

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

DHFL/CSD/2020-21/1957

Date: 6th June 2021

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

Dear Sir/Madam,

Sub: Submission of Audited Financial Results (Standalone & Consolidated) for the fourth quarter/ financial year ended 31st March, 2021 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The Company has already intimated the Exchanges that the Reserve Bank of India ("RBI") had superseded the board of directors of Dewan Housing Finance Corporation Limited ("Company") and appointed Mr R. Subramaniakumar as the Administrator of the Company in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 on 5th June, 2021, which commenced at 9.00 p.m. and concluded at 01.15 a.m. on 6th June, 2021, have inter-alia, considered and taken on record the Ind-AS Audited Financial Results (Standalone & Consolidated) of the Company for the fourth quarter/ financial year ended 31st March, 2021, as per Regulation 33, 52 and other applicable regulations of the SEBI Listing Regulations and in compliance with the Indian Accounting Standards as per the provisions of the Companies (Indian Accounting Standards) Rules, 2015. Please find enclosed herewith a copy of the said Audited Financial Results of the Company (Standalone and Consolidated) along with Report issued by the Statutory Auditors thereon and the Statement on Impact of Audit Qualifications (in respect of modified opinion on Standalone & Consolidated Results) for the Financial Year ended on 31st March, 2021. The disclosure in accordance with Regulation 52(4) of the SEBI Listing Regulations follows subsequently.

Some parts of the duly signed Financial Results as enclosed herein may not be clearly legible due to the signatories being located at different locations. Accordingly, legible set of the Financial Results with initials are repeated after the duly signed Financial Results.

Kindly take the same on your record.

Thanking you,

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

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

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DEWAN HOUSING FINANCE CORPORATION LIMITED

Corporate Identity Number (CIN) L65910MH1984PLC032639

Regd. Office - Warden House. 2nd Floor, Sir P.M. Road, Fort, Mumbar 400.001 Toll Free No. 1800 22 3435, Visit us at : www.dhfl.com., email _response@dhfl.com



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National Office: 6th Floor, HDIL Towers, A K Marg, Station Road, Bandra (East), Mumbai - 400051 Tel. : (022) 7158 3333

STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2021

			Quarter ended		Year ended		
	PARTICULARS	31.03.2021	31.12.2020	31.03 2020	31.03.2021	11.03 2070	
		(Audited)	(Reviewed)	(Audited)	Audited	(Audited)	
t	INCOME:						
	Revenue hum operations:	i.					
	interest income	7 01 9 15	219 356	I 30.350	B 71 406	9,000	
	Fees and Commission incume	31	87	58	12.9 1	751	
	Net gain ((loss) on derecognition of financial instruments under amortised cust calegory			(2.040))	141		
	Other operating revenue	1,403	1,215	1.140	4,840	5 X * 1	
	Total Revenue from operations	2,03,453	2,20,558	2,38.758	8,77 065	9 32 223	
	Other Income (Refer Note 20)	2,694	58	4514	3.1.4	1389	
	Total Income	2.06,057	2,20,746	2,39,217	8,80,279	9,34.312	
		And a second					
2	EXPENSES	- 10	1 200	1.2	1 540 1	47260	
	Finance costs (Refer Note 16)		5,635	13	15 44 833	11, 201 - 31	
	Net loss on fair value changes	1.50 494	19 28,644	: 40?	12 47 633	6. 4 1	
	impairment on financial instruments & Write-offs	15 167	42,140	862		26.32	
	Employee benefits expenses	4,612	5,306	6,71	21	242 -2	
	Depreciation and amortisation	2,042	1.963	8.944	2.083		
	Others expenses	5,123	5,127	-,742	17 230	26	
	Total Expenses	1,82,660	19,88,493	12,58,908	28,91,984	27 59,11	
3	Profit / (Loss) before (ax (1-2)	23,397	(17,67,747)	(10 29,691)	(20.11,705)	(18,24,30	
4	Tax Expense						
	Current Law	9, 27			9 3/		
	Earlier years adjustments	1		1 3 1	1	1	
	Deferred tax	4,582	4.148.213	1,65,0651	> 13 'suit		
	Total tax expense	13.719	(4.58.211)	(2,66,202)	(5.00 593)	(4 63,56	
5	Profit / (Loss) for the period / Year (3-4)	9.078	(13,09,536)	(7,63,489)	715,05,1121	113.01.23	
6	Other comprehensive income						
	- Items that will not be reclassified to profit or loss				1		
	Remeasurements of the defined benefit plans	47	(39)	134	(69)	8	
	Tax on above	1121	10	(35)	1.8		
	- Items that will be classified to profit or loss				-		
	Cash flow hedge reserves			20.052		3 -	
	Тах он арруе		- 144.97	(5.263)	1	1 64	
	Total Other comprehensive income	35	(29)	14,887	(51)	3 7 1	
7	Total comprehensive income for the period / Year (5+6)	9.713	(13.09,565)	(7.48.602)	(15.05 163)	113 57 51	
	Earnings per share (Face value of Rs. 10 each) (not annualised)						
	Basic (in ?)	3 08	14 7 281	241.291	474 611	1283	
	Basic (nr ₹)	3 08	1417.284	124 291	174. 11]	A 1 2	
		>	1		1		
	Paid up Equity Share Capital (Face value * 10/-)	11,382	11,382	31,382	1 182	1.38	



Notes

1 Statement of Standalone Assets and Liabilities

(* in cakt-j

	As at	
	31.03.2021	31.03.2020
ASSETS		
Financial Assets	0.45.045	
Cash and cash equivalents	9.45,805	6,84,361
Bank Balances other than above	86,511	8 ° (164
Receivables	47	2 ar
Housing and Other Joans		
At amortised cost	29,03,437	38,47,957
At Fair Value	9.42,092	30,73,233
	38,45,529	66,20,268
Investments	8,44,865	3,88,161
Other financial assets	1,83,248	1,79,85
otal Financial Assets	59,06,006	79,59,772
Non-Financial Assets		
Current Tax Assets (Net)	5,646	33/12-
Deferred tax assets	10,20,962	\$,55,211
Property, plant and equipment	29,600	26. 11.
intangible assets under development	6.232	11.1.1.
Other intangible assets	8,141	نكرة وترارية
Other non-financial assets	10,099	14,18/
Total Non-Financial Assets	11,30,680	6,54,967
	70,36,686	86,14,739
Fotal Assets		
LIABILITIES AND EQUITY		
IABILITIES		
Financial Liabilities		
Trade Payables		
(i) total putstanding dues of micro enterprises and		
small enterprises	\$19	s d
(in total outstanding dues of creditors other than micro		
enterprises and small enterprises	7,284	12 . 44
Debt Securities	45,57,530	45,47,82
Borrowings (Other than Debt Securities)	37,68,591	58,41,0°
Deposits	5,29,165	133.886
Subordinated Liabilities	1,29,833	1,29,4 st
Other financial liabilities	98,979	1,00.438
Total Financial Liabilities	90,91,701	91,53,843
Non-Financial Liabilities		
Provisions	756	- 1
Other non-financial liabilities	7,934	5933
Total Non-Financial Liabilities	8,690	14,690
Total liabilities	91,00,391	91,68,53
SOURT	31,382	31 18
EQUITY Fourth Share (South)		15,82,17
Equity Share Capital	(20.95.087)	
Equity Share Capital Other equity	(20,95,087) (20,63,705)	addagad freedda in contraction contraction of
Equity Share Capital	(20,63,705)	(5,53,79
Equity Share Capital Other equity	and a constrained of the strained of the strai	addagad foreidd, m chroning register a start a s

Notes 2 Cash flow statement for the year ended March 31, 2021

A46-110			
A.	Cash flow from operating activities	As at 31st March, 2021	As at 31st March, 2020
- 44	Net (Loss)/profit before tax		
	rectional/providerore tax	(20,11,765)	18 34
	Adjustments for:	a dini-	
	Depreciation and amortisation expense	1	
	Share Based Payments to employees	8,083	54
	coss/(Profit) on Sale of Property, plant and equipments	209	12
	Interet on Income Tax Refund	155	59
	interest income from investments	(2,5-7)	
	Other interest income	(11,610)	13,38
		(124)	3 4
	Net loss/ (gain) on fair value change:	25,99,033	14 99,648
	Net loss/ (gain) on derecognition of financial instruments under amortised cost category	A	14
	impairment on financial instruments & written-off	2,24,477	14 5
	Operating profit before working capital changes	8,05,985	2,99,844,
	Adjustments for:		
	(Increase)/Decrease in other bank balances	11	88,111
	Decrease/ (Increase) in trade receivables	855	2
	(increase)/Decrease in other financial asset	(3,887)	13.7 M
	(Increase)/Decrease in other non financial asset	24,502	2010
	(increase)/ Decrease in housing and other property loans	(1,22,244)	8.05 //
	(increase)/Decrease in trade payable	(4,577)	
	increase/ (Decrease) in other financial liabilities	[1,274]	1 4 -
	(Decrease)/ increase in other non financial liabilities	(6,003)	1. 114
	(Decrease)/ increase in provisions	8	
	Cash generated from operations during the year	5,92,744	12,52,506
	Taxes paid (Net)	20,777	5.1%
	Net Cash (used in) Operating Activities [A]	7,13,521	12,57,636
8	Cash flow from investing activities		
	Interest Income	10,363	SUE
		10,303	10 0, - 0
	sales proceeds from investment (Net)	La marcal	18-211
	Net movement in Other Investments	(4,76,064)	51-01
	Net movement in PTC	12,791	1
	Capital Expenditure on Fixed Assets Proceeds from Sale of Fixed Assets	324	4 Z 1
	FIDGEGS TOTT SHE OF THEO ASSES	3	
	Net Cash generated from / (used in) Investing Activities (B)	(4,52,577)	57,4 5
	Cash flow from financing activities		
	Repayment of redeemable non convertible debentures		2.58 - 1
	(Repayment) of / Proceeds from Commercial Paper	an Alexandra	?* (m=
	Repayment of term loan		<u>A</u>
	Proceeds from other borrowings (net)	dialeter .	1.93
	Public / Other Deposits (repaid)/received (net)		(1, 13 76/
	Dividend & Dividend Distribution Tax Paid	-	10
			dala nanoniat (Panananjandi I
	Net Cash (used in)/ generated from financing activities [C]		(7,56,258)
			n in a second and a second and a second
	Net increase / (decrease) in cash and cash equivalents [A+B+C]	2,50,944	10000000000000000000000000000000000000
		2,60,944 6,84,851 9,45,805	n in a second and a second and a second



- 3 The standalone financial results have been prepared in accordance with Ind AS, obtained inder Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 20, a amended from time to time, other relevant provision of the Act, guidelines issued by the RBUs applicable to NBI C and other accounting principles generally accepted in India.
- 4 The figures for the quarter ended March 31, 2021 and March 31, 2020 mentioned in the observandadous financial results, are the balancing figures between the audited figures for the vehicle figures published up to the third quarter of the sold immediatives.
- The Reserve Bank of India (RB1) vide Press Release dated November 20, 2019 in exercise of the powerconteried under Section 45-II (1) of the Reserve Bank of Indu Act (1934 (RBLAct) superseder) is Board of Directors of the Company and appointed an Administrator under Section 45/11/12/16/14/8/14 Act. Thereafter, RBI vide its Press Release dated November 22, 2019, in exercise of the person conferred under Section 45 Hz 5(a) of the RBI Act 1934, constituted a three (3) member. Advesses Committee to assist the Administrator in the discharge of his duties. On November 29, 2019, the RBL filed the Petition before the NCLT under sub-Clause (i) of clause (a) of Rule 5 of the insolvence and Bankruptex (Insolveney and Liquidation Proceedings of Financial Service Providers and Application to Adjudication Authority) Rules, 2019 (LSP Rules) to initiate CIRP against DHI 1 (ead/with/section 201 of the Code. Accordingly, in terms of Rule 5(b)(t) of the FSP Rules, an interim monitorian class invol effect on the filing of the application to initiate CIRP. Further, CIRP was initiated against the Corps and Debtor under Section 22^m read with clause (zk) of sub - section (2) of section (2^m) of the C (d, and (c)). with rules 5 and 6 of the FSP Rules by an order dated December 5, 2019 of the Hammer National Company Law Tribunal, Mumbai Bench (NCL1 Adjudicating Authenty), The Xajudicating Authenty 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 andci the provisions of the Code. Like moratorium was declared by the NCLT. It is also incumbent upon the Resolution Professional, updet Section 20 of the Code, to manage the operations of the Company as a going concerts. Accordanais the Statement for the quarter and year ended 31.1 March, 2021 have been prepared on the astronomy assumptions
- The Administrator following his appointment and with the approval of Commutee of Crischer of DH14, as constituted by him in accordance with Section 18(c) and 21(1) of the Code and the Reschatter 17(1) of the CIRP regulations, appointed the Company Secretary ("CS") and the Coref Empirical Officer ("CFO"). The Key Managerial Personnel ("KMPs" or "Present Management), the Chief Ever date Officer ("CFO"), appointed just before CIRP (October 2019) and joined the company on 2, "November 2019 after the board was superseded on 20" November 2019, the Company Secretary ("CS") and the Company Secretary ("CS") and the Company Secretary ("CS") and the company on 2, "November 2019 after the board was superseded on 20" November 2019, the Company Secretary ("CS") and the Company have construct the Chief Empire ("CFO") along with the Senior management of the Company have construct the Context of the Company continues to operate as a "Going Concern" in line with the objective of the Code and requirements thereunder.
- The above standalone financial results of the Company for the quarter and year ended 31. Mixele 20.5 have been taken on record by the Administrator while discharging the powers of the Board of Director of the Company which were conferred upon him by the RBI Order dated November 20, 2017 and subsequently, powers conferred upon him in accordance with the NCLT Order dated December 3, 2015 solely for the purpose of ensuring regulatory compliance.
- S The Administrator and the Advisory Committee members along with the KMPs, upon their advine charge have taken various efforts to improve the operational, financial and managerial effectives of the Company with the support of the employees of the company. In this regard, various initial cost or strengthen the financial/lending policies and processes, functioning of the H system, legislandit of material loan documents, establishing risk management framework, updating internal financial econord, and updating risk controls matrices, strengthening internal audit control through in house resources are engagement of external professional experts/consultants have been undertaken. Various sciences are ensure comprehensive compliance with various applicable rules and regulations during this period, accessional actions are undertaken. While substantial progress has been made by concluding some of the minato or strengthenial progress has been made by concluding some of the minato or strengthenial progress has been made by concluding some of the minato or strengthenial progress has been made by concluding some of the minato or strengthenial progress has been made by concluding some of the minato or strengthenial progress has been made by concluding some of the minato or strengthenial progress.



including legal apdit as well, some of these could not be furly concluded and implemented as 31. No. 12, 2021 due to the ongoing pandemic and therefore, various activities commutation by organic

- The Administrator, Advisors and KMPs have taken charge with effect from 21. Not ender 2017 a layer relied on information, data, clarifications and views provided by the existing shift of the company for the purposes of the financial results. The Company has initiated appropriate action, can the ball of reports submitted by Transaction Auditor such as filing of application with NeTL1, adjection, sociely appropriate authorities. The Company has initiated appropriate action, can the ball of reports submitted by Transaction Auditor such as filing of application with NeTL1, adjection, sociely appropriate authorities. The Company has also taken into consideration the tair value of science compared authorities. The Company has also taken into consideration the tair value of science comportation as per cash flows which are part of the valuation reports submitted by their appointed audit. IBC, while calculating the tair value of wildesale form portfolio during the quarter and science cash. The Administrator and the KMPs have signed the standalone transition cashe cashes to take or the purpose of compliance and discharging their duries during CIRP period of the Company and to accordance with the provisions of the Code, read with the regulations and rule; dicronaley and to see on the explanations, clarifications, certifications, representations and statements made for the mean a staff of the Company in relation to the data pertaining to the period prior to the forming of the staff. The company is staff of the Company in relation to the data pertaining to the period prior to the formed of the company. The company is see on the explanations, clarifications, certifications, representations and statements made for the mean a staff of the Company in relation to the data pertaining to the period prior to the formed of the staff. The company is see on the explanations, clarifications, certifications, representations and statements made for the mean a staff of the Company in relation to the data pertaining to the period prior
- 10. Pursuant to findings of the Transaction Avoidance Auditor's, report under Section of a state overing certain transactions undertaken by the Company in the past has been filed before the use NCT 1. Mumbai, During this quarter ended on 31° March 2021, additional transaction, endorsting if 12,73-574 tash have been identified and reported by the Company to Stock 1 vehicing stand 86% methods ing Bank (NHB). Reserve Bank of India (RBI) as braudulent, undervalued and reported by the Company to Stock 1 vehicing field before the method state. The Company has made provisions as per NHB RBI guideline, on Provisioning Fetturing to Fraud Accounts'. The Company has made provision for the entire amount of tonus in respect of 10 out transactions. The above provision requirement as per NHB RBI guidelines will be used only a regulatory reporting purpose. The provision under the financial testits have been made in accordance with the recognition and measurement principles laid down in Judian Accounting Standard.
- 32 In certain instances, the amount of the claim admitted under CIRP may differ from the abound teth claim in the books of accounts of the Company. The above andited financial results are drawn or the book figures appearing in the books of accounts of the Company as on March 31 (2021). The Administration Advisors, and KMPs believe that these figures may be interpreted solely for the purpose of specific the regulatory requirement for filing of quarterly and yearly indited transital cestific and that man figures could change during the CIRP or thereafter depending upon the findings.
- 12. The Monstry of Corporate Alfairs (MCA), has initiated investigation in the month of December 2014 into the affairs of the Company under Section 212(1) of the Companies Act. 2013 through Section 212(1) of the Company is connection with certain bounders. Contrast Bureau of 3 to esticate and (CBI) has also initiated investigating into the matter of amounts tovested by an U due Vision 2004 (CBI) has also investigating into the matter of amounts tovested by an U due Vision 2004 from this. CBI is also investigating into the matter of amounts tovested by an U due Vision 2004 (covernment entity Provident Fund in the Fixed Deposits of the Company and tew other cases. The Company is fully co-operating with all the investigating agencies and providing its obscience information data as and when the same is sought.
- 13. The Administrator has filed an application under Section 30(6) of the IBC. Code for coherension resolution plan of Piramal Capital & Housing Emance Limited (PCHLL) as approved by the Computer of Creditors, with the Adjudicating Authority i.e. Hon'ble National Company Law. Fib and 750 (1997) Mambai Bench on 24% February 2021 post receipt of No objection from Reserve Bark of bidia pro-Insolvency and Bankruptev (Insolvency and Eignidation Proceedings of Emancial Section Providers and Application to Adjudicating Authority) Rules, 2019.

