with multiple issues of financial significance as highlighted in our audit report for the year ended 31st March, 2020 and in context of the suspected irregularities as reported and under media scrutiny. These issues are presently investigated by the concerned agencies namely Ministry of Corporate Affairs (MCA) under Section 212(1) of the Companies Act, 2013 through Serious Fraud Investigation Office (SFIO). Further, Enforcement Directorate (ED) has also initiated investigation in connection with the loans given by the Company to certain borrowers. Central Bureau of Investigation (CBI) has also started investigation in connection with certain loan granted by the Company. Apart from this CBI is also investigating into the matter of amounts invested by a state government entity – Provident Fund in the Fixed Deposits of the Company. As of the date of this report, investigations are ongoing together with transactions audits performed by independent agencies/firms appointed by the Administrator. We also noted that various regulatory authorities / lenders are currently carrying out their own investigations which are yet to be completed/concluded; and they may make a determination on whether any fraud or any other non-compliance/ illegalities have occurred in relation to the allegations and matters under public scrutiny and otherwise. As informed, these investigations and audits are not yet fully completed; and with no outcomes (except for the fraudulent transactions reported basis the Transaction Auditors Report referred to in '7(e)' below) being communicated by the concerned agencies / firms to the Present Management, no adjustments (except for the adjustments made against the reported fraudulent transaction referred to in '7(e)' below) are made in the Statement in respect of the said reported matters.

In view of the above, we are unable to comment on the completeness and appropriateness of the balances in relation to these subjected matters, as quoted, in the Statement and the consequential impact that the outcomes of the investigations and transaction audits may have on the financial results and the provisions made by the Present Management so far.

- e. We refer to the Note no. 9 to the Statement on initial findings of the Transaction Auditor, an initial report under Section 66 of the Code covering certain transactions undertaken by the Company in the past has been filed before NCLT. The Company has also reported these transaction details to Stock Exchanges and NHB through three communications dated 2nd September 2020, 28th September 2020 and 6th October 2020 for an outstanding sum of Rs. 14,04,550 lakh; Rs. 12,70,553 lakh and Rs. 1,86,484 lakh respectively. The Company has made provisions as per NHB guidelines on 'Provisioning Pertaining to Fraud Accounts'. As per NHB Policy for all cases reported as fraud, the value of such transactions are required to be provided in full and in case a Housing Finance Company (HFC) is unable to make the entire provision in one go, the entire amount due to the HFC is to be provided



for over a period not exceeding four quarters commencing with the quarter in which the fraud has been detected. However, this option is not available in case of loss accounts which will need provision in one go on detection of fraud. The Company has exercised the option to provide for balance provision amount in the 3 quarterly instalments of the current financial year commencing from the quarter ended 30th September 2020 including full provision in respect of all cases where no securities are available to the Company.

In view of the foregoing we are unable to comment upon the completeness; correctness and adequacy / inadequacy of the underlying security covers; and of such provisions and their consequential effect/impact on the Statement.

- f. In respect of certain loans granted or invested by the Company wherein for with regard to deficiencies in documentation of Project / Mortgage loans the Present Management has also expressed its inability to express any view on the documentation adequacy / completeness till the conclusion of the ongoing legal audit.
- g. We refer to the Note no. 17 to the Statement regarding the total wholesale loan portfolio including interest receivable aggregating Rs-52,01,075 lakh (pursuant to classification of this portfolio to "held for sale" in the year ended 31st March 2019) has been "fair valued" as at 30th September, 2020 at Rs 27,95,909 lakh, with the resulting fair value loss aggregating Rs 24,05,166 lakh. Out of this, fair value loss aggregating Rs 20,69,735 lakh has been accounted up to 30th June 2020 and balance loss of Rs 3,35,431 lakh has been charged to the Statement of Profit and Loss for the quarter ended 30th September 2020. Further, as an outcome of valuation exercise to be completed during the CIRP, this may undergo change. The recoverability or otherwise of these loans is yet to be ascertained and hence the provision has been made by the Present Management as a prudent measure on fair valuation method as per Indian Accounting Standards (Ind AS) provisions.
- h. The net worth of the Company is fully eroded rendering the Company unable to comply with the regulatory requirements of NHB in respect of the Net Owned Fund (NOF) and which also resulted in multiple contraventions of the provisions of NHB Act, 1987, Directions and Guidelines thereon. Although the aforesaid non-compliance may in ordinary course result in potential action against the Company by NHB in this regard, we are not commenting on the same since the Company is presently under moratorium imposed by the Hon'ble NCLT which prevents any actions against the Company.
- i. We refer to Note No. 14 to the Statement regarding that the Company has not made any provision for interest amount of Rs. 614,563 lakh on borrowings for the period upto 30.09.2020 (including Rs. 2,36,133 lakh upto 31.03.2020) in view of the Company's current CIRP. Under the IBC, the treatment of creditors under the resolution plan is as per debts due as on the insolvency commencement date and therefore, no



interest is accrued and payable after this date. If the interest was accrued on borrowings, the loss for the half year would have been higher to the same extent.