(2) Convenient of the outbreak of the COV (D-19) candide on the Central Conveniment in balantial economic a national lockdown in March, 2020. Subsequently, the mananet lockdown was observed on the government, but regional lockdowns communicable amplemented in access on the statistic of the COV (D-19), uses. However, with various working measures, the Company has been making efforts.



restore its normal operations. The extension have been OVID to conside a concern to a second wave? that has significantly increased the number of cases in bolar to compare structure of the company, will depend on the organiglas well as indicate sevel oper costs or a componential processible.

- 15 The Company has a balance of Rs. 10:20,962 lakt, as deterred tax asset created as per find form income taxes] as on 31.1 March 2024. The Company is running as a going concern as per discovery of the Code, which requires that the value of the company is preserved and maintained if as a going concern.
- 16. The Company has not made any provision for interest on borrowings amounture to 10.00022 and Rs 7.05.155 lakh for the quarter and year ended on 31.03.2021 (respectively)) in converte to Company's current CIR process. Under the IBC, the treatment of creditors under the tesohetic (gian as per debts due as on the insolvency commencement date and therefore, no interest, is accured to payable after this date. Had the interest was accured on borrowings and provided for the positive of payable after this date. Had the interest was accured on borrowings and provided for the positive of quarter ended 31. March 2021 would have been lower by Rs 1.42.205 lakh (net of taxe), and solve to the year ended 31.ª March 2021 would have been higher by Rs 5.69.446 lakh (net of taxe).
- 27 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 actions, and SRA projects. Accordingly, there are no separate reportable segments as per ind. 38, 508
- 18 The investments advance by way of cusecured Inter Corporate Deposit (RCD) including of the intervalue customer receivable aggregating Rs 4.10.924 lakh are outstanding as at 31.1 March 2071. The processor for the entire ICD amount has been made due to lack of security.
- 19. The total wholesale loan portfolio, including interest receivable aggregating R5.5 k.2 (1862) as httputs on to classification of this portfolio to theid for sale? In the year ended 31: Minorn 2010). Socioecco to valued, as at 31.5 March 2021 at Rs (0.42.093) lakh, with the resulting tair value loss accretation P = 44.82, 269, lakh. Out of this, tair value loss aggregating Rs 43,31,150 takh has been accounted ap to s? December, 2020 and balance loss of Rs 1.51,619 lakh has been charged to the Statement of Profit in a Loss for the quarter ended 31.5 March 2021.
- 20. Other meome includes interest meome of Rs 2,837 lakh on meome tax refund weep ed darms discussed
- 21. The Honomrable Supreme Court of haita, in a public interest intration (PIF) filed by concrete (Storesty, St. Union of India & Am, vide an interim order dated September 3, 2020 ("Interest Order") coardioverse that accounts which were not declared NPA fill August 31, 2020 shall not be classified as NPA —, further order. Basis the said interim order, even accounts that would have otherwise precision or subscilled as NPA post August 31, 2020 were not classified as NPA. However, during such period the Complex loc classified such accounts as stage 3 for financial reporting and provisioning purpose.

The interim order granted to not declare accounts as NPA stood vacated of. When all 2001, a class and udgement of the Honble Supreme Court. In accordance with the instructions ar partier up? Solition Konservation dated April 07, 2021 issued in this connection, the Company has classified the accounts as sP s as on 34.1 March 2021 as per the extant RBI instructions. IRAC norms

22. In accordance with RBI circular dated April 07, 2021, the Company shall retund addust interest interest to all borrowers including those who had availed of working capital facilities chains the moratorium period, irrespective of whether moratorium had been hully of partially availed, or availed Pursuant to these instructions, the methodology for circulation of the amost to the ended to availed pursuant to these instructions, the methodology for circulation of the amost to the ended to availed on interest has been recently circulated by the linear Banks Association (IBA). The Company is 200% process of suitably implementing this methodology and has created a lability towards estimated in one of interest on interest of Rs. 1,397 lakh collected charged and reduced the same from the uncreated content of the year ended March 31, 2021.

and the second

- 53 Life Company has the a default rate, a does not suffil the credit future as the second second state of the second s
- 24 The above results for the quarter and year ended Mill Murch, 2021 read to solve the transmission and the renotes above have been addited by the Standory Auditors of the Company.
- 15. Figures for the previous period have been regrouped wherever necessary



The Administration has been appointed under Rule S(a)(iii) of the Inserveney and Rook, e.y. Exponention Proceedings of E-band as Service Providers and Application to Aduation (1999) in under the fisiolyciney and Bankruptey Code 2016. The affairs, business and property in Rooka and Corporation Entitled are being managed by the Administrator. Mr. R. Subramanakano (1999) the the Company only and with a any personal hability.

Address for Correspondence Strouble & 19 Hoor, HDIF Towers, Anant Kanekar Venge vot and the strong state of the strong state o

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DEWAN HOUSING FINANCE CORPORATION LIMITED

Annexure L

Statement on Impact of Audit Quaidications (for audit report with modified opinion) submittee along with Annual Audited Financial Results - (Standalone)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations (2016] (Standalor in)

Audited Figures

		(As.in	(Rs.in Lakhs)		
Sr. No.	Particulars	(As reported before adjusting for qualifications)	(After adjusting for qualifications)		
	Turnover Total income	8.80.279	n i 1995.		
2	Tota: Expenditure	28.91.984			
3	Net Profit/(Loss)	(15.05.112)			
4	Earnings Per Share (Rs)	479.61	No.		
5	Total Assets	70.36.686	Determinable		
6	Total Liabilities	91 00,391			
,	Net Worth	(20.63 705)			
8	Any other financial item(s) (as felt appropriate by the management)	None			

II Audit Qualification (each audit qualification separately):

a Details of Audit Qualification (note references are from

١.

references are from the auditors report)

6 a) We refer to Note No. 9 to the Statement regarding that has Administrator, Advisors and KMPs have taken charge with effect from 21^a November 2019 and have relied on information dataclarifications and views provided by the existing statillat the Company for the purposes of the financial results. The Company has initiated appropriate actions on the basis of reports submitted by Transaction Auditor such as filing of application with NCL Flank submission of Fraud Monitoring Reporting (FMRs) to National Housing Bank (NHB)/RBI and filing of complaint with appropriate authorities. The Company has also taken into consideration the fair value of wholesale loan portfolio as per cash flows which are part of the valuation reports submitted by valuer appointed under IBC while calculating the fair value of wholesald loan portfold during the quarter and year ended on 31st March 2021 Centy when the complete outcome and impact of origoing investigations. are known the accuracy and completeness or otherwise of the data can be known. Further, the Administrator and tric, KMPF have signed the Standalone Financial Results solely for the purpose of compliance and discharging their duties during CIHH. period of the Company and in accordance with the provisions of the Code, read with the regulations and rules thereunder und based on the explanations, clarifications, certifications, representations and statements made by the existing stall of the Company in relation to the data pertaining to the period prior tothe joining of the present management and does not have personal knowledge of the past affairs. finances and operation: of the Company.



b) We refer to Note no. 8 to the Statement remaining rol Administrator and the Advisory Committee members is and the KMPs, upon their taking charge have taken various error. to improve the operational initialicial and manuferral efficiency of the Company with the support of the employees in my company. In this regard, various initiatives to strengthen the financial lending policies and processes functioning of the IT system, legal audit of material iban documents, entable ranginals management framework, updating internal linans a controls and updating risk controls matrices, strengthering, neering, just 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 has been made by concluding some of the initiatives including regal about as well, some of these could not be fully concluded and implemented by 31.4 March, 2021 due to the ongoing pandem. and therefore, various activities continue to be enquir-

However, with regard to the legal audit. It is informed that the legal audit is completed. Further as also informed the legal audit was done for internal consumption having no bearing in financials of their findings and the legal audit report has not been provided to us

In view of the above, we have been unable to obtain, ufficient appropriate evidence in support of the outcomes of the said initiatives and their likely impact upon the overall governance control environment within the Company and with regard of the legal audit, due to non-availability of the legal audit report we are unable to comment on the possible consequential effects absinc therefrom

- c) We also refer to the "Written Representations its Preserve Management and its limitations and inability meleon of confirming or non-confirming the assertional forming carried for standard. Written Representation as required by an inaccordance with the guidelines issued by the institute if Chartered Accountants of India (the ICAI).
- d) We refer to Note no. 12 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 submit-These issues are presently investigated by the concerned agencies namely Ministry of Corporate Atlant, (MLA) under Section 212(1) of the Companies Act. 2010 through Senon-Fraud Investigation Office (SEIC) Further without ement Directorate (ED) has also initiated investigation in connection with the loans given by the Company to dertain borrowher. The Central Bureau of investigation (CBb has also initiated investigation in connection with certain loans granted by the Company Apart from this CBI is also investigating into the matter of amounts invested by a state government mitity. Provident Fund in the Fixed Deposits of the Company and text other cases. As of the date of this report, investigations as ongoing together with transactions landet performed in independent agencies firms appointed by the Administrator. We also noted that various requiatory puthorities mender 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 lifegalities nave occurred in relation to the allegations and matters under



public colutiny and otherwise. These investigations and communicated optimal with the outcome operation communicated by the reported fraudulent mansaction reference in 16(e) below are made in the Stalement in respect to the care reported matters. Further regarding the Special Review by an external professional firm assigned by lending banks, the finareport is still awaited.

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 investigation and transaction audits may have on the Standalone Financia Results and the provisions made by the Present Management so far

e) We refer to the Note no. 10 to the Statement on findings of the Transaction Avoidance Auditor's Report under Section 56 of the Code covoring certain transactions undertaken by the Company. in the past has been filed before Hon'ble NCLT, Mumbail During this guarter ended on 31st March 2021, additional transactions amounting Rs. 12,73,574 lakh have been identified and reported by the Company to Stock Exchanges. National Housing Bank (NHB) and Reserve Bank of Inda (RBI) as fraudulent undervalued and preferential in nature. The above provision requirement as per NHB/RBI guidelines will be used only for regulatory reporting purpose. The provision on ler the Standalone Financial Results have been made in accordance. with the recognition and measurement principles haid bewn a Indian Accounting Standards. We have requested for the copy of the said report to allow renable us to verify and validate the completeness and correctness of the quoted Note no. 10. However, we have been informed the said report of the Transaction Audit is exclusively meant for Administrator and NCLT and is accordingly not provided to us.

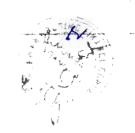
In view of the foregoing and due to non-availability of the transaction audit report, we are unable to comment upor the completeness, correctness and adequacy - inadequacy of the underlying security covers, and of such provisions and their possible consequential effect impact arising therefrom

f) In respect of certain loans granted or invested by the Company wherein with regard to deficiencies in documentation isecurities of Project. Mortgage Loans' Inter Corporate Depicts (inv Present Management has earlier expressed its invability to express any view on the documentation arkequacy completeness till the conclusion of the legal auoit which is now informed to have been completed.

Further as also informed the legal audit was done for internaconsumption having no bearing on financials of their findingand the legal audit report has not been provided to us and the Present Management continue to not express any view on the documentation adequacy "completeness

In view of the above and due to non-availability, the lenal audireport we are unable to comment on the loan security less documentation and the possible consequential effects answer therefrom

g) We refer to the Note no. 19 to the Statement regarding the total wholesale loan portfolio including interest receivable aggregating Rs 54,24,862 takh (pursuant to classification of this)



portfolio to "held for sale in the year ended 31st March 20119has been fair valued" as at 31st March 2021 at Ro 932109 lakh, with the resulting fair value loss aggregating Ro 44 80.769 lakh. Out of this, fair value loss aggregating Ro 43 31, 150 lash has been accounted up to 31° December 2020 and balance loss of Ro 1 51 619 lakh has been charged to the Statement or Protand Loss for the quarter ended 31° March 2021. The Combany had disclosed in the previous quarters that fair value Acception for wholesale portfolio would be subject to the outcome of the valuation exercise to be completed during CIRP period, in the with the same, the fair valuation for March 2021 quarter factor the outcome of valuation exercise carried out under IBC. The recoverability or otherwise of these loans its yet to the ascertained and hence the provision has been made by the Present Management as a prudent measure.

h) The net worth of the Company is fully eroded rendering the Company unable to comply with the regulatory requirements of RBI in respect of the Net Owned Fund (NOE) and which also resulted in multiple contraventions of the provisions of RBI Master Directions – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions 2021 and Guidelines thereon. Although the aforesaid bolk-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 more torum imposed by the Hon'ble NCLT which prevents any arctional against the Company.

In view of the above, the Company on 24th December, L0.20 has represented to RBI to permit forbearance for the Company is relation to such requirement as the Company was under Corporate Insolvency Resolution Process (CIRP). As advised by RBI on 5th February, 2021 the Company had been adowed to submit the compliance readmap through the successful Prospective Resolution Applicants (PRA), after implementation of the resolution plan.

i) We refer to Note No. 16 to the Statement regarding that the Company has not made any provision for interest on borrowings amounting to Rs. 1.91,213 lakh and Rs. 7.65,155 lakh for the quarter and year ended on 31.03.2021 respectively. In low of the Company's current CIRP process. Under the BC the treatment of creditors under the resolution plan is as per deptidue as on the insolvency commencement date and therefore no interest is accrued and payable after this date. Hard the interest was accrued on borrowings and provided for the plota for the quarter ended 31st March, 2021 would have hear lower by Rs. 1.42,205 lakh (net of taxes) and the loss for year ended 31st March, 2021 would have been higher by Rs. 5.69.04F Vikit respectively (net of tax).

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) The Company continues to follow the Policy as determinent in the last year, which also included the approach to be followed by the Company for the subsequent years for the year endert 31st March 2021 without considering any consequential effects of the changing business conditions and bythaeconomic scenario during the year. In view of the simple we are



unable to comment upon the financial impact of any, on the Standatone Financial Results arising thereof due to the upma-

- k) We refer to Note no. 15 to the Statement regarding that the Company has a balance of Rs 10.20.962 lakh as deterred tax asset as on 31st March, 2021. The Company is required to perform an assessment as required by Ind AS 12. Income Taxes' which requires the Company to determine the exclusion of future taxable income to utilize the deferred tax asset in the light of the above and pending outcome of the CIRP, we can unable to comment on the same.
 - We observed that the Company in the past has incurrent cost for development of customized software for its operations and recording of transactions which has been carried as inlangible. assets under development. The Company has capitalized Rule 3,415 lakh to Software Asset and charged Rs 870 lakh to the Statement of Profit and Loss during the year and remaining carrying value of Rs 6.232 takh 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 a subsequent periods taking into consideration the uncertainty in respect of its plan to monetize its assets, secure functing from the bankers / investors restructure its habilities and recommence its operations

In view of foregoing, we have not been provided sufficient appropriate evidence about the carrying value of the intancible asset, its development cost and adjustments arising thereof, it any, and we are therefore unable to comment upon the consequential effects to the Standalone Financial Results.

- mi In view of the possible effects of the matters described in paragraphs 6(a) to 6(l) above, we are also unable to comment on the Company's compliance of the covenants in respect of alborrowings, and consequential implications including disclosures, if any
- 7. We refer to Note no. 13 regarding that the Administration bus filed an application under Section 30(6) of the Code for submission of resolution plan of Piramal Capital & Housing Finance Lomited (PCHFL) as approved by the Committee of Creditors with the Adjudicating Authority Le Honble National Company Law Tribulia (NCLT) Mumbal Bench on 24th February 2021 post receipt of No objection from Reserve Bank of India as per Insplicance and Bankruptcy (Insolvency and Liquidation Proceedings of Finance Service Providers and Application to Adjudicating Authority) Rules 2019

We have not been provided with a copy of the said app-cation together with relevant details and we are therefore shable to comments whether or not the CIRP outcomes require any accounting adjustments to be made in the attached Standalone Financial Results on account of business impairment or otherwise following the business value now becoming known in definitive terms, and the consequential effect that such adjustment/s, if any, could barry on the attached Standalone Financial Results if required to have been made

8. In view of the foregoing, we have been unable to obtain sufficient appropriate evidence to support the values of the loans and an unable to determine if these matters would have an impact on the



Statement including with regard to any adjustments to the charrying value of the loans' appropriateness of classification of loans' assess restatement related parties and other disclosures and compliance as applicable. Further the loans referred in above paragraphs that is including terms and conditions there of in a manner that is preutided to the interest of the Complany or its members, for the relation stated therein.

We refer to Note no. 11 to the Statement regarding that in certain 9. instances, the amount of the claim admitted under CIRP may differ from the amount reflecting in the books of accounts of the Company. The Standalone Financial Results are drawn on the back of figures appearing in the books of accounts of the Company as on 315 March 2021. As also stated, these figures may be interpreted upley, for the purpose of satisfying the regulatory requirements for fung year, audited results and these figures could undergo changes (Land the CIRP or thereafter depending upon the findings. Pending tina outcome of the CIRP, no adjustments including of the effects ar sing. due to changes in foreign exchange rates except for regrouping which recharacterization adjustments identified during the year, base been made in the Statement and books of account for the differential amounts including for the amounts short/unclaimed of 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 completoness and correctness of such accounts and the consequential effect of the adjustments arising thereof on the Statement.

- 10. We refer to Note no. 14 to the Statement which explained that consequent to the outbreak of the COVID-19 pandemic, the Central Government in India had declared a national lockdown in Mainri 2020 through various notifications. Subsequently, the nationlockdown was lifted by the central government out regional lockdowns continue to be implemented in areas with a significant number of COVID-19 cases However, with various verking measures, the Company has been making efforts to restore as normal operations. The extent to which the COVID- 19 pandemic including the current "second wave" that has significantly increased the monther of cases in India, will impact the operation of the company will depicted on the ongoing as well as future developments, which we not precisely predictable and for which a definitive desesament of the impact in the subsequent period is highly dependent dar circumstances as they evolve
- 11. We also refer to the reporting requirements under section (430) of the Companies Act. 2013, in respect of which live have to state that we are unable to comment whether the loans referred in bacagraph 6(f) above have been properly secured and hence these loans may have been granted in a manner that is projudicial to the interest of the Company or its members, for the reasons stated therein. Further an respect to loans referred to in paragraphs 6 (d), 6(e) and 6(f) above we are unable comment whether the terms on which these have been made are projudicial to the interest of the Company or its members for the reasons stated therein.
- 12. We refer to the Note No. 22 to the Statement regarding that in accordance with RBI circular dated April 07, 2021, the Company snarrefund adjust interest on interest to all borrowers including those who had availed of working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed or not availed. Pursuant to these instructions, the methodology for calculation of the amount of such interest on interest.



has been recently circulated by the Indian Bariks Association (IBA). The Company is in the process of suitably implementation that methodology and has created a flability towards estimated arms into interest collected/charged and reduced the same from the interest income for the year ended March 31, 2024.

Material uncertainty related to Going Concern-

- 13. The Company has incurred loss aggregating Rs. 15.05.163 takh (including Other Comprehensive income) during the year endou-March 31, 2021 and has accumulated losses due to which is net. worth has been fully eroded. However, these Standalone Financial Results are drawn on going concern basis under the origoing. Corporate Insolvency Resolution. Process (CIRP), the outcome of which cannot be presently ascertained including matters also bated herein. Therefore, Company's ability to remain as a 'going inducern depends upon outcome of the ongoing CIRP.
- b. Type of Audit Disclaimer of Opinion Qualification: Oualified Opinion Disclaimer of Opinion Adverse Opinion
- c Frequency of Repetitive for third year.
 qualification Whether appeared first time repetitive ; since how

long continuing d For Audit Not Applicable Qualification(s) where the mpact is quantified by the auditor Management's Views.

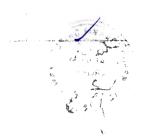
e For Audit Qualification(s) where the impact is not quantified by the auditor

(i) Management's Not Determinable estimation on the impact of audit qualification

(ii) If management is 1 unable to estimate the impact reasons for the same (Note reference are from the results being submitted to the Exchanges).

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 Construction. three (3) member Advisory Committee to assist the Administrator of the discharge of his duties. On November 29, 2019, the RBI field the Petition before the NCLT under sub-Clause (i) of clause (a) of Rule 6. of the Insolvency and Bankruptov (Insolvency and Englidation) 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 effection the filing of the application to initiate CIRP. Further, CIRP. was initiated against the Corporate Debtor under Section 221 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 Honible National Company Law Tribunal MumbaBench (NCt TrAdjudicating Authority) The Adjudicating Armonty vide the above order, appointed the Administrator to perform a metunctions of a resolution professional to complete the FLRP of the Company as required under the provisions of the Code. The moratorium was declared by the NCUT It is also incumbent upon the Performanage the operations of the Company as a going concern. Accordingly, the Statement for the quarter and year ended 31.1 March, 2021 have been prepared on going concern assumptions.

- 2 The Administrator following his appointment and with the approval of Committee of Creditors of DHEL, as constituted by him in accorrigator with Section 18(c) and 21(1) of the Gode and the Regulation 12(1) of the GIRP regulations, appointed the Company Secretary (*CS) area the Chief Financial Officer (*CFO*). The Key Managerial Personnel (*KMPs* or *Prosent 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 a 20th November 2019, the Company Secretary (*CS), and the Chief Financial Officer (*CFO*) along with the Senior management of the Company have ensured that the Company continues to operate as a Going. Concern* in line, with the objective of the Clief and requirements thereunder.
- 3 The above standalone financial results of the Company for the quarter and year ended 31st March. 2021 have been taken on record by the Administrator while discharging the powers of the Board of Director of the Company which were conferred upon him by the RBF three dated November 20, 2019 and subsequently, powers conferred upon him in accordance with the NCLT Order dated December = 2019 solely for the purpose of ensuring regulatory compliance.
- The Administrator and the Advisory Committee members along with 4 the KMPs, upon their taking charge have taken various efforts to improve the operational, financial and managerial efficiency of the Company with the support of the employees 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 lupdating internal financial controls and updating risk controls mathematic strengthening internal audit control through in-house resources and engagement of external professional experts/consultants basis beer undertaken. Various actions to ensure comprehensive commance with various applicable rules and regulations during this period have also been undertaken. While substantial progress has been maile by concluding some of the initiatives including legal audit as well some. of these could not be fully concluded and implemented by 31H March. 2021 due to the ongoing pandemic and therefore, various activities continue to be ongoing.
- 5 The Administrator Advisors and KMPs have taken charge with effect from 21" November 2019 and have relied on information data clarifications and views provided by the existing stall of the Company for the purposes of the financial results. The Company has included appropriate actions on the basis of reports submitted by Transaction Auditor such as filing of application with NCLT and submission of Fraud. Monitoring. Reporting(FMRs) to National Housing Bank(NHB)/RBI and filing of complaint with appropriate authorities. The Company has also taken into consideration the fair value of wholesale loan portfolio as per cash flows which are part of the valuation reports submitted by valuer appointed under TBC whocaiculating the fair value of wholesale loan portfolio during the cunter and year ended on 31st March. 2021. The Administrator and the KMPs have signed the standalone financial results solely for the



purpose of compliance and discharging their duties during CIRe penod of the Company and in auctirbance 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 stall of the Company in reliation in the data pertaining to the period phorito the joining of the present management and does not have personal knowledge of the pasaffairs, finances and operations of the Company

Auditors Our view remains unchanged considering the matters referred to m Comments on int or paragraphs 6 to 13 in our audit report.

III Signatories

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(ii) above:

For K.K. Mankeshwar & Co

Chartered Accountants

ICALMN: 106009W

Dinesh Kumai Bachchas

Partner

ICAI MN 097820

MB_R SUBRAMANIAKUMAR ADMINISTRATOR APPOINTED UNDER IBC

The Administrator has been appointed under Rule 5(a)(c) of the insolvency and Bankruptov insolvence 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 beind managed by the Administrator Mr. P. Subramaniakumar, who acts as agent of the Company only and without any personal hability. Address for Correspondence Ground & 6th Floor HDIL Towers Anani Kanekar Marg. Station Road, Bandhi (East) Mumbai 400051Email ID for Correspondence

Place: Chennai

Date: June 05.2021





CHARTERED ACCOUNTANTS

121, POCKET-I JASOLA NEW DELHI - 110 025 Tel.: +91-11-41402828 del@kkmindia.com

INDEPENDENT AUDITORS' REPORT

The Administrator

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

Report on the audit of the Standalone Financial Results

Disclaimer of Opinion

- We were engaged to audit the accompanying Standalone Financial Results of Dewan Housing Finance Corporation Limited (the "Company") for the quarter and year ended March 31, 2021 (the "Standalone Financial Results" / "Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- 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 National Company Law Tribunal (NCLT) under subclause (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 NCLT, Mumbai Bench (NCLT/Adjudicating Authority). The Adjudicating Authority, vide the above order, appointed the Administrator to perform all the functions of a Resolution Professional (RP) to complete the CIRP of the Company as required under the provisions of the Code. The moratorium was declared by the NCLT.
- 3. The Administrator following his appointment and with the approval of Committee of Creditors of 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"). 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 have ensured that the Company continues to operate as a "Going Concernee" with the objective of the Code and requirements thereunder.



- 4. The Standalone Financial Results of the Company for the quarter and year ended 31st March, 2021 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.
- 5. We do not express an opinion on the accompanying Standalone Financial Results of the Company. Because of the significance of the matters described in "Basis for Disclaimer of Opinion" section of this report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion as to whether this Statement:
 - (i) is presented in accordance with the requirements of the Listing Regulations; and
 - (ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of net loss and other comprehensive income and other financial information of the Company for the year ended 31st March 2021.

Basis for Disclaimer of Opinion

- 6. We have issued Disclaimer Reports basis the observations forming part of the report for the financial year ended 31st March, 2020; and for the quarter ended 30th June, 2020, 30th September, 2020 and 31st December, 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 financial year ended 31st March, 2021 is as below:
 - We refer to Note No. 9 to the Statement regarding that the Administrator, a. Advisors and KMPs have taken charge with effect from 21th November 2019 and have relied on information, data, clarifications and views provided by the existing staff of the Company for the purposes of the financial results. The Company has initiated appropriate actions on the basis of reports submitted by Transaction Auditor such as filing of application with NCLT and submission of Fraud Monitoring Reporting (FMRs) to National Housing Bank (NHB)/RBI and filing of complaint with appropriate authorities. The Company has also taken into consideration the fair value of wholesale loan portfolio as per cash flows which are part of the valuation reports submitted by valuer appointed under IBC while calculating the fair value of wholesale loan portfolio during the guarter and year ended on 31st March, 2021. Only when the complete outcome and impact of ongoing investigations are known, the accuracy and completeness or otherwise of the data can be known. Further, the Administrator and the KMPs have signed the 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 mage sting 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.

We refer to Note no. 8 to the Statement regarding the Administrator and b. the Advisory Committee members along with the KMPs, upon their taking charge have taken various efforts to improve the operational, financial and managerial efficiency of the Company with the support of the employees 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 has been made by concluding some of the initiatives including legal audit as well, some of these could not be fully concluded and implemented by 31st March, 2021 due to the ongoing pandemic and therefore, various activities continue to be ongoing.

However, with regard to the legal audit, it is informed that the legal audit is completed. Further as also informed the legal audit was done for internal consumption having no bearing on financials of their findings and the legal audit report has not been provided to us.

In view of the above, 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 and with regard to the legal audit, due to non-availability of the legal audit report we are unable to comment on the possible consequential effects arising therefrom.

- c. We also refer to the "Written Representations" by Present Management and its limitations and inability thereof in confirming or non-confirming the assertions forming part of the standard "Written Representation" as required by us in accordance with the guidelines issued by the Institute of Chartered Accountants of India (the ICAI").
- d. We refer to Note no. 12 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. The Central Bureau of Investigation (CBI) has also initiated investigation in connection with certain loans 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 and few other cases. As of the date of this performed by independent agencies/firms appointed by the Administrator. Chartered Accepting and S

We also noted that various regulatory authorities / lenders are currently are yet carrying out their own investigations which 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. These investigations are informed as not yet fully completed; and with no outcomes being communicated by the reported fraudulent transaction referred to in '6(e)' below are made in the Statement in respect of the said reported matters. Further regarding the Special Review by an external professional firm assigned by lending banks, the final report is still awaited.

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 Standalone Financial Results and the provisions made by the Present Management so far.

We refer to the Note no. 10 to the Statement on findings of the Transaction e. Avoidance Auditor's Report under Section 66 of the Code covering certain transactions undertaken by the Company in the past has been filed before Hon'ble NCLT, Mumbai. During this guarter ended on 31st March 2021, additional transaction amounting Rs. 12,73,574 lakh have been identified and reported by the Company to Stock Exchanges and National Housing Bank (NHB)/RBI as fraudulent, undervalued and preferential in nature. The above provision requirement as per NHB/RBI guidelines will be used only for regulatory reporting purpose. The provision under the Standalone Financial Results have been made in accordance with the recognition and measurement principles laid down in Indian Accounting Standards. We have requested for the copy of the said report to allow /enable us to verify and validate the completeness and correctness of the quoted Note no. 10. However, we have been informed the said report of the Transaction Audit is exclusively meant for Administrator and NCLT and is accordingly not provided to us.

In view of the foregoing and due to non-availability of the transaction audit report, we are unable to comment upon the completeness; correctness and adequacy / inadequacy of the underlying security covers; and of such provisions and their possible consequential effect/ impact arising therefrom.

f. In respect of certain loans granted or invested by the Company wherein with regard to deficiencies in documentation/ securities of Project / Mortgage Loans/ Inter Corporate Deposit, the Present Management has earlier expressed its inability to express any view on the documentation adequacy / completeness till the conclusion of the legal audit which is now informed to have been completed.

Further as also informed the legal audit was done for internal consumption having no bearing on financials of their findings and the legal audit report has not been provided to us and the Present Management continue to not express any view on the documentation adequacy / completeness.



In view of the above and due to non-availability, the legal audit report we are unable to comment on the loan/ security(ies) documentation and the possible consequential effects arising therefrom.

- We refer to the Note no. 19 to the Statement regarding the total wholesale g. loan portfolio including interest receivable aggregating Rs. 54,24,862 lakh (pursuant to classification of this portfolio to "held for sale" in the year ended 31st March 2019) has been "fair valued" as at 31st March 2021 at Rs 9,42,093 lakh, with the resulting fair value loss aggregating Rs 44,82,769 lakh. Out of this, fair value loss aggregating Rs 43,31,150 lakh has been accounted up to 31st December 2020 and balance loss of Rs 1,51,619 lakh has been charged to the Statement of Profit and Loss for the guarter ended 31st March 2021. The Company had disclosed in the previous guarters that fair value arrived at for wholesale portfolio would be subject to the outcome of the valuation exercise to be completed during CIRP period. In line with the same, the fair valuation for March 2021 quarter factors the outcome of valuation exercise carried out under IBC. 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.
- h. The net worth of the Company is fully eroded rendering the Company unable to comply with the regulatory requirements of RBI in respect of the Net Owned Fund (NOF) and which also resulted in multiple contraventions of the provisions of RBI Master Directions – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, 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.

In view of the above, the Company on 24th December, 2020 had represented to RBI to permit forbearance for the Company in relation to such requirement, as the Company was under Corporate Insolvency Resolution Process (CIRP). As advised by RBI on 5th February, 2021 the Company had been allowed to submit the compliance roadmap through the successful Prospective Resolution Applicants (PRA), after implementation of the resolution plan.

i. We refer to Note No. 16 to the Statement regarding that the Company has not made any provision for interest on borrowings amounting to Rs. 1,91,213 lakh and Rs 7,65,155 lakh for the quarter and year ended on 31.03.2021, respectively, in view of the Company's current CIRP 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. Had the interest was accrued on borrowings and provided for, the profit for the quarter ended 31st March, 2021 would have been lower by Rs. 1,42,205 lakh (net of taxes) and the loss for year ended 31st March,2021 would have been higher by Rs 5,69,046 lakh respectively (net of tax).



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. The Company continues to follow the ECL Policy as determined in the last year, which also included the approach to be followed by the Company for the subsequent years, for the year ended 31st March 2021 without considering any consequential effects of the changing business conditions and overall economic scenario during the year. In view of the same we are unable to comment upon the financial impact, if any, on the Standalone Financial Results arising thereof due to the same.
- k. We refer to Note no. 15 to the Statement regarding that the Company has a balance of Rs.10,20,962 lakh as deferred tax asset as on 31st March, 2021. 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.
- I. We observed 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 assets 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 year 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, its development cost and adjustments arising thereof, if any, and we are therefore unable to comment upon their consequential effects to the Standalone Financial Results.

- m. In view of the possible effects of the matters described in paragraphs 6(a) to 6(l) 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. We refer to Note no. 13 regarding that the Administrator has filed an application under Section 30(6) of the Code for submission of resolution plan of Piramal Capital & Housing Finance Limited (PCHFL) as approved by the Committee of Creditors with the Adjudicating Authority i.e. Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench on 24th February 2021 post receipt of No objection from Reserve Bank of India as per Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Finance). Service Providers and Application to Adjudicating Authority) Rules, 2019



We have not been provided with a copy of the said application together with relevant details and we are therefore unable to comment whether or not the CIRP outcomes require any accounting adjustments to be made in the attached Standalone Financial Results on account of business impairment or otherwise following the business value now becoming known in definitive terms; and the consequential effect that such adjustment/s, if any, could carry on the attached Standalone Financial Results if required to have been made.

- 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 therein.
- 9. We refer to Note no. 11 to the Statement regarding that in certain instances, the amount of the claim admitted under CIRP may differ from the amount reflecting in the books of accounts of the Company. The Standalone Financial Results are drawn on the basis of figures appearing in the books of accounts of the Company as on 31st March 2021. As also stated, these figures may be interpreted solely for the purpose of satisfying the regulatory requirements for filing yearly audited results and these figures could undergo changes during the CIRP or thereafter depending upon the findings. Pending final outcome of the CIRP, no adjustments, including of the effects arising due to changes in foreign exchange rates except for regrouping and recharacterization adjustments identified during the year, 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 such accounts and the consequential effect of the adjustments arising thereof on the Statement.

- 10. We refer to Note no. 14 to the Statement which explains that consequent to the outbreak of the COVID-19 pandemic, the Central Government in India had declared a national lockdown in March, 2020, through various notifications. Subsequently, the national lockdown was lifted by the central government, but regional lockdowns continue to be implemented in areas with a significant number of COVID-19 cases. However, with various working measures, the Company has been making efforts to restore its normal operations. The extent to which the COVID- 19 pandemic, including the current "second wave" that has significantly increased the number of cases in India, will impact the operation of the company, will depend on the ongoing as well as future developments, which are not precisely predictable and for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve.
- 11. We also refer to the reporting requirements under section 143(1) of the shute to state that we are unable

to comment whether the loans referred in paragraph 6(f) above have been properly secured and hence these loans may have been granted in a manner that is prejudicial to the interest of the Company or its members, for the reasons stated therein. Further, in respect to loans referred to in paragraphs 6 (d), 6(e) and 6(f) above, we are unable comment whether the terms on which these have been made are prejudicial to the interest of the Company or its members, for the reasons stated therein.

12. We refer to the Note No. 22 to the Statement regarding that in accordance with RBI circular dated April 07, 2021, the Company shall refund / adjust 'interest on interest' to all borrowers including those who had availed of working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed. Pursuant to these instructions, the methodology for calculation of the amount of such 'interest on interest' has been recently circulated by the Indian Banks Association (IBA). The Company is in the process of suitably implementing this methodology and has created a liability towards estimated amount of interest on interest ended March 31, 2021.

Material uncertainty related to Going Concern

13. The Company has incurred loss aggregating Rs. 15,05,163 lakh (including Other Comprehensive Income) during the year ended March 31, 2021, and has accumulated losses due to which its net worth has been fully eroded. However, these Standalone Financial Results are drawn on going concern basis under the ongoing Corporate Insolvency Resolution Process (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.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

14. Our responsibility is to conduct an audit of the Company's Standalone Financial Results in accordance with Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these Standalone Financial Results.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Standalone Financial Results and we have fulfilled pur other ethical responsibilities in accordance with these requirements.



Other Matter

15. The Statement includes the results for the quarter ended March 31, 2021 being the balancing figure between figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year as previously published.

DINESH KUMAR BACHCHAS Partner Membership No. 097820 For and on Behalf of K .K. MANKESHWAR & CO. Chartered Accountants FRN: 106009W UDIN: 21097820AAAJL9848 New Delhi, dated the 05th June, 2021



DEWAN HOUSING FINANCE CORPORATION LIMITED

Tel. : (022) 7158 3333

Corporate Identity Number (CIN) - L65910MH1984PLC032639

Regd. Office: Warden House, 2nd Floor, Sir P.M. Road, Fort, Mumbai - 400 001 Toll Free No. 1800 22 3435, Visit us at:www.dhfl.com., email - response@dhfl.com National Office: 6th Floor, HDIL Towers, A K Marg, Station Road, Bandra (East), Mumbai - 400051



STATEMENT OF AUDITED STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH, 2021

	Quarter ended			Year e	nded
PARTICULARS	31.03.2021	31.12.2020	31.03.2020	31.03.2021	31.03.2020
	(Audited)	(Reviewed)	(Audited)	(Audited)	(Audited)
INCOME:					
Revenue from operations:					
- Interest Income	2,01,915	2,19,356	2,39,360	8,71,900	9,23,225
- Fees and Commission Income	131	87	58	329	28
 Net gain / (loss) on derecognition of financial instruments under amortised cost category 		-	(2,040)	(4)	2,39
- Other operating revenue	1,407	1,215	1,380	4,840	6,31
Total Revenue from operations	2,03,453	2,20,658	2,38,758	8,77,065	9,32,22
Other Income (Refer Note 20)	2,604	88	459	3,214	2,08
Total Income	2,06,057	2,20,746	2,39,217	8,80,279	9,34,31
EXPENSES:					
Finance costs (Refer Note 16)	5,118	5,313	13,309	21,849	5,72,51
Net loss on fair value changes	1,50,494	19,28,644	12,40,327	25,99,033	14,99,6
Impairment on financial instruments & Write-offs	15,267	42,140	865	2,24,477	6,24,1
Employee benefits expenses	4,612	5,306	6,171	21,312	28,3
Depreciation and amortisation	2,042	1,963	3,994	8,083	7,9
Others expenses	5,127	5,127	4,242	1 7 ,230	26,5
Total Expenses	1,82,660	19,88,493	12,68,908	28,91,984	27,59,1
Profit / (Loss) before tax (1-2)	23,397	(17,67,747)	(10,29,691)	(20,11,705)	(18,24,7
Tax Expense					
Current tax	9,137	-	-	9,137	
Earlier years adjustments	-	-	(1,137)	-	(1,1
Deferred tax	4,582	(4,58,211)	(2,65,065)	(5,15,730)	(4,62,4
Total tax expense	13,719	(4,58,211)	(2,66,202)	(5,06,593)	(4,63,5
Profit / (Loss) for the period / Year (3-4)	9,678	(13,09,536)	(7,63,489)	(15,05,112)	(13,61,2
Other comprehensive income					
 Items that will not be reclassified to profit or loss 					
Remeasurements of the defined benefit plans	47	(39)	134	(69)	(*
Tax on above	(12)	10	(35)	18	
- Items that will be classified to profit or loss					
Cash flow hedge reserves	-	-	20,052		5,3
Tax on above	-	-	(5,264)	-	(1,4
Total Other comprehensive income	35	(29)	14,887	(51)	3,7
Total comprehensive income for the period / Year (5+6)	9,713	(13,09,565)	(7,48,602)	(15,05,163)	(13,57,5
Earnings per share (Face value of Rs. 10 each) (not annualised)					
Basic (in ₹)	3.08	(417.28)	(243.29)	(479.61)	(433
Diluted (in ₹)	3.08	(417.28)	(243.29)	(479.61)	(433
Paid-up Equity Share Capital (Face value ₹ 10/-)	31,382	31,382	31,382	31,382	31,3
Reserves excluding Revaluation Reserves as at March 31	1		1	(20,95,087)	(5,85,1



Notes

1 Statement of Standalone Assets and Liabilities

		(< in Lakh)
	As at	
ASSETS	31.03.2021	31.03.2020
Financial Assets		
Cash and cash equivalents	9,45,805	6,84,861
Bank Balances other than above	86,511	87,064
Receivables	47	275
Housing and Other loans:-	47	215
At amortised cost	29,03,437	35,47,037
At Fair Value	9,42,092	30,73,231
At Fair Value	<u> </u>	<u> </u>
Investments	8,44,866	3,88,051
Other financial assets	1,83,248	1,79,253
Total Financial Assets	<u> </u>	79,59,772
Non-Financial Assets		
Current Tax Assets (Net)	5,646	33,023
Deferred tax assets	10,20,962	5,05,215
Property, plant and equipment	79,600	85,361
Intangible assets under development	6,232	10,517
Other intangible assets	8,141	6,669
Other non-financial assets	10,099	14,182
Total Non-Financial Assets	11,30,680	6,54,967
Total Assets	70,36,686	86,14,739
I OTAL ASSETS		60,14,735
LIABILITIES AND EQUITY		
LIABILITIES		
LIABILITIES		
LIABILITIES Financial Liabilities Trade Payables		
LIABILITIES Financial Liabilities Trade Payables (i) total outstanding dues of micro enterprises and	319	34
LIABILITIES Financial Liabilities Trade Payables (i) total outstanding dues of micro enterprises and small enterprises	319	34
LIABILITIES Financial Liabilities Trade Payables (i) total outstanding dues of micro enterprises and small enterprises (ii) total outstanding dues of creditors other than micro		
LIABILITIES Financial Liabilities Trade Payables (i) total outstanding dues of micro enterprises and small enterprises	7,284	12,146
LIABILITIES Financial Liabilities Trade Payables (i) total outstanding dues of micro enterprises and small enterprises (ii) total outstanding dues of creditors other than micro enterprises and small enterprises Debt Securities	7,284 45,57,530	12,146 45,42,829
LIABILITIES Financial Liabilities Trade Payables (i) total outstanding dues of micro enterprises and small enterprises (ii) total outstanding dues of creditors other than micro enterprises and small enterprises Debt Securities Borrowings (Other than Debt Securities)	7,284 45,57,530 37,68,591	12,146 45,42,829 38,41,077
LIABILITIES Financial Liabilities Trade Payables (i) total outstanding dues of micro enterprises and small enterprises (ii) total outstanding dues of creditors other than micro enterprises and small enterprises Debt Securities Borrowings (Other than Debt Securities) Deposits	7,284 45,57,530 37,68,591 5,29,165	12,146 45,42,829 38,41,077 5,27,889
LIABILITIES Financial Liabilities Trade Payables (i) total outstanding dues of micro enterprises and small enterprises (ii) total outstanding dues of creditors other than micro enterprises and small enterprises Debt Securities Borrowings (Other than Debt Securities) Deposits Subordinated Liabilities	7,284 45,57,530 37,68,591 5,29,165 1,29,833	12,146 45,42,829 38,41,077 5,27,889 1,29,430
LIABILITIES Financial Liabilities Trade Payables (i) total outstanding dues of micro enterprises and small enterprises (ii) total outstanding dues of creditors other than micro enterprises and small enterprises Debt Securities Borrowings (Other than Debt Securities) Deposits Subordinated Liabilities Other financial liabilities	7,284 45,57,530 37,68,591 5,29,165	12,146 45,42,829 38,41,077 5,27,889
LIABILITIES Financial Liabilities Trade Payables (i) total outstanding dues of micro enterprises and small enterprises (ii) total outstanding dues of creditors other than micro enterprises and small enterprises Debt Securities Borrowings (Other than Debt Securities) Deposits Subordinated Liabilities Other financial liabilities Total Financial Liabilities	7,284 45,57,530 37,68,591 5,29,165 1,29,833 98,979	12,146 45,42,829 38,41,077 5,27,889 1,29,430 1,00,438
LIABILITIES Financial Liabilities Trade Payables (i) total outstanding dues of micro enterprises and small enterprises (ii) total outstanding dues of creditors other than micro enterprises and small enterprises Debt Securities Borrowings (Other than Debt Securities) Deposits Subordinated Liabilities Other financial liabilities Total Financial Liabilities Non-Financial Liabilities	7,284 45,57,530 37,68,591 5,29,165 1,29,833 98,979 90,91,701	12,146 45,42,829 38,41,077 5,27,889 1,29,430 1,00,438 91,53,843
LIABILITIES Financial Liabilities Trade Payables (i) total outstanding dues of micro enterprises and small enterprises (ii) total outstanding dues of creditors other than micro enterprises and small enterprises Debt Securities Borrowings (Other than Debt Securities) Deposits Subordinated Liabilities Other financial liabilities Total Financial Liabilities Non-Financial Liabilities Provisions	7,284 45,57,530 37,68,591 5,29,165 1,29,833 98,979 90,91,701	12,146 45,42,829 38,41,077 5,27,889 1,29,430 1,00,438 91,53,843
LIABILITIES Financial Liabilities Trade Payables (i) total outstanding dues of micro enterprises and small enterprises (ii) total outstanding dues of creditors other than micro enterprises and small enterprises Debt Securities Borrowings (Other than Debt Securities) Deposits Subordinated Liabilities Other financial liabilities Total Financial Liabilities Provisions Other non-financial liabilities	7,284 45,57,530 37,68,591 5,29,165 1,29,833 98,979 90,91,701 756 7,934	12,146 45,42,829 38,41,077 5,27,889 1,29,430 1,00,438 91,53,843 753 13,937
LIABILITIES Financial Liabilities Trade Payables (i) total outstanding dues of micro enterprises and small enterprises (ii) total outstanding dues of creditors other than micro enterprises and small enterprises Debt Securities Borrowings (Other than Debt Securities) Deposits Subordinated Liabilities Other financial liabilities Total Financial Liabilities Provisions Other non-financial liabilities	7,284 45,57,530 37,68,591 5,29,165 1,29,833 98,979 90,91,701	12,146 45,42,829 38,41,077 5,27,889 1,29,430 1,00,438 91,53,843
LIABILITIES Financial Liabilities Trade Payables (i) total outstanding dues of micro enterprises and small enterprises (ii) total outstanding dues of creditors other than micro enterprises and small enterprises Debt Securities Borrowings (Other than Debt Securities) Deposits Subordinated Liabilities Other financial liabilities Total Financial Liabilities Provisions Other non-financial liabilities Total Non-Financial Liabilities	7,284 45,57,530 37,68,591 5,29,165 1,29,833 98,979 90,91,701 756 7,934	12,146 45,42,829 38,41,077 5,27,889 1,29,430 1,00,438 91,53,843 753 13,937
LIABILITIES Financial Liabilities Trade Payables (i) total outstanding dues of micro enterprises and small enterprises (ii) total outstanding dues of creditors other than micro enterprises and small enterprises Debt Securities Borrowings (Other than Debt Securities) Deposits Subordinated Liabilities Other financial liabilities Total Financial Liabilities Provisions Other non-financial liabilities	7,284 45,57,530 37,68,591 5,29,165 1,29,833 98,979 90,91,701 756 7,934 8,690	12,146 45,42,829 38,41,077 5,27,889 1,29,430 1,00,438 91,53,843 753 13,937 14,690
LIABILITIES Financial Liabilities Trade Payables (i) total outstanding dues of micro enterprises and small enterprises (ii) total outstanding dues of creditors other than micro enterprises and small enterprises Debt Securities Borrowings (Other than Debt Securities) Deposits Subordinated Liabilities Other financial liabilities Total Financial Liabilities Provisions Other non-financial liabilities Total Non-Financial Liabilities Total Non-Financial Liabilities	7,284 45,57,530 37,68,591 5,29,165 1,29,833 98,979 90,91,701 756 7,934 8,690	12,146 45,42,829 38,41,077 5,27,889 1,29,430 1,00,438 91,53,843 753 13,937 14,690
LIABILITIES Financial Liabilities Trade Payables (i) total outstanding dues of micro enterprises and small enterprises (ii) total outstanding dues of creditors other than micro enterprises and small enterprises Debt Securities Borrowings (Other than Debt Securities) Deposits Subordinated Liabilities Other financial liabilities Total Financial Liabilities Provisions Other non-financial liabilities Total Non-Financial Liabilities EQUITY	7,284 45,57,530 37,68,591 5,29,165 1,29,833 98,979 90,91,701 756 7,934 8,690 91,00,391	12,146 45,42,829 38,41,077 5,27,889 1,29,430 1,00,438 91,53,843 753 13,937 14,690 91,68,533
LIABILITIES Financial Liabilities Trade Payables (i) total outstanding dues of micro enterprises and small enterprises (ii) total outstanding dues of creditors other than micro enterprises and small enterprises Debt Securities Borrowings (Other than Debt Securities) Deposits Subordinated Liabilities Other financial liabilities Total Financial Liabilities Provisions Other non-financial liabilities Total Non-Financial Liabilities Total liabilities EQUITY Equity Share Capital	7,284 45,57,530 37,68,591 5,29,165 1,29,833 98,979 90,91,701 756 7,934 8,690 91,00,391	12,146 45,42,829 38,41,077 5,27,889 1,29,430 1,00,438 91,53,843 753 13,937 14,690 91,68,533
LIABILITIES Financial Liabilities Trade Payables (i) total outstanding dues of micro enterprises and small enterprises (ii) total outstanding dues of creditors other than micro enterprises and small enterprises Debt Securities Borrowings (Other than Debt Securities) Deposits Subordinated Liabilities Other financial liabilities Total Financial Liabilities Provisions Other non-financial liabilities Total Non-Financial Liabilities EQUITY Equity Share Capital Other equity	7,284 45,57,530 37,68,591 5,29,165 1,29,833 98,979 90,91,701 756 7,934 8,690 91,00,391 31,382 (20,95,087)	12,146 45,42,829 38,41,077 5,27,889 1,29,430 1,00,438 91,53,843 753 13,937 14,690 91,68,533 31,382 (5,85,176)

Particulars	As at 31st March, 2021	As at 31st March, 2020
. Cash flow from operating activities		
Net (Loss)/profit before tax	(20,11,705)	(18,24,799
Adjustments for:		
Depreciation and amortisation expense	8,083	7,94
Share Based Payments to employees	209	(1,79)
Loss/(Profit) on Sale of Property, plant and equipments	155	16
Interet on Income Tax Refund	(2,537)	
Interest income from investments	(11,610)	(3,28
Other interest income	(124)	(3,74
Net loss/ (gain) on fair value changes	25,99,033	14,99,64
Net loss/ (gain) on derecognition of financial instruments under amortised cost category	4	59
Impairment on financial instruments & written-off	2,24,477	6,24,11
Operating profit before working capital changes	8,05,985	2,98,84
Adjustments for:		
(Increase)/Decrease in other bank balances	11	88,54
Decrease/ (Increase) in trade receivables	228	20
(Increase)/Decrease in other financial asset	(3,887)	
(Increase)/Decrease in other non financial asset	24,502	20,1
(Increase)/ Decrease in bousing and other property loans	(1,22,244)	8,05,0
(increase)/Decrease in trade payable	(4,577)	
Increase/ (Decrease) in other financial liabilities	(1,274)	
(Decrease)/ Increase in other non financial liabilities	(6,003)	(2,38
(Decrease)/ Increase in provisions	3	(26
Cash generated from operations during the year	6,92,744	12,52,50
Taxes paid (Net)	20,777	5,13
Net Cash (used in) Operating Activities [A]	7,13,521	12,57,63
. Cash flow from investing activities		
Interest Income	10,363	7,36
	10,505	18,2
Sales proceeds from investment (Net) Net movement in Other Investments	(4.76.064)	
	(4,76,064)	
Net movement in PTC	12,791	(17,72
Capital Expenditure on Fixed Assets Proceeds from Sale of Fixed Assets	324	(2,2)
FICEEds ITOIL Sale OFFICED ASSES		
Net Cash generated from / (used in) Investing Activities [B]	(4,52,577)	57,47
Cash flow from financing activities		
Repayment of redeemable non convertible debentures	-	(2,58,52
(Repayment) of / Proceeds from Commercial Paper	-	(75,00
Repayment of term loan	-	(4,42,50
	-	1,93,5
Proceeds from other borrowings (net)	-	(1,73,76
		1
Proceeds from other borrowings (net)	-	(.
Proceeds from other borrowings (net) Public / Other Deposits (repaid)/received (net)	-	
Proceeds from other borrowings (net) Public / Other Deposits (repaid)/received (net) Dividend & Dividend Distribution Tax Paid		(7,56,25
Proceeds from other borrowings (net) Public / Other Deposits (repaid)/received (net) Dividend & Dividend Distribution Tax Paid Net Cash (used in)/ generated from financing activities [C]	- - 2,60,944 6,84,861	(1 (7,56,25 5,58,85 1,26,00



- 3. The standalone financial results have been prepared in accordance with Ind AS, notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, other relevant provision of the Act, guidelines issued by the RBI as applicable to NBFC and other accounting principles generally accepted in India.
- 4. The figures for the quarter ended March 31, 2021 and March 31, 2020 mentioned in the above standalone financial results, are the balancing figures between the audited figures for the whole financial year(s) and the year to date unaudited figures published up to the third quarter of the said financial years.
- 5. 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 and year ended 31st March, 2021 have been prepared on going concern assumptions.
- 6. 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 have ensured that the Company continues to operate as a "Going Concern" in line with the objective of the Code and requirements thereunder.
- 7. The above standalone financial results of the Company for the quarter and year ended 31st March, 2021 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.
- 8. The Administrator and the Advisory Committee members along with the KMPs, upon their taking charge have taken various efforts to improve the operational, financial and managerial efficiency of the Company with the support of the employees 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 has been made by concluding some of the initiatives



including legal audit as well, some of these could not be fully concluded and implemented by 31st March, 2021 due to the ongoing pandemic and therefore, various activities continue to be ongoing.

- 9. The Administrator, Advisors and KMPs have taken charge with effect from 21th November 2019 and have relied on information, data, clarifications and views provided by the existing staff of the Company for the purposes of the financial results. The Company has initiated appropriate actions on the basis of reports submitted by Transaction Auditor such as filing of application with NCLT and submission of Fraud Monitoring Reporting(FMRs) to National Housing Bank(NHB)/RBI and filing of complaint with appropriate authorities. The Company has also taken into consideration the fair value of wholesale loan portfolio as per cash flows which are part of the valuation reports submitted by valuer appointed under IBC while calculating the fair value of wholesale loan portfolio during the quarter and year ended on 31st March, 2021. The Administrator and the KMPs have signed the 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.
- 10. Pursuant to findings of the Transaction Avoidance Auditor's, report under Section 66 of the Code covering certain transactions undertaken by the Company in the past has been filed before Hon'ble NCLT, Mumbai. During this quarter ended on 31st March 2021, additional transaction amounting Rs. 12,73,574 lakh have been identified and reported by the Company to Stock Exchanges and National Housing Bank (NHB)/ Reserve Bank of India (RBI) as fraudulent, undervalued and preferential in nature. The Company has made provisions as per NHB/RBI guidelines on 'Provisioning Pertaining to Fraud Accounts'. The Company has made provision for the entire amount of loans in respect of all such transactions. The above provision requirement as per NHB/RBI 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
- 11. In certain instances, the amount of the claim admitted under CIRP may differ from the amount reflecting in the books of accounts of the Company. The above audited financial results are drawn on the basis of figures appearing in the books of accounts of the Company as on March 31st 2021. 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 and yearly audited financial results and that these figures could change during the CIRP or thereafter depending upon the findings.
- 12. 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 initiated investigation in connection with certain loan granted by the Company. Apart from this. CBI is also investigating into the matter of amounts invested by an Uttar Pradesh State Government entity Provident Fund in the Fixed Deposits of the Company and few other cases. The Company is fully co-operating with all the investigating agencies and providing the necessary information/data as and when the same is sought.
- 13. The Administrator has filed an application under Section 30(6) of the IBC Code for submission of resolution plan of Piramal Capital & Housing Finance Limited (PCHFL) as approved by the Committee of Creditors, with the Adjudicating Authority i.e. Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench on 24th February 2021 post receipt of No objection from Reserve Bank of India as per Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019.
- 14. Consequent to the outbreak of the COVID-19 pandemic, the Central Government in India had declared a national lockdown in March, 2020. Subsequently, the national lockdown was lifted by the central government, but regional lockdowns continue to be implemented in areas with a significant number of COVID-19 cases. However, with various working measures, the Company has been making efforts to



restore its normal operations. The extent to which the COVID- 19 pandemic, including the current "second wave" that has significantly increased the number of cases in India, will impact the operation of the company, will depend on the ongoing as well as future developments, which is not precisely predictable.

- 15. The Company has a balance of Rs. 10,20,962 lakh as deferred tax asset created as per Ind AS 'Income Taxes' as on 31st March 2021. 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 maintained it as a going concern.
- 16. The Company has not made any provision for interest on borrowings amounting to Rs. 1,91,213 lakh and Rs 7,65,155 lakh for the quarter and year ended on 31.03.2021, respectively, 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. Had the interest was accrued on borrowings and provided for, the profit for the quarter ended 31st March 2021 would have been lower by Rs 1,42,205 lakh (net of taxes) and loss for the year ended 31st March,2021 would have been higher by Rs 5,69,046 lakh (net of tax).
- 17. 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.
- 18. The investments/ advance by way of unsecured Inter Corporate Deposit (ICD) including interest receivable aggregating Rs 4,10,924 lakh are outstanding as at 31st March 2021. The provision for the entire ICD amount has been made due to lack of security.
- 19. The total wholesale loan portfolio, including interest receivable aggregating Rs 54,24,862 lakh (pursuant to classification of this portfolio to "held for sale" in the year ended 31st March 2019), has been "fair valued" as at 31st March 2021 at Rs. 9,42,093 lakh, with the resulting fair value loss aggregating Rs 44,82,769 lakh. Out of this, fair value loss aggregating Rs 43,31,150 lakh has been accounted up to 31st December,2020 and balance loss of Rs 1,51,619 lakh has been charged to the Statement of Profit and Loss for the quarter ended 31st March 2021.
- 20. Other income includes interest income of Rs 2,537 lakh on income tax refund received during the year.
- 21. The Honourable Supreme Court of India, in a public interest litigation (PIL) filed by Gajendra Sharma vs. Union of India & Anr, vide an interim order dated September 3, 2020 ("Interim Order"), had directed that accounts which were not declared NPA till August 31, 2020 shall not be classified as NPA till further order. Basis the said interim order, even accounts that would have otherwise been classified as NPA post August 31, 2020 were not classified as NPA. However, during such period the Company has classified such accounts as stage 3 for financial reporting and provisioning purpose.

The interim order granted to not declare accounts as NPA stood vacated on March 23, 2021 vide the judgement of the Hon'ble Supreme Court. In accordance with the instructions in paragraph 5 of the RBI circular dated April 07, 2021 issued in this connection, the Company has classified the accounts as NPA as on 31st March 2021 as per the extant RBI instructions / IRAC norms.

22. In accordance with RBI circular dated April 07, 2021, the Company shall refund / adjust 'interest on interest' to all borrowers including those who had availed of working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed. Pursuant to these instructions, the methodology for calculation of the amount of such 'interest on interest' has been recently circulated by the Indian Banks Association (IBA). The Company is in the process of suitably implementing this methodology and has created a liability towards estimated amount of interest on interest of Rs. 1,397 lakh collected/charged and reduced the same from the interest income for the year ended March 31, 2021.



- 23. The Company having a default rating does not fulfil the credit rating criteria and hence does not meet the definition of a 'Large Corporate' as per criteria under SEBI circular SEBI/HO/DDHS/CIR/P/2018/144 dated 26th November, 2018. Necessary disclosure has been made to the stock exchanges in this regard
- 24. The above results for the quarter and year ended 31st March, 2021 read with the disclosures stated vide notes above have been audited by the Statutory Auditors of the Company.
- 25. 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'ble NCLT, Mumbai)

Place: Chennai Date: 5th June 2021

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: <u>dhfladministrator@dhfl.com</u>

DEWAN HOUSING FINANCE CORPORATION LIMITED

Annexure I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted alongwith Annual Audited Financial Results - (Standalone)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016] (Standalone)

		Audited	Figures	
		(Rs.in Lakhs)		
Sr. No.	Particulars	(As reported before adjusting for qualifications)	(After adjusting for qualifications)	
1	Turnover / Total income	8,80,279		
2	Total Expenditure	28,91,984		
3	Net Profit/(Loss)	(15,05,112)		
4	Earnings Per Share (Rs)	(479.61)	Not	
5	Total Assets	70,36,686	Determinable	
6	Total Liabilities	91,00,391		
7	Net Worth	(20,63,705)		
8	Any other financial item(s) (as felt appropriate by the management)	None		

II. Audit Qualification (each audit qualification separately):

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a	. Details of Audit Qualification (note references are from the auditors report) :	6 a) We refer to Note No. 9 to the Statement regarding that the Administrator, Advisors and KMPs have taken charge with effect from 21 th 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. The Company has initiated appropriate actions on the basis of reports submitted by Transaction Auditor such as filing of application with NCLT and submission of Fraud Monitoring Reporting (FMRs) to National Housing Bank (NHB)/RBI and filing of complaint with appropriate authorities. The Company has also taken into consideration the fair value of wholesale loan portfolio as per cash flows which are part of the valuation reports submitted by valuer appointed under IBC while calculating the fair value of wholesale loan portfolio during the quarter and year ended on 31st March, 2021. Only when the complete outcome and impact of ongoing investigations are known, the accuracy and completeness or otherwise of the data can be known. Further, the Administrator and the KMPs have signed the 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, 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.
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	b)	We refer to Note no. 8 to the Statement regarding the Administrator and the Advisory Committee members along with the KMPs, upon their taking charge have taken various efforts to improve the operational, financial and managerial efficiency of the Company with the support of the employees 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 has been made by concluding some of the initiatives including legal audit as well, some of these could not be fully concluded and implemented by 31 st March, 2021 due to the ongoing pandemic and therefore, various activities continue to be ongoing.
		However, with regard to the legal audit, it is informed that the legal audit is completed. Further as also informed the legal audit was done for internal consumption having no bearing on financials of their findings and the legal audit report has not been provided to us.
		In view of the above, 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 and with regard to the legal audit, due to non-availability of the legal audit report we are unable to comment on the possible consequential effects arising therefrom.
	c)	We also refer to the "Written Representations" by Present Management and its limitations and inability thereof in confirming or non-confirming the assertions forming part of the standard "Written Representation" as required by us in accordance with the guidelines issued by the Institute of Chartered Accountants of India (the ICAI").
	d)	We refer to Note no. 12 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. The Central Bureau of Investigation (CBI) has also initiated investigation in connection with certain loans 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 and few other cases. 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
JOUSING		have occurred in relation to the allegations and matters under



		 public scrutiny and otherwise. These investigations are informed as not yet fully completed; and with no outcomes being communicated by the reported fraudulent transaction referred to in '6(e)' below are made in the Statement in respect of the said reported matters. Further regarding the Special Review by an external professional firm assigned by lending banks, the final report is still awaited. 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 Standalone Financial Results and the provisions made by the Present Management so far.
	e)	We refer to the Note no. 10 to the Statement on findings of the Transaction Avoidance Auditor's Report under Section 66 of the Code covering certain transactions undertaken by the Company in the past has been filed before Hon'ble NCLT, Mumbai. During this quarter ended on 31st March 2021, additional transactions amounting Rs. 12,73,574 lakh have been identified and reported by the Company to Stock Exchanges, National Housing Bank (NHB) and Reserve Bank of Inda (RBI) as fraudulent, undervalued and preferential in nature. The above provision requirement as per NHB/RBI guidelines will be used only for regulatory reporting purpose. The provision under the Standalone Financial Results have been made in accordance with the recognition and measurement principles laid down in Indian Accounting Standards. We have requested for the copy of the said report to allow /enable us to verify and validate the completeness and correctness of the quoted Note no. 10. However, we have been informed the said report of the Transaction Audit is exclusively meant for Administrator and NCLT and is accordingly not provided to us.
		In view of the foregoing and due to non-availability of the transaction audit report, we are unable to comment upon the completeness; correctness and adequacy / inadequacy of the underlying security covers; and of such provisions and their possible consequential effect/ impact arising therefrom.
	f)	In respect of certain loans granted or invested by the Company wherein with regard to deficiencies in documentation/ securities of Project / Mortgage Loans/ Inter Corporate Deposit, the Present Management has earlier expressed its inability to express any view on the documentation adequacy / completeness till the conclusion of the legal audit which is now informed to have been completed.
		Further as also informed the legal audit was done for internal consumption having no bearing on financials of their findings and the legal audit report has not been provided to us and the Present Management continue to not express any view on the documentation adequacy / completeness.
		In view of the above and due to non-availability, the legal audit report we are unable to comment on the loan/ security(ies) documentation and the possible consequential effects arising therefrom.
UBUSING	g)	We refer to the Note no. 19 to the Statement regarding the total wholesale loan portfolio including interest receivable aggregating Rs. 54,24,862 lakh (pursuant to classification of this
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		portfolio to "held for sale" in the year ended 31st March 2019) has been "fair valued" as at 31st March 2021 at Rs 9,42,093 lakh, with the resulting fair value loss aggregating Rs 44,82,769 lakh. Out of this, fair value loss aggregating Rs 43,31,150 lakh has been accounted up to 31 st December 2020 and balance loss of Rs 1,51,619 lakh has been charged to the Statement of Profit and Loss for the quarter ended 31 st March 2021. The Company had disclosed in the previous quarters that fair value arrived at for wholesale portfolio would be subject to the outcome of the valuation exercise to be completed during CIRP period. In line with the same, the fair valuation for March 2021 quarter factors the outcome of valuation exercise carried out under IBC. 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.
	h)	The net worth of the Company is fully eroded rendering the Company unable to comply with the regulatory requirements of RBI in respect of the Net Owned Fund (NOF) and which also resulted in multiple contraventions of the provisions of RBI Master Directions – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, 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.
		In view of the above, the Company on 24th December, 2020 had represented to RBI to permit forbearance for the Company in relation to such requirement, as the Company was under Corporate Insolvency Resolution Process (CIRP). As advised by RBI on 5th February, 2021 the Company had been allowed to submit the compliance roadmap through the successful Prospective Resolution Applicants (PRA), after implementation of the resolution plan.
	i)	We refer to Note No. 16 to the Statement regarding that the Company has not made any provision for interest on borrowings amounting to Rs. 1,91,213 lakh and Rs 7,65,155 lakh for the quarter and year ended on 31.03.2021, respectively, in view of the Company's current CIRP 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. Had the interest was accrued on borrowings and provided for, the profit for the quarter ended 31 st March, 2021 would have been lower by Rs. 1,42,205 lakh (net of taxes) and the loss for year ended 31st March,2021 would have been higher by Rs 5,69,046 lakh respectively (net of tax).
		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.
1180	j)	The Company continues to follow the ECL Policy as determined in the last year, which also included the approach to be followed by the Company for the subsequent years, for the year ended 31st March 2021 without considering any consequential effects of the changing business conditions and overall economic scenario during the year. In view of the same we are
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		unable to comment upon the financial impact, if any, on the Standalone Financial Results arising thereof due to the same.
		k) We refer to Note no. 15 to the Statement regarding that the Company has a balance of Rs.10,20,962 lakh as deferred tax asset as on 31st March, 2021. 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.
		I) We observed 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 assets 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 year 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, its development cost and adjustments arising thereof, if any, and we are therefore unable to comment upon their consequential effects to the Standalone Financial Results.
		m) In view of the possible effects of the matters described in paragraphs 6(a) to 6(l) 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.	We refer to Note no. 13 regarding that the Administrator has filed an application under Section 30(6) of the Code for submission of resolution plan of Piramal Capital & Housing Finance Limited (PCHFL) as approved by the Committee of Creditors with the Adjudicating Authority i.e. Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench on 24th February 2021 post receipt of No objection from Reserve Bank of India as per Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019.
		We have not been provided with a copy of the said application together with relevant details and we are therefore unable to comment whether or not the CIRP outcomes require any accounting adjustments to be made in the attached Standalone Financial Results on account of business impairment or otherwise following the business value now becoming known in definitive terms; and the consequential effect that such adjustment/s, if any, could carry on the attached Standalone Financial Results if required to have been made.
OUSI	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
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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.

We refer to Note no. 11 to the Statement regarding that in certain 9. instances, the amount of the claim admitted under CIRP may differ from the amount reflecting in the books of accounts of the Company. The Standalone Financial Results are drawn on the basis of figures appearing in the books of accounts of the Company as on 31st March 2021. As also stated, these figures may be interpreted solely for the purpose of satisfying the regulatory requirements for filing yearly audited results and these figures could undergo changes during the CIRP or thereafter depending upon the findings. Pending final outcome of the CIRP, no adjustments, including of the effects arising due to changes in foreign exchange rates except for regrouping and recharacterization adjustments identified during the year, 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 such accounts and the consequential effect of the adjustments arising thereof on the Statement.

- 10. We refer to Note no. 14 to the Statement which explains that consequent to the outbreak of the COVID-19 pandemic, the Central Government in India had declared a national lockdown in March, 2020, through various notifications. Subsequently, the national lockdown was lifted by the central government, but regional lockdowns continue to be implemented in areas with a significant number of COVID-19 cases. However, with various working measures, the Company has been making efforts to restore its normal operations. The extent to which the COVID- 19 pandemic, including the current "second wave" that has significantly increased the number of cases in India, will impact the operation of the company, will depend on the ongoing as well as future developments, which are not precisely predictable and for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve.
- 11. We also refer to the reporting requirements under section 143(1) of the Companies Act, 2013, in respect of which, we have to state that we are unable to comment whether the loans referred in paragraph 6(f) above have been properly secured and hence these loans may have been granted in a manner that is prejudicial to the interest of the Company or its members, for the reasons stated therein. Further, in respect to loans referred to in paragraphs 6 (d), 6(e) and 6(f) above, we are unable comment whether the terms on which these have been made are prejudicial to the interest of the Company or its members, for the reasons stated therein.
- 12. We refer to the Note No. 22 to the Statement regarding that in accordance with RBI circular dated April 07, 2021, the Company shall refund / adjust 'interest on interest' to all borrowers including those who had availed of working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed. Pursuant to these instructions, the methodology for calculation of the amount of such 'interest on interest'



		has been recently circulated by the Indian Banks Association (IBA). The Company is in the process of suitably implementing this methodology and has created a liability towards estimated amount of interest on interest collected/charged and reduced the same from the interest income for the year ended March 31, 2021.
		 Material uncertainty related to Going Concern 13. The Company has incurred loss aggregating Rs. 15,05,163 lakh (including Other Comprehensive Income) during the year ended March 31, 2021, and has accumulated losses due to which its net worth has been fully eroded. However, these Standalone Financial Results are drawn on going concern basis under the ongoing Corporate Insolvency Resolution Process (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.
b.	Type of Audit Qualification: Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Disclaimer of Opinion
C.	Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	Repetitive for third year.
d.	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	Not Applicable
e.	For Audit Qualification	(s) where the impact is not quantified by the auditor:
	(i) Management's estimation on the impact of audit qualification:	Not Determinable
	(ii) If management is unable to estimate the impact, reasons for the same (Note reference are from the results being submitted to the Exchanges) :	1. 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
	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 and year ended 31 st March, 2021 have been prepared on going concern assumptions.
	2.	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 21 st November 2019 after the board was superseded on 20 th November 2019, the Company Secretary ("CS") and the Chief Financial Officer ("CFO") along with the Senior management of the Company have ensured that the Company continues to operate as a "Going Concern" in line with the objective of the Code and requirements thereunder.
	3.	The above standalone financial results of the Company for the quarter and year ended 31 st March, 2021 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.
	4.	The Administrator and the Advisory Committee members along with the KMPs, upon their taking charge have taken various efforts to improve the operational, financial and managerial efficiency of the Company with the support of the employees 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 has been made by concluding some of the initiatives including legal audit as well, some of these could not be fully concluded and implemented by 31 st March, 2021 due to the ongoing pandemic and therefore, various activities continue to be ongoing.
ING FINAND	5.	The Administrator, Advisors and KMPs have taken charge with effect from 21 th 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. The Company has initiated appropriate actions on the basis of reports submitted by Transaction Auditor such as filing of application with NCLT and submission of Fraud Monitoring Reporting(FMRs) to National Housing Bank(NHB)/RBI and filing of complaint with appropriate authorities. The Company has also taken into consideration the fair value of wholesale loan portfolio as per cash flows which are part of the valuation reports submitted by valuer appointed under IBC while calculating the fair value of wholesale loan portfolio during the quarter and year ended on 31st March, 2021. The Administrator and the KMPs have signed the standalone financial results solely for the
HI (BANDRA)		

	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.
(iii) Auditors' Comments on (i) or (ii) above:	Our view remains unchanged considering the matters referred to in paragraphs 6 to 13 in our audit report.

III. Signatories:

For K.K. Mankeshwar & Co	
Chartered Accountants	
ICAI MN: 106009W	
Dinesh Kumar Bachchas	MR. R SUBRAMANIAKUMAR
Partner	ADMINISTRATOR APPOINTED UNDER IBC*
ICAI MN: 097820	

*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 400051Email ID for Correspondence: <u>dhfladministrator@dhfl.com</u>

Place: Chennai

Date: June 05,2021



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DEWAN HOUSING FINANCE CORPORATION LIMITED

Corporate Identity Number ICIN1 L65910MH1984PLC032639 Regd. Office . Warden House 2nd Floor, Sir P.M. Road, Fort, Mumbai - 400 001 Toll Free No. 1800 22 3435, Visit us at : www.dhfl.com., email - response@dhfl.com National Office L6th Floor, HDIL Towers, A.K. Marg. Station Road, Bandra (East). Mumbai : 400051. Tel. - (022) 2158 3333



STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 3151 MARCH. 2021

			Quarter ended	Ì	Yem er	and a settlement of the settle
	PARTICULARS	31.03.2021	31,12,2020	31 03.2020	31.03.2021	11 03.2020
		(Audited)	(Reviewed)	(Audited)	(Audited)	(Audited)
	INCOME:					
	Revenue fram operations		1.0.000			
	Interest Income	2.01,915	19 356	2,39,360	8 1 000	9.62
	Fees and Commission Income	1 1 1	8	58	329	
	Net gain (loss) on derecognition of financial instruments under		And and an	(_ 14())	14	7 19
	amortised cost category		1			
	Other operating revenue	,407	1 245	24,962	4,840	28 900
- Company	Total Revenue from operations	2,03,453	2,20,658	2,62,340	8,77 065	9 55,746
il	Other Income (Refer Note 20)	2.604	88	(46.242)	114	(1)思言
i fi	Tatal income (I+II)	2,06,057	2,20,746	2,16,098	8,80,279	9.57,885
	EXPENSES:					
	Finance costs (Refer Note 16)	5.118	5.31	13 48	21.849	. 36
	Net loss on fair value changes	1 50,494	19.28,644	12,04 563	1 49.0 1	14 (13 5)
	Impairment on financial instruments & Write-elfs	15,267	42,140	722	2.24.472	6.24 7
	Employee Benerits Expenses	4,612	5,306	6,174	21 912	28 31
	Depreciation and amortisation expense	2.042	1 961	3 994	8 081	* 94
	Others expenses	5,130	2,129	4,233	17.2.55	11,300
٧	Total Expenses	1.82,663	19,88,495	12,33.001	28,91,989	2 64,157
	jes J					
1	(Loss)/Profit before Share of Net Profits of Associates and Joint Ventures and tax: $(\mathrm{H}^{-}\mathrm{IV})$	23.394	(17,67 749)	(10.16,903)	20,11,710)	(18 06 252
	Fax Expense		a start of the			
	3/F1/6/11 1/9/24	9.137	a Phys 1145		0 1 -	
	Earlier years adjustmen		Brite source	(* 1371	ł	3 + 4
	Deferred tax	4,582	(4,58,211)	12.65 0651	(5. 15.7 10)	14 8 - 34
/1	Total Tax expense	13,719	[4,58,211]	(2,66,202)	(5,06 593)	14,63 36
	Net (Loss)/Profit After Tax before share of Net Profits of Associates and loint Ventures for the period (V-VI)	9,675	(13,09.538)	(7 50,701)	(15,05,117)	(13 42 685
lti	Share of Net Profits/(Loss) of Associates and Joint Ventures					(i t
X	Net (Loss)/Profit After Tax (Fully attributable to owners of the Parent) (VII+VIII)	9,675	(13,09,538)	(7 50,701)	f15,05,117)	[1] 45 58
	Uther comprehensive income		* anishi fuye	111		
	(A) Items that will not be reclassified to profit or loss	27	391	+ 34	16911	150
	(1) Remeasurements of the defined employee benefit plans	4	241	04	7(6,223)	
	(ii) on loss	(12)	0	. 35)	8	
	Subtotal (A)	35	1293	99	153	11
	(B) thems that will be classified to profil or loss		And Apply is a summary on a particular state, particular design	Annual Contract of the second se	an fan fan fan de fan de fan	
	(1) Cash flow hedge reserves			20.052	1	35E.e
	(ii) Tux on above			5.2645		1,488
	Subtotal (B)			14,788		eringenerationen eine errentenen in
,	÷		and the first of the state of the state of the state of the			the state of the s
	Total Other comprehensive income/(loss) (Fully attributable to owners of the Parent) (A+B) $\hfill = 1$	35	(29)	14,887	(51)	3.21
1	Tutal Comprehensive incomer(loss) Fully attributable to owners of the Parent (IX+X)	9,710	(13,09,567)	(7,35,814)	(15,05,168)	(13 4 864
	Earnings per share (Face value of ₹ 10 each) (not annualised)					
	1	1 08	(117 29)	284 2	M 78 6	78
	Bask (II) ₹'			239 21	1470 HF	1之將
	Bava (m ₹)	3.08	(vie 2 19)	649 61	6 60 · M EP 1	4 /4 17
		3.08	(46 17 193) 81 182	1.382	18 + 18 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1	1217



Notes:

1: STATEMENT OF AUDITED CONSOLIDATED ASSETS AND LIABILITIES

Particulars	As at 31-Mar-21 (Audited)	As at 31-Mar-20 (Audited)
ASSETS		ger in Elling (1950), anne ann ann agus gugar gugar far sin singan far fyr i'r refernau yr yn yr yn yn yn yn y
Financial assets		
Cash and cash equivalents	9,45.869	6,84,928
Bank Balances other than Above	86,511	87,064
Receivables	47	275
Housing and other loans:		
At amortised cost	29,03,437	35,47,037
At Fair Value	9,42,092	30,73,231
	38,45,529	66.20,268
Investments	8,44.865	3,88.051
Other financial assets	1 83,250	1,79,255
Total Financial Assets	59,06,071	79,59,841
Non-Financial assets		
Current Tax Assets (Net)	5,646	33 023
Deferred tax assets	10,20,077	5,04.330
Property, plant and equipment	79,600	85,361
Intangible assets under development	6,232	10.517
Other intangible assets	8,141	6,669
Other non-financial assets	10,099	14,182
Total Non-Financial Assets	11,29,795	6,54,082
TOTAL ASSETS	70,35,866	86,13,923
LIABILITIES AND EQUITY		
Financial Liabilities		
Trade Payables	2	
(i) total outstanding dues of micro enterprises and small enterprises	319	34
(ii) total outstanding dues of creditors other than micro		
enterprises and small enterprises	7,284	12 146
Debt Securities	45,57,530	45,42,829
Borrowings (Other than Debt Securities)	37,68,591	38,41 077
Deposits	5,29,165	5,27.889
Subordinated Liabilities	1,29,833	1,29,430
Other financial liabilities	98,985	1,00,442
Total Financial Liabilities	90,91,707	91,53,847
Non-Financial Liabilities	range - transmoor	
Provisions	756	753
Other non-financial liabilities	7,934	13,937
Total Non-Financial Liabilities	8,690	14,690
Total liabilities	91,00,397	91.68,537
EQUITY		
Equity Share Capital	31,382	31 382
Other equity	(20,95 913)	(5,85 996
Total equity	(20,64,531)	(5,54,614
TOTAL LIABILITIES AND EQUITY	70,35,866	86,13,923

Notes:

2. Consolidated Cash Flow Statement

(+ in Lakh i)

	As at 31st March, 2021	Ac at 21st March 200
Particulars	(Audited)	(Audited)
. Cash flow from operating activities		
Net (Loss)/Profit before tax	(20,11,710)	(18,06,25
Adjustments for:		
Depreciation and amortisation expense	8,083	7.94
Share Based Payments to employees	209	(1 79
Loss/(Profit) on Sale of Property, plant and equipments	155	16
Interest on Income tax refund	(2,537)	
Interest income from investments	(11,610)	(3.28
Other interest income	(124)	(3,74
Net loss/ (gain) on fair value changes	25,99,033	15,03,47
Net loss/ (gain) on derecognition of financial instruments under amortised cost of	ategory 4	55
Impairment on financial instruments & written offs	2,24,477	6,24,21
Liability written off		(23,58
Gain on Dilution of Investment	,	1,10
Operating profit before working capital changes	8,05,980	2,98,83
Adjustments for:		
IncreaseI/Decrease in other bank balances	31	88,54
Decrease/ (increase) in trade receivables	228	00,3× 21
(Increase)/Decrease in other financial asset	(3,887)	(73 72
(Increase)/Decrease in other non financial asset	24,502	20,1,
(increase)/ Decrease in housing and other property loans	(1,22,244)	8,05,0
	(4,577)	1,97
(Increase)/Decrease in trade payable	(1,273)	1,14,00
Increase/ (Decrease) in other financial liabilities		1,14,00
(Decrease)/ Increase in other non financial liabilities	(6,002)	
(Decrease)/Increase in provisions	for the second	(26
Cash generated from operations during the year	6,92,741	12,52,49
Taxes paid	20,777	5,13
Net Cash (used in) Operating Activities (A)	7,13,518	12,57,62
. Cash flow from investing activities		
Interest Income	10,363	7 36
Sale Proceeds investments (net)	*	25,08
Net movement in Other Investments	(4,76,064)	51,69
Net movement in PTC	12,791	(17.7.
Capital Expenditure on Fixed Assets	324	(2,-1
Proceeds from Sale of Fixed Assets	9	15
Net Cash generated from / (used in) Investing Activities [B]	(4,52,577)	64,35
Cash flow from financing activities		
Repayment of redeemable non convertible debentures		(2,58,52
(Repayment) of / Proceeds from Commercial Paper		(75,00
Repayment of term loan		14,42 50
Proceeds from other borrowings (net)		1 86,79
Public / Other Deposits (repaid)/received (net)	and the second se	1,73,76
Dividend & Dividend Distribution Tax Pald		(1
Net Cash (used in)/ generated from financing activities [C]		60////////////////////////////////////
Net increase / (decrease) in cash and cash equivalents [A+B+C]	2,50,94 1	5,58,91
	6,84,928	1,26,01
Cash and cash equivalents at the beginning of the year) Q,Q4, 35 Q 1	A 1 Bo 34 2 4 A



- 3 The consolidated financial results have been prepared in accordance with Ind. VS. notified and/or. S. chon. 133 of the Companies Act. 2013 read with Companies (Inden). Accounting, Standards) Rules 2015, p. amended from time to time, other relevant provision of the Act. guidelines issued by the RBI as applicable to NBEC and other accounting principles generally accepted netidia.
- 4 The figures for the quarter ended March 34, 2021 and March 34, 2020 memories no accurate consolidated financial results, are the balancing figures between the audited figures for the schede financial year(s) and the year to date unaudited figures published up to the fined quarter or the same financial years.
- The Reserve Bank of India (RBI) vide Press Release dated November 20, 2019 in exercise of the poist is conferred under Section 45-IF (1) of the Reserve Bank of India Act, 1934 (RBI Act) superseded for Board of Directors of the Company and appointed an Administrator under Section 45. If the P.B. Act Laerenfier RBI vide its Press Release dated November 27, 2010, in eventise of our possion conterred under Section 45/1F 5(a) of the RBUACE 1934, constructed a three Collaboration Advances Committee to assist the Administrator in the discharge of his duties. On Notember 29, 2019, the RBfiled the Petition before the NCL1 under sub-Clause (i) of clause (i) of Rule 5 of the Insolvenix and Bankruptev (Insolveney and Equidation Proceedings of Emancial Service Providers and Application to Adjudication Authority) Rules, 2019 (FSP Rules) to initiate CIRP against DHUL read with Section 257 of the Code. Accordingly, in terms of Rule 5(h)(1) of the FSP Rules, an interim morntorium came is to effect on the filing of the application to initiate CIRP. Further, CIRP was initiated against the Corporate Debtor under Section 22" read with clause (2k) of sub - section (2) of section 239 of the Code and (cad with rules 5 and 6 of the USP Rules by an order dated December 3, 2019 of the Honfilde National Company Law Tribunal, Mumbai Bench (NCL1/Adjudicating Authority). The Adjudicating Authority vide the above order, appointed the Administrator to perform all that functions of a resolution professional to complete the CIRP of the Company as required under the provisions of the Code. Due moratorium was declared by the NCL1. It is also meanibene apon the Resolution Professeenal is idea Section 20 of the Code, to manage the operations of the Company as a gotage concern. As could case Statement for the quarter and year ended 31° Maren, 2021 have been prepared on going concern assumments
- 6 The Administrator following his appointment and with the approval of Committee of Creditors to DHI L. 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 schief Emancial Office ("CFO"). The Key Managerial Personne' ("KMPs" or "Present Management"), the Chaol Eventue Officer ("CFO"), appointed just before CIRP (October 2019) and joined the company or 2. November 2019 after the board was superseded on 20th November 2019, the Company Secretary ("CS") and the company have ensured the Chaol Had the Company Secretary ("CS") and the company of 2. November 2019 after the board was superseded on 20th November 2019, the Company Secretary ("CS") and the Chaol Had the Company continues to operate as a "Going Concern" in line with the obscrifte of the Code and the Company continues to operate as a "Going Concern" in line with the obscrifte of the Code and the company requirements thereander.
- The above consolidated financial results of the Company for the quarter and year ended 313 March 2021 have been taken on record by the Administrator while discharging the powers of the Board or Directors of the Company which were conferred upon him by the RBI Order dated November 2013/000 and subsequently, powers conferred upon him in accordance with the NCL1 Under dated Diversiber 3 2019 solely for the purpose of ensaming regulatory compliance.
- 5 The Administrator and the Advisory Compattee numbers along with the KMHs, upon their taking charge have taken various efforts to improve the operational, financial and managements (Distance) at the Company with the support of the employees of the company. In this regard, various initiating consistengthen the financial lending policies and processes, functioning of the H system (legal audit or material loan documents, establishing risk management framework, updating internat 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 or ensure comprehensive compliance with various applicable rules and regulations during this record rule.

including legal audit as well, some of these could not be fully concoded and implemented (1) 10 acc 2021 due to the ongoing pandemic and therefore, various activities continue to be support.

- 9 The Administrator, Advisors and KMPs have taken charge with effect from 21% November 2009 and have relied on information, data, clarifications and views provided by the existing staff of the Company for the purposes of the financial results. The Company has initiated appropriate actions on the basis of reports submitted by Transaction Additor such as filing of application with NCL1 and submession of Faud Monitoring Reporting(FMRs) to National Housing Bank(NHB) RB1 and filing of completant vito appropriate automities. The Company has also taken into consideration the fun value of wholesale four portfolio as per cash flows which are part of the valuation reports submitted by value of wholesale loan portfolio during the quarter and view of declar in VIII and view of declar in VIII and view of declar in VIII and view of declar in the value of wholesale loan portfolio during the quarter and view of declar in VIIII and view of declar in VIII and view of declar in VIII and view of declar in VIII and view of wholesale loan portfolio during the quarter and view of declar in VIIII and view of declar in VIIII and view of wholesale loan portfolio during the quarter and view of declar in VIIII and view of wholesale loan portfolio during the quarter and view of declar in VIIII and view of declar in VIIII and view of declar in VIIII and view of a difference 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 date performing to the period prior to the former with the provisions of the date performs to the period prior to the former with the perior of the perior set the company in relation to the date performing to the period prior to the former with the existing staff of the Company in relation to the date performing to the period prior to the former with view set in the Company in relation to the date performer to the period operations of t
- 10. Pursuant to findings of the Transaction Avoidance Auditor's report ander Section of (12), code covering certain transactions undertaker, by the Company in the past less been filed before Hoo by NCLT. Mumbar During this quarter ended on 31° March 2021, additional transaction.communa, Es 12,73,574 lakh have been identified and reported by the Company to Stock Exchanges and National Housing Bank (NHB). Reserve Bank of India (RBI) as transaction: undervalued and preferential in nature. The Company has made provisions as per NHB-RBI guidelines on. Provisioning Pertaining to Fraud Accounts'. The Company has made provision for the entire amount of loans in respect of all such transactions. The above provision requirement as per NHB-RBI 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.
- 11 In certain instances, the amount of the claim admitted under CIRP may differ from the apio introllecting in the books of accounts of the Company. The above audited financial results are drawn on the basis of figures appearing in the books of accounts of the Company as on March 31.1.2021. The Adoutiestract Advisors, and KMPs believe that these figures may be interpreted solely for the purpose of satisfying the regulatory requirement for filling of quarterly and yearly audited financial results are drawn due dues figures could change during the CIRP or thereafter depending apon the findings.
- 12. The Ministry of Corporate Alfairs (MCA), has initiated investigation in the month of December 2015 into the affairs of the Company under Section 212(1) of the Companies Act, 2013 through Sections Fracial Investigation Office (SFIO). Further, Enforcement Directorate (FD) has also initiated investigation of fucestigation with the loans given by the Company to certain borrowers. Central Bureau of Jacostigation (CBI) has also initiated investigation in connection with the loans given by the Company to certain borrowers. Central Bureau of Jacostigation (CBI) has also initiated investigation in connection with certain ioan granted by the Company. Apartron this CBI is also investigating into the natter of amounts invested by an UPia Pradesf. State Government entity. Provident Fund in the Excel Deposits of the Company and few other cases. Uncompany is fully co-operating with all the investigating agencies and providing the necessary information data as and when the same is sought.
- 13 The Administrator has filed an application inder Section 30(6) of the IBC Code for subarcosion of resolution plan of Piramal Capital & Housing Finance Limited (PCHEL) as approved by the Committee of Creditors, with the Adjudicating Authority (e. Hou'ble National Company Law Tribunal (NCLE) Munibar Bench on 24th February 2021 post receipt of No objection from Reserve Bank of Educations insolvency and Bankruptey (Insolvency and Education Proceedings of Emancial Service Proceedings) and Application to Adjudicating Authority Rules, 2019.
- 1.4. Consistent of the outbreak of the COVID 9 production the Central Covernment in India and declared a national lockdown in March, 2020. Subsequently, the national fockdown case dream be a contrazoverted ent but regional lockdowns continue to be implemented in areas with a contraction of the contra-COVID 3.9 cases. However, with various working measures, the Company has been making efforts to restore its normal operations. The extent to what's the COVID-19 numeric molining case of test.



there down that has server former and even inverse the second associated and evel the process of the company well represented the ongoing control of the company of the second second second and the second sec

- 15 The Company has a balance of [Rs] 10.20.902 lash as deforred tay asset created as per find [VS] find me Taxes' as on 31.1 March 2021. 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 manutamed it as a roung concern.
- 16. The Company has not made any provision for interest on borrowings amounting to Rs. 1.95 (213) (ak), and Rs. 7.65,155 (akh for the quarter and year ended on 31.03,2021) respectively in the ended of the Company's current CIR process. Under the IBC, the treatment of creditors under the resolution planets as per debts due as on the involvency commencement date and therefore, an interest is accured and payable after this date. Had the interest was accured on borrowings and provided for, the profit for the quarter ended 31.1 March 2021, would have been lower by Rs. 1.42, 205 (akh) one of taxes and loss the the year ended 31.1 March 2021 would have been higher by Rs. 579,046 (akh) (net of taxes).
- i The Company's main business is financing by way of loans 15% the purchase and or construction of residential houses, loan against property, loan to real estate developers, including all related act, the and SRA projects. Accordingly, there are no separate reportable segue its as per Ind. XS 195.
- 18 The investments: advance by way of insecuted Infer Corporate Deposit (ICD) including andreast receivable aggregating Rs 4,10,924 lakh are outstanding as at 31° March 202. The provision for the entire ICD amount has been made due to lack of security.
- 19 The total wholesale loan portfolio, including interest receivable approgating Rs 54.24 8624685 (pursiant to elassification of this portfolio to "held for sale" in the year ended 31. March 2019), has been tovalued" as at 31.1 March 2021 at Rs. 9.42.093 (akh, with the resulting for value loss aggregating Rs 44.82 To9 (akh) Out of this, fair value loss aggregating Rs 43.31,150 (akh) has been accounted up to " December, 2020 and balance loss of Rs 1.51 619 (akh) has been charged to the statement of Pro1 (cond Loss for the quarter ended 31.2 March 2021.
- 20. Other meaning includes interest meanic of Rs 2.537 takh on meanic tax retund received during the velo-
- 21. The Honomable Supreme Court of India, in a public interest langation (PIL) filed by Gutenci (Sloacia, vs. Union of India & Anr. vide au interim order dated September 3, 2020 ("Interim) Order"), had directed that accounts which were not declared NPA till. August 31, 2020 shall not be clossified as 51! V till further order. Basis the said interim order, even accounts that would have otherwise been clossified as NPA post August 31, 2020 were not classified as NPA. However, during such period the Complex has classified such accounts as stage 3 for financial reporting and provisioning purpose.

The interim order granted to not declare accounts as NPA stood vacated on March 23, (925) order the judgement of the Hon ble Supreme Court. In accordance with the distributions in paragraph $S_{\rm eff}$ the RBI circular dated April 07, 2021 issued in this connection, the Company has classified the account (8.81%) as on 31. March 2021 as per the extant RBI instructions. IRAC norms

22 In accordance with RBI circular dated April 07, 2021, the Company shall refund - adjust interest on interest to all borrowers including those who had availed of working capital facilities daring the moratorium period, irrespective of whether moratorium had been fully or partially availed of not availed. Pursuant to these instructions, the methodology for calculation of the amount of site of interest on interest has been recently circulated by the Indian Banks Association (IBA). The Company is in the process of suitably implementing this methodology and hall created a liability towards estimated amount of Rs. 1.397 additional effective dated and reduced the same from the interest memory for the year ended March 31, 2021.



The company having a default rating does not fulfil the credit rating criteria and hence does not incet the definition of a Large Corporate as per criteria under SLBL contraSERVED DEESS TRAFFICATION (and the November 2018) is a constant to set superfiction of the society of the socie

- 24. The consolidated than salines is include the financial information of subsidiaries where can be served statements eather address or concentrations.
- 18 The above results for the quarter and year ended 31. March, 2020 read waterness as a second of a company of the subsystem of the company.
- 26 Figures for no move as personal to been regioniped when a consum-

Place Chennai Date 5th June 2021

For DEWAN HOUSING FINANCE FORPORATION LIMITED

MR. RAUBRAMANIAKUMAR ADVINISTRATOR APPOINTED UNDER IBG

The Administrator has been appointed under Rule Statish) of the Insorvency and Barkrophelic and the enderties of Equidation Proceedings of Fouries of Service Providers and Application soft mathematical Agministration from ander the Insorsency and Burkraise of size 2006. The affairst business in discopulation Double (issue) for Corporation Functed are being contacted with Administration. Mr. R. Sublimatic akai an active effective of the Company only and without on contacted antibility.

Address for Correspondence - Ground & Marilloon HDIE Towers, Andre Klarekia, Maro, Stallog, Roomour, J., (Laste, Mamba, 40005)

Friend ID for Correspondence

DEWAN HOUSING FINANCE CORPORATION LIMITED

Annexure I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along with Annual Audited Financial Results - (Consolidated)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations. 2016] (Consolidated)

partitere de annandel	a program i se illo manani i fazi pri i sistemative poser namani	Audited Figures (Rs.in Lakhs)		
Sr. No.	Particulars	(As reported before adjusting for qualifications)	(After adjusting for qualifications)	
1	Turnover / Total income	8,80,279	•	
2	Total Expenditure	28,91,989		
3	Net Profit/(Loss)	(15,05,117)	ı	
4	Earnings Per Share (Rs)	(479.61)	Not Determinabl	
5	Total Assets	70.35.866		
6	Total Liabilities	91.00,397		
7	Net Worth	(20.64.531)		
8	Any other financial item(s) (as felt appropriate by the management)	None		

II. Audit Qualification (each audit qualification separately):

a. Details of Audit Qualification (note references are from the auditors report) :	7. a. We refer to Note No 9 to the Statement regarding that the Administrator, Advisors and KMPs have taken charge with effect from 21 th 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. The Company has initiated appropriate actions on the basis of reports submitted by Transaction Auditor such as filing of application with NCLT and submission of Fraud Monitoring Reporting (FMRs) to National Housing Bank (NHB)/RBI and filing of complaint with appropriate authorities. The Company has also taken into consideration the fair value of wholesale loan portfolio as per cash flows which are part of the valuation reports submitted by valuer appointed under IBC while calculating the fair value of wholesale loan portfolio during the quarter and year ended on 31st March, 2021. Only when the complete outcome and impact of ongoing investigations are known, the accuracy and completeness or otherwise of the data can be known. Further, the Administrator and the KMPs have signed the 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 nertaining to the period of the Company in relation to the data nertaining to the period of the Company in relation to the data nertaining to the period of the company in relation to the data nertaining to the period period to the company of the antipications.
	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 attains, tinances and operations of the Company

b. We refer to Note no. 8 to the Statement regard of the Administrator and the Advisory Committee members alorin with the KMPs, upon their taking charge have taken various efforts. to improve the operational financial and managenet etholerical of the Company with the support of the employees 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 undertaker-Various actions to ensure comprehensive compliance with various applicable rules and regulations during this period have also been undertaken. While substantial progress has been made by concluding some of the initiatives including legal wonit as well some of these could not be fully concluded and implemented by 31° March, 2021 due to the ondoing paratemic and therefore, various activities continue to be ongoing

However, with regard to the legal audit in its informed that the legal audit is completed. Further as also informed the legal audit was done for internal consumption having no beams, on trinancials of their findings and the legal audit report has not been provided to us

In view of the above, we have been unable to obtain surficient appropriate evidence in support of the outcomes of the said initiatives and their likely impact upon the overall governance control environment within the Company and with regard to the t legal audit, due to non-availability of the legal audit report we are unable to comment on the possible consequential effects arising therefrom.

- We also refer to the Written Representations' by Present Management and its limitations and mability thereof a confirming or non-confirming the assertions forming part of the standard Writter Representation' as required by us in accordance with the guidelines issued by the Institute of Chartered Accountants of India the ICAE.
- We refer to Note no. 12 to the Statement together with multiple 1 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 sciultiny. 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 Senous I Fraud Investigation Office (SFIO) Further, Enforcement Directorate (ED) has also initiated investigation in connection. with the loans given by the Company to certain borrowers. The Central Bureau of Investigation (CBI) has also initiated investigation in connection with certain loans granted by the Company Apart from this CBL is also investigating into the matter of amounts invested by a state government entity -Provident Fund in the Fixed Deposits of the Company and law other cases. As of the state of this report investigations are ongoing together with transactions audits performer by independent agencies/firms appointed by the Administrator. We

also insted that various requiatory authorities. Tenders are currently carrying out their own investigations which are verice 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. These investigations are informed as not vet fully completed, and with no outcomes being communicated by the reported traudulent transaction referred to in '7(e) below are made in the Statement in respect of the said reported matters. Further regarding the Special Review by an external professional firm assigned by longing banks, the time report is still awaited.

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 investigation, and transaction audits may have on the Consolidated Financial Results and the provisions made by the Present Management so far.

We refer to the Note no. 10 to the Statement on lindings of the 64. Transaction Avoidance Auditor's Report under Section 66 of the Code covering certain transactions undertaken by the Company. in the past has been filed before Honible NCLT. Mumbail During this guarter ended on 31st March 2021, additional transactions. amounting Rs. 12.73,574 lakh nave been identified and reported. by the Company to Stock Exchanges. National Housing Bank. (NHB) and Reserve Bank of India (RBI) as fraudulent. undervalued and preferential in nature. The above provisionrequirement as per NHB/RB! guidelines will be used only to regulatory reporting purpose. The provision under the Consolidated Financial Results have been made in accordance. with the recognition and measurement principles laid down in Indian Accounting Standards. We have requested for the copyof the said report to allow (enable us to verify and walldate the completeness and correctness of the quoted Nore no. 10 However we have been intormed the said report of the Transaction Audit is exclusively meant for Administration and NCLF and is accordingly not provided to us.

In view of the foregoing and due to non-availability of the transaction audit report, we are unable to comment upon the completeness; correctness and adequacy - inadequacy of the underlying security covers; and of such provisions and their possible consequential effect impact ansing therefrom

In respect of certain loans granted or invested by the Company wherein with regard to deficiencies in documentation/ securities of Project. Mortgage Loans' Inter Corporate Deposit, the Present Management has earlier expressed its inability to express any view on the documentation adequality completeness till the conclusion of the legal audit which is now informed to have been completed.

Further as also informed the legal audit was done for internal consumption having no bearing on financials of their findings and the legal audit report has not been provided to us and the Present Management continue to not express any view on the documentation adequacy (completeness

In view of the above and due to non-availability, the legal audit report we are unable to comment on the lean/ security(ies).



documentation and the possible consequential effects a sing therefrom

We reter to the Note no. 19 to the Statement regarding the lotađ wholesale loan portfolio including interest inceivable aggregating Rs. 54.24,862 lakh (pursuant to classification of this portfolio to "held for sale" in the year ended 31st March 2019has been 'fair valued' as at 31st March 2021 at Rs 9 (2.093) lakh, with the resulting fail value loss aggregating Ro 44,82 769. lakh. Out of this fair value loss aggregating Rs 43.31 (50 Jakr. has been accounted up to 31st December 2020 and palance lost. of Rol1 51,619 lake has been charged to the Statemen, of Proteand Loss for the guarter ended 31st March 2021. The Company, had disclosed in the previous guarters that fair value arrowed it. for wholesale portfolin would be subject to the outcome of the valuation exercise to be completed during CIBP period. In line with the same, the fair valuation for March 2021 quarter lactors the outnome of valuation exercise carried out under (BC). The recoverability of otherwise of these toans is yet in be ascertained and hence the provision has been made by the Present Management as a prudent measure

h. The net worth of the Company is fully eroded rendering the Company unable to comply with the regulatory requirements of RBI in respect of the Net Owned Fund (NOF) and which also resulted in multiple contraventions of the provisions of RBI Master Directions – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, 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 NCL1 which prevents any actions against the Company.

In view of the above, the Company on 24th December 1020 had represented to RBI to permit forbearance for the Company in relation to such requirement, as the Company was unde Corporate Insolvency Resolution Process (CIRP). As unvised by RBI on 5th February, 2021 the Company had been allowed to submit the compliance roadmap through the processit Prospective Resolution Applicants (PRA), after implementation of the resolution plan.

I. We refer to Note No. 16 to the Statement regarding that the Company has not made any provision for interest or borrowings amounting to Rs. 1.91.213 lakh and Ro. 7.65.155 akk. for the quarter and year ended on 31.03.2021, respectively or view of the Company's current CIRP process. Under the BC, 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. Nad the interest was accrued on borrowings and provided for the profit for the guarter ended 31.1 March, 2021 would have been lower by Rs. 1.42,205 takh (net of faxes) and the loss for year choed 31st March,2021 would have been bigher by Rs. 5.69.1-46 takh respectively (net of fax).

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

- The Company continues to follow the Policy as determined in the last year, which also included the approach to be followed by the Company for the subsequent years for the year ender: 31st March 2021 without considering any consequential effects of the changing business conditions and overal economic scenario during the year. In view of the same we are unable to comment upon the financial impact, it any job the Consolidated Financial Results arising theroof due to the same.
- k. We refer to Note no. 15 to the Stalement regarding that the Company has a balance of Rs 10 20.962 takh as deferred tax asset as on 31st March. 2021. The Company is required to perform an assessment as required by Ind AS 12 - incomin Taxes' which requires the Company to determine the probability of future taxable income to utilize the deterred tax asset. In the light of the above and pending outcome of the CIRP, we are unable to comment on the same.
- 1. We observed 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. assets under development. The Company has capitalized R., 3.415 lakh to Software Asset and charged Rs 870 lakh to the Statement of Profit and Loss during the year and remaining carrying value of Rs. 6.232 lakh has been shown an under "Intangible Assets under development. However, the Company. has not performed an impairment assessment as inquired 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 liabulties and recommence its operations

In view of foregoing, we have not been provided sufficient appropriate evidence about the carrying value of the interception asset, its development cost and adjustments arising thereof of any, and we are therefore unable to comment upon their consequential effects to the Consolidated Financial Results.

- In view of the possible effects or the matters described in paragraphs 7(a) to 7(b 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 it any.
- 8. We refer to Note no. 13 regarding that the Administrator basinied a application under Section 30(6) of the Code for submission or resolution plan of Piramal Capital & Housing Finance Limited (PCHFL) as approved by the Committee of Creditors with the Adjudicating Authority i.e. Honble National Company Law Tribunal (NCLT). Mumbai Bench on 24th February 2021 post receipt of No. 2005 objection from Reserve Bank of India as per insolvency and Bankruptcy (Insolvency and Liquication Proceedings of Financial Service Providers and Application to Adjudicating Authority: Rules 2019.

We have not been provided with a copy of the said applicationtogether with relevant details and we are therefore unable to comment whether or not the CIRP outcomes require any accounting



adjustments to be made in the attached Consolidated Financial Results on account of business impairment or otherwise following the business value new becoming known in definitive terms: and the consequential effect that such adjustment/s if any nould carry or the attached Consolidated Financial Results if required to have been made.

9. 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 it 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 combinances as applicable. Further the loans referred in above paragraphis may not have been properly secured and may have been granted including terms and conditions there-of, in a manner that is prejudicity to the interest of the Company or its members, for the reasons stated therein.

10. We refer to Note no. 11 to the Statement regarding that in pertain instances, the amount of the claim admitted under CIRP inay differ from the amount reflecting in the books of accounts of the Company. The Consolidated Financial Results are drawn on the basis of figures appearing in the books of accounts of the Company as on 31. March 2021. As also stated, these figures may be interpreted solely for the purpose of satisfying the regulatory requirements for t-ling yearly audited results and these figures could undergo changes during the CIRP or thereafter depending upon the findings. Pending tina outcome of the CIRP, no adjustments, including of the effects arising due to changes in foreign exchange rates except for regrouping and recharacterization adjustments identified during the year, have been made in the Statement and books of account for the differential amounts including for the amounts chort/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 such accounts and the consequential effect of the adjustments arising thereof up the Statement

- 11. We refer to Note no 14 to the Statement which explains that consequent to the outbreak of the COVID-19 bandemic, the Canital Government in India had declared a national lockdown in March. 2020 through various notifications. Subsequently, the national lockdown was lifted by the central government, but realional lockdowns continue to be implemented in areas with a significant number of COVID-19 cases. However, with various working measures, the Company has been making efforts to restore its iormal operations. The extent to which the COVID-19 pandemic including the current "second wave" that has significantly increased the number of cases in India, will impact the operation of the company, will depend on the ongoing as well as future developments, which are not precisely predictable and for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve.
- 12. We also refer to the reporting requirements under section 143-1, of the Companies Act. 2013, in respect of which we have to state that we are unable to comment whether the loans referred in paragraph 7(f) above have been properly secured and hence these icons may have been granted in a manner that is prejudicial to the interest of the Company or its members, for the reasons stated therein. Further respect to joans referred to in paragraphs 7 (d) 7(e) and 7(f) above

- we are unable comment whether the terms on which these have bermade are prejudicial to the interest of the Company or its members for the reasons stated therein.
- 13. We refer to the Note No. 22 to the Statement regarding that in accordance with RBI circular dated Abril 07, 2021, the Company shall refund 2 adjust interest on interest to all borrowers including those who had availed of working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed. Pursuant to these instructions, the methodology for calculation of the amount of such interest on interest has been recently circulated by the Indian Banks Association (IBA). The Company is in the process of suitably implementing this methodology and has created a liability towards estimated amount of interest on interest collected charged and reduced the same from the interest income for the year ender March 31, 2021.

Material uncertainty related to Going Concern

14. The Company has incurred loss aggregating Rs 15.05.168 lakh including Other Comprehensive Income) during the year ended March 31, 2021 and has accumulated losses due to which its net worth has been fully eroded. However, these consolidated financial results are drawn on going concern basis under the origoing Corporate Insolvency Resolution Process (CIRP), the ourcome of which cannot be presently ascertained including matters also instanherein. Therefore, Company's ability to remain ds a 'going concern depends upon outcome of the origoing CIRP.

5.	 Type of Audit Disclaimer of Opinion Qualification Qualified Opinion Disclaimer of Opinion Adverse Opinion
° C	 Frequency of Repetitive(Third year) qual-fication: Whether appeared first time / repetitive / since how long continuing
d.	For Audit Not Applicable Qualification(s) where the impact is quantified by the auditor Management's Views
e	 For Audit Qualification(s) where the impact is not quantified by the auditor () Management's Not Determinable estimation on the impact of audit qualification:
	(ii) If management is 1. The Reserve Bank of India (RBI) vide Press F unable to estimate November 20 2019 in exercise of the powers co the impact reasons Section 45-IE (1) of the Reserve Bank of India Act

unable to estimate the impact reasons for the same (Note reference are from the results being submitted to the Exchanges)

í



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 () 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, Mumbal 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 and year ended 31st March, 2021 have been prepared on going concern assumptions.

- 2. 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 have ensured that the Company continues to operate as a "Going Concern in line with the objective of the Code and requirements thereunder
- 3. The above consolidated financial results of the Company for the quarter and year ended 31st March. 2021 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.
- 4. The Administrator and the Advisory Committee members along with the KMPs, upon their taking charge have taken various efforts to improve the operational, financial and managerial efficiency of the Company with the support of the employees 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 has been made by concluding some of the initiatives including legal audit as well. some of these could not be fully concluded and implemented by 31" March, 2021 due to the ongoing pandemic and therefore, various activities continue to be ongoing.

5. The Administration on sors and KMPs have laked and we will effect from 21. Turker per 2014 and have recensive data chart callens and news provided by the existence of the Company for the second metimaneial results. The company has initialized approximate intrinction the basis of reports super that his Transaction & bit much is liking of application will New? and submission of manage Monitoring Reporting(EMRs) to the one Housing Balik-NHE RBI and light of complaint with reporcipilate authorities. The Company has also taken into consideration, the fair value of wholesale than portfolio as per cash flows which an ipart of the valuation reports submitted by values appointed under 1810 write calculating the fart value of wholesale loan portfolio during the quarter and year ended on 31M March, 2021. The Administrator and the KMPs have signed the consolidated financial results onlely for the purpose of compliance and discharging their duties during CIRP penod of the Company and in accordance with the provisions of the Code, read with the requiations and rules thereunder, and based on . the explanations, clarifications, centilications, representations and statements made by the existing staff of the Company in relation to the data pertaining to the period poor to the joining of the present management and does not have personal knowledge of the past attairs, finances and operations of the Company.

(101 - above:

Auditors. Our view remains, unchainable considering the matters referred to a Comments on (d) or paragraphs 7 to 14 mouth udit sport

III: Signatories

For K.K. Mankeshwar & Co

Chartered Accountants

CALMN 106009W

Diriesh Kumar Bachchas

Father

CALMN 097820

SUBRAMANIAKUMAR

ADMINIST BATOR APPOINTED UNDER IBUT

The Administrator has been appointed under Rule Scalina of the other and Bankruptcy checker sty and Equidation Proceedings of Financial Service Providers and Application to Adjudicating Astronity Rules, 2019 under the Insolvency and Bankruptcy Code, 2016, the attains, 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 ter Correspondence - Ground & 6th Floor, HDit, Towers, Anami Kanekar Marg, Station Road, Bandra (East). Mumbai 400051Email ID for Correspondence. dhtiaomin ciriatori@dhti.com

Place Chennal

Date June 05 2021





CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

121, POCKET-I JASOLA NEW DELHI - 110 025 Tel.: +91-11-41402828 del@kkmindia.com

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

Report on the audit of the Consolidated Financial Results

Disclaimer of Opinion

- 1. We were engaged to audit the accompanying Consolidated Financial Results of Dewan Housing Finance Corporation Limited ('the Parent' or 'the Company') and its subsidiaries (the Parent and its subsidiaries together referred to as the 'Group') for the quarter and year ended March 31, 2021 (the "Consolidated Financial Results" / "Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- 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 National Company Law Tribunal (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 NCLT, Mumbai Bench (NCLT/Adjudicating Authority). The Adjudicating Authority, vide the above order, appointed the Administrator to perform all the functions of a Resolution Professional (RP) to complete the CIRP of the Company as required under the provisions of the Code. The moratorium was declared by the NCLT.
- **3.** The Administrator following his appointment and with the approval of Committee of Creditors of 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"). 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 ("CFO") along with the Senior remagnment of the Company have ensured that the Company continues to

operate as a "Going Concern" in line with the objective of the Code and requirements thereunder.

- 4. The Consolidated Financial Results of the Company for the quarter and year ended 31st March, 2021 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.
- **5.** We do not express an opinion on the accompanying Consolidated Financial Results of the Company. Because of the significance of the matters described in "Basis for Disclaimer of Opinion" section of this report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion as to whether this Statement:
 - (i) is presented in accordance with the requirements of the Listing Regulations; and
 - (ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of net loss and other comprehensive income and other financial information of the Company for the year ended 31st March 2021.
- **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 Opinion

- 7. We have issued Disclaimer Reports basis the observations forming part of the report for the financial year ended 31st March, 2020; and for the quarter ended 30th June, 2020, 30th September, 2020 and 31st December, 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 financial year ended 31st March, 2021 is as below:
 - a. We refer to Note No. 9 to the Statement regarding that the Administrator, Advisors and KMPs have taken charge with effect from 21th November 2019 and have relied on information, data, clarifications and views provided by the existing staff of the Company for the purposes of the financial results. The Company has initiated appropriate actions on the basis of reports submitted by Transaction Auditor such as filing of application with NCLT and submission of Fraud Monitoring Reporting



appropriate authorities. The Company has also taken into consideration the fair value of wholesale loan portfolio as per cash flows which are part of the valuation reports submitted by valuer appointed under IBC while calculating the fair value of wholesale loan portfolio during the quarter and year ended on 31st March, 2021. Only when the complete outcome and impact of ongoing investigations are known, the accuracy and completeness or otherwise of the data can be known. Further, the Administrator and the KMPs have signed the 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 the explanations, clarifications, based on 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. 8 to the Statement regarding the Administrator and the Advisory Committee members along with the KMPs, upon their taking charge have taken various efforts to improve the operational, financial and managerial efficiency of the Company with the support of the employees 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 has been made by concluding some of the initiatives including legal audit as well, some of these could not be fully concluded and implemented by 31st March, 2021 due to the ongoing pandemic and therefore, various activities continue to be ongoing.

However, with regard to the legal audit, it is informed that the legal audit is completed. Further as also informed the legal audit was done for internal consumption having no bearing on financials of their findings and the legal audit report has not been provided to us.

In view of the above, 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 and with regard to the legal audit, due to non-availability of the legal audit report we are unable to comment on the possible consequential effects arising therefrom.

c. We also refer to the "Written Representations" by Present Management and its limitations and inability thereof in confirming or non-confirming the assertions forming part of the standard "Written Representation" as required by us in accordance with the guidelines issued by the Institute Chartered Accountants of India (the ICAI").



d. We refer to Note no. 12 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. The Central Bureau of Investigation (CBI) has also initiated investigation in connection with certain loans 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 and few other cases. As of the date of this report, investigations are ongoing with performed together transactions audits 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 noncompliance/ illegalities have occurred in relation to the allegations and matters under public scrutiny and otherwise. These investigations are informed as not yet fully completed; and with no outcomes being communicated by the reported fraudulent transaction referred to in 2(e)below are made in the Statement in respect of the said reported matters. Further regarding the Special Review by an external professional firm assigned by lending banks, the final report is still awaited.

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 Consolidated Financial Results and the provisions made by the Present Management so far.

We refer to the Note no. 10 to the Statement on findings of the e. Transaction Avoidance Auditor's Report under Section 66 of the Code covering certain transactions undertaken by the Company in the past has been filed before Hon'ble NCLT, Mumbai. During this quarter ended on 31st March 2021, additional transaction amounting Rs. 12,73,574 lakh have been identified and reported by the Company to Stock Exchanges and National Housing Bank (NHB)/RBI as fraudulent, undervalued and preferential in nature. The above provision requirement as per NHB/RBI guidelines will be used only for regulatory reporting purpose. The provision under the Consolidated Financial Results have been made in accordance with the recognition and measurement principles laid down in Indian Accounting Standards. We have requested for the copy of the said report to allow /enable us to verify and validate the completeness and correctness of the quoted Note no. 10. However, we have been informed the said report of the Transaction Audit is exclusively meant for Administrator and NCLT and is accordingly not provided to us.

In view of the foregoing and due to non-availability of the transaction audit report, we are unable to comment upon the completeness; spreethess and adequacy / inadequacy of the underlying security



covers; and of such provisions and their possible consequential effect/ impact arising therefrom.

f. In respect of certain loans granted or invested by the Company wherein with regard to deficiencies in documentation/ securities of Project / Mortgage Loans/ Inter Corporate Deposit, the Present Management has earlier expressed its inability to express any view on the documentation adequacy / completeness till the conclusion of the legal audit which is now informed to have been completed.

Further as also informed the legal audit was done for internal consumption having no bearing on financials of their findings and the legal audit report has not been provided to us and the Present Management continue to not express any view on the documentation adequacy / completeness.

In view of the above and due to non-availability, the legal audit report we are unable to comment on the loan/ security(ies) documentation and the possible consequential effects arising therefrom.

- We refer to the Note no. 19 to the Statement regarding the total q. wholesale loan portfolio including interest receivable aggregating Rs. 54,24,862 lakh (pursuant to classification of this portfolio to "held for sale" in the year ended 31st March 2019) has been "fair valued" as at 31st March 2021 at Rs 9,42,093 lakh, with the resulting fair value loss aggregating Rs 44,82,769 lakh. Out of this, fair value loss aggregating Rs 43,31,150 lakh has been accounted up to 31st December 2020 and balance loss of Rs 1,51,619 lakh has been charged to the Statement of Profit and Loss for the guarter ended 31st March 2021. The Company had disclosed in the previous quarters that fair value arrived at for wholesale portfolio would be subject to the outcome of the valuation exercise to be completed during CIRP period. In line with the same, the fair valuation for March 2021 guarter factors the outcome of valuation exercise carried out under IBC. 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.
- h. The net worth of the Company is fully eroded rendering the Company unable to comply with the regulatory requirements of RBI in respect of the Net Owned Fund (NOF) and which also resulted in multiple contraventions of the provisions of RBI Master Directions – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, and Guidelines thereon. Although the aforesaid noncompliance 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.

In view of the above, the Company on 24th December, 2020 had represented to RBI to permit forbearance for the Company in relation to such requirement, as the Company was under Corporate Insolvency Resolution Process (CIRP). As advised by RBI on 5th February, 2021 the Company had been allowed to submit the compliance roadmap through



the successful Prospective Resolution Applicants (PRA), after implementation of the resolution plan.

i. We refer to Note No. 16 to the Statement regarding that the Company has not made any provision for interest on borrowings amounting to Rs. 1,91,213 lakh and Rs 7,65,155 lakh for the quarter and year ended on 31.03.2021, respectively, in view of the Company's current CIRP 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. Had the interest was accrued on borrowings and provided for, the profit for the quarter ended 31st March, 2021 would have been lower by Rs. 1,42,205 lakh (net of taxes) and the loss for year ended 31st March,2021 would have been higher by Rs 5,69,046 lakh respectively (net of tax).

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. The Company continues to follow the ECL Policy as determined in the last year, which also included the approach to be followed by the Company for the subsequent years, for the year ended 31st March 2021 without considering any consequential effects of the changing business conditions and overall economic scenario during the year. In view of the same we are unable to comment upon the financial impact, if any, on the Consolidated Financial Results arising thereof due to the same.
- k. We refer to Note no. 15 to the Statement regarding that the Company has a balance of Rs.10,20,962 lakh as deferred tax asset as on 31st March, 2021. 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.
- I. We observed 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 assets 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 year 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, its development cost and adjustments arising thereof, if any, and we are



therefore unable to comment upon their consequential effects to the Consolidated Financial Results.

- m. In view of the possible effects of the matters described in paragraphs 7(a) to 7(I) 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. We refer to Note no. 13 regarding that the Administrator has filed an application under Section 30(6) of the Code for submission of resolution plan of Piramal Capital & Housing Finance Limited (PCHFL) as approved by the Committee of Creditors with the Adjudicating Authority i.e. Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench on 24th February 2021 post receipt of No objection from Reserve Bank of India as per Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019.

We have not been provided with a copy of the said application together with relevant details and we are therefore unable to comment whether or not the CIRP outcomes require any accounting adjustments to be made in the attached Consolidated Financial Results on account of business impairment or otherwise following the business value now becoming known in definitive terms; and the consequential effect that such adjustment/s, if any, could carry on the attached Consolidated Financial Results if required to have been made.

- **9.** 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.
- 10. We refer to Note no. 11 to the Statement regarding that in certain instances, the amount of the claim admitted under CIRP may differ from the amount reflecting in the books of accounts of the Company. The Consolidated Financial Results are drawn on the basis of figures appearing in the books of accounts of the Company as on 31st March 2021. As also stated, these figures may be interpreted solely for the purpose of satisfying the regulatory requirements for filing yearly audited results and these figures could undergo changes during the CIRP or thereafter depending upon the findings. Pending final outcome of the CIRP, no adjustments, including of the effects arising due to changes in foreign exchange rates except for regrouping and recharacterization adjustments identified during the year, 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 such accounts and the consequential effect of the adjustments arising thereof on the Statement.

- 11. We refer to Note no. 14 to the Statement which explains that consequent to the outbreak of the COVID-19 pandemic, the Central Government in India had declared a national lockdown in March, 2020, through various notifications. Subsequently, the national lockdown was lifted by the central government, but regional lockdowns continue to be implemented in areas with a significant number of COVID-19 cases. However, with various working measures, the Company has been making efforts to restore its normal operations. The extent to which the COVID- 19 pandemic, including the current "second wave" that has significantly increased the number of cases in India, will impact the operation of the company, will depend on the ongoing as well as future developments, which are not precisely predictable and for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve.
- **12.** We also refer to the reporting requirements under section 143(1) of the Companies Act, 2013, in respect of which, we have to state that we are unable to comment whether the loans referred in paragraph 7(f) above have been properly secured and hence these loans may have been granted in a manner that is prejudicial to the interest of the Company or its members, for the reasons stated therein. Further, in respect to loans referred to in paragraphs 7 (d), 7(e) and 7(f) above, we are unable comment whether the terms on which these have been made are prejudicial to the interest of the Company or its members, for the company or its members, for the reasons stated therein.
- **13.** We refer to the Note No. 22 to the Statement regarding that in accordance with RBI circular dated April 07, 2021, the Company shall refund / adjust 'interest on interest' to all borrowers including those who had availed of working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed. Pursuant to these instructions, the methodology for calculation of the amount of such 'interest on interest' has been recently circulated by the Indian Banks Association (IBA). The Company is in the process of suitably implementing this methodology and has created a liability towards estimated amount of interest on interest collected/charged and reduced the same from the interest income for the year ended March 31, 2021.

Material uncertainty related to Going Concern

14. The Company has incurred loss aggregating Rs. 15,05,168 lakh (including Other Comprehensive Income) during the year ended March 31, 2021, and has accumulated losses due to which its net worth has been fully eroded. However, these consolidated financial results are drawn on going concern basis under the ongoing Corporate Insolvency Resolution Process (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.



1

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

15. Our responsibility is to conduct an audit of the Company's Consolidated Financial Results in accordance with Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these Consolidated Financial Results.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Consolidated Financial Results and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Other Matter

16. We did not audit the financial result and other financial information of one subsidiary included in the Consolidated Financial Results, whose financial information reflect total revenues of Rs. Nil, and net loss after tax of Rs. 0.76 Lakh for the year ended 31st March, 2021 as considered in the Consolidated Financial Results.

These financial results and other financial information have been audited by other auditor, which financial results, other financial information and auditor's report have been furnished to us by the management. Our opinion, in so far as it relates to the affairs of such subsidiary, is based solely on the report of such other auditor.

17. The Statement includes the results for the quarter ended March 31, 2021 being the balancing figure between figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year as previously published.

DINESH KUMAR BACHCHAS Partner Membership No. 097820 For and on Behalf of K.K. MANKESHWAR & CO. Chartered Accountants FRN: 106009W UDIN: 21097820AAAAJK8462 New Delhi, dated the 05th June, 2021



DEWAN HOUSING FINANCE CORPORATION LIMITED

Corporate Identity Number (CIN) - L65910MH1984PLC032639

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STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31st MARCH, 2021

			Quarter ended			(₹ in Lakh) Year ended	
	PARTICULARS		31,03.2021 31.12.2020 31.03.2020			31.03.2020	
	TANTICOLANS	(Audited)	(Reviewed)	(Audited)	31.03.2021 (Audited)	(Audited)	
	NCOME:	(Addited)	(Reviewed)	(Addited)	(Rudiced)	(Addiced)	
	evenue from operations:						
	nterest Income	2,01,915	2,19,356	2,39,360	8,71,900	9,23,216	
	ees and Commission Income	131	87	58	329	283	
	let gain/(loss) on derecognition of financial instruments under	1.21	0/	50	JL/	205	
	mortised cost category		.	(2,040)	(4)	2,397	
	Other operating revenue	1,407	1,215	24,962	4,840	29,900	
	otal Revenue from operations	2,03,453	2,20,658	2,62,340	8,77,065	9,55,796	
1 1		2,03,433	2,20,030	2,02,340	0,77,003	7,33,770	
II O	Other Income (Refer Note 20)	2,604	88	(46,242)	3,214	2,089	
шт	otal Income (I+II)	2,06,057	2,20,746	2,16,098	8,80,279	9,57,885	
-				Ì			
	XPENSES:	E 440	E 343	43.340	14.040	E 73 / 34	
	inance costs (Refer Note 16)	5,118	5,313	13,318	21,849	5,73,621	
	let loss on fair value changes	1,50,494	19,28,644	12,04,563	25,99,033	15,03,471	
	mpairment on financial instruments & Write-offs	15,267	42,140	722	2,24,477	6,24,213	
	mployee Benefits Expenses	4,612	5,306	6,171	21,312	28,329	
	Depreciation and amortisation expense	2,042	1, 9 63	3,994	8,083	7,941	
	Others expenses	5,130	5,129	4,233	17,235	26,562	
IV T	Fotal Expenses	1,82,663	19,88,495	12,33,001	28,91,989	27,64,137	
	Loss)/Profit before Share of Net Profits of Associates and Joint Ventures and tax (III-IV)	23,394	(17,67,749)	(10, 16, 903)	(20,11,710)	(18,06,252	
т	Fax Expense						
C	Current tax	9,137	-	-	9,137		
E	Earlier years adjustments		-	(1,137)	-	(1,133	
C	Deferred tax	4,582	(4,58,211)	(2,65,065)	(5,15,730)	(4,62,434	
VI T	Fotal Tax expense	13,719	(4,58,211)	(2,66,202)	(5,06,593,	(4,63,567	
	Net (Loss)/Profit After Tax before share of Net Profits of Associates and Joint Ventures for the period (V-VI)	9,675	(13,09,538)	(7,50,701)	(15,05,117)	(13,42,685	
viii s	Share of Net Profits/(Loss) of Associates and Joint Ventures		-	-		(2,896	
	Net (Loss)/Profit After Tax (Fully attributable to owners of the Parent) VII+VIII)	9,675	(13,09,538)	(7,50,701)	(15,05,117)	(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	47	(39)	134	(69)	(154	
		.,	(37)		(/		
	(ii) or loss	(12)	10	(35)	18	39	
5	Subtotal (A)	35	(29)	99	(51)	(115	
-	(B) Items that will be classified to profit or loss						
	(i) Cash flow hedge reserves			20,052		5,320	
	(ii) Tax on above		-	(5,264)		(1,488	
	Subtotal (B)			14,788	-	3,832	
X T	Total Other comprehensive income/(loss) (Fully attributable to owners of the Parent) (A+B)	35	(29)	14,887	(51)	3,717	
XI T	Total Comprehensive income/(loss) Fully attributable to owners of the Parent (IX+X)	9,710	(13,09,567)	(7,35,814)	(15,05,168)	(13,41,864	
E	Earnings per share (Face value of ₹ 10 each) (not annualised)						
	Basic (in ₹)	3.08	(417.29)	(239.21)	(479.61)	(428.7	
	Diluted (in ₹)	3.08	(417.29)	(239.21)	(479.61)	(428.7)	
F	Paid-up Equity Share Capital (Face value ₹ 10/-)	31,382	31,382	31,382	31,382	31,382	
F	Reserves excluding Revaluation Reserves as at March 31				(20,95,913)	(5,85,996	





Notes:

1: STATEMENT OF AUDITED CONSOLIDATED ASSETS AND LIABILITIES

As at As at 31-Mar-21 31-Mar-20 Particulars (Audited) (