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

- j. We refer to Note no. 13 to the Statement regarding that the Company has a balance of Rs. 5,67,336 lakh as deferred tax asset as on 30th September 2020. The Company is required to perform an assessment as required by Ind AS 12 - 'Income Taxes' which requires the Company to determine the probability of future taxable income to utilize the deferred tax asset. In the light of the above and pending outcome of the CIRP, we are unable to comment on the same.
- k. We refer to Note no. 19 to the Statement regarding that the Company in the past has incurred cost for development of customized software for its operations and recording of transactions which has been carried as intangible asset under development. The Company has capitalized Rs 3,415 lakh to Software Asset and charged Rs 870 lakh to the Statement of Profit and Loss during the current quarter ended 30th September 2020 and remaining carrying value of Rs. 6,232 lakh has been shown as under "Intangible Assets under development". However the Company has not performed an impairment assessment as required by Ind AS 36 - 'Impairment of Assets' which requires the Company to determine whether the economic benefit in respect of this intangible asset shall be available to the Company in subsequent periods taking into consideration the uncertainty in respect of its plan to monetize its assets, secure funding from the bankers / investors, restructure its liabilities and recommence its operations

In view of foregoing, we have not been provided sufficient appropriate evidence about the carrying value of the intangible asset under development and adjustments required, if any, to the Statement.

- l. In view of the possible effects of the matters described in paragraphs 7(a) to 7(k) above, we are also unable to comment on the Company's compliance of the covenants in respect of all borrowings and consequential implications including disclosures, if any.
8. In view of the foregoing, we have been unable to obtain sufficient appropriate evidence to support the values of the loans and are unable to determine if these matters would have an impact on the Statement including with regard to any adjustments to the carrying value of the loans, appropriateness of classification of loans, assets, restatement, related parties and other disclosures and compliances, as applicable. Further the loans referred in above paragraphs may not have been properly secured and may have been granted including terms and conditions there-of, in a manner that is prejudicial to the interest of the Company or its members, for the reasons stated there



9. We refer to Note no. 10 to the Statement regarding that the differences as noticed in some instances between the claims submitted by the Creditors of the Company, during CIRP, in which in some instances the amount of claim admitted or to be admitted by the Present Management may differ from the amount reflecting in the books of account of the Company. Pending final outcome of the CIRP, no adjustments, including of the effects arising due to changes in foreign exchange rates, have been made in the Statement and books of account for the differential amounts including for the amounts short/unclaimed, if any, in the claims admitted as on the date of acceptance of claims.

In view of the above we are unable to comment upon the completeness and correctness of the such accounts and the consequential effect of the adjustments arising thereof on the Statement.

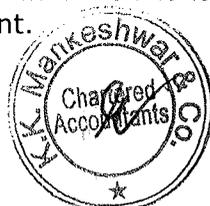
10. We refer to Note no. 12 to the Statement which explain the uncertainties and the Present Management's assessment of the financial impact of the Covid-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve. Further, in respect of accounts where moratorium was granted, the staging of those accounts at September 30, 2020 is based on the days past due status considering the moratorium period in accordance with the Reserve Bank of India guidelines relating to COVID-19 Regulatory Package dated March 27, 2020, April 17, 2020 and May 23, 2020. Further, no additional borrower accounts have been classified as impaired (non-performing assets or NPA) which were not declared NPA till August 31, 2020, in view of the Supreme Court order dated September 3, 2020.

Material uncertainty related to Going Concern

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

Disclaimer of Conclusion

12. Because of the significance of the matters described in paras 7 to 11 above, we have not been able to obtain sufficient appropriate evidence as to whether the Statement has been prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India or state whether the Statement has disclosed the information required to be disclosed the information in terms of Regulation 33 of the Listing Regulation, including the manner in which it is to be disclosed, or that it contains any material misstatement.



Other Matters

13. We did not review the financial information of one subsidiary included in the Statement, whose financial information reflect total revenues of Rs. 0.00 Lakh, and net loss after tax of Rs. 0.00 Lakh for the quarter ended 30th September, 2020 as considered in the Statement. The unaudited financial results and other unaudited financial information have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the affairs of this subsidiary, is based solely on such unaudited financial results and other unaudited financial information. Accordingly to the information and explanations given to us by the Present Management, these financial results are not material to the Group.



DINESH KUMAR BACHCHAS

Partner

Membership No. 097820

For and on Behalf of

K .K. MANKESHWAR & CO.

Chartered Accountants

FRN: 106009W

UDIN: 20097820AAAA535624

New Delhi, dated the
25th November, 2020



CERTIFICATE FOR RECEIPT AND NOTING OF INFORMATION

[Pursuant to Regulation 52(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

We, **Catalyst Trusteeship Limited (“Debenture Trustee”)** hereby confirm that we have received and noted (without independent verification thereof) the information, as specified under regulation 52(4) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**Regulations**”), provided to us by **Dewan Housing Finance Corporation Limited (“the Company”)** for the Half year ended September 30, 2020.

It is observed that the Company has submitted the audited financial results to Stock Exchanges as per Regulation 33 of SEBI (LODR) Regulations, 2015, alongwith above information, vide its letter dt. 26.11.2020.

In this connection it is observed that:

- At point no. (b) at page 25, under head ‘Asset cover available’, the value of assets and quality of such assets is not mentioned, in the context of observations of Statutory Auditors in financial results. Further, company has not submitted any Asset Cover Certificate from Independent / Statutory Auditor to the trustee.

This Certificate is being issued pursuant to the requirements of Regulation 52(5) of the aforesaid Regulations, for onward submission to Stock Exchange(s) by the Company.

For Catalyst Trusteeship Limited



Authorized Signatory

Date: December 03, 2020

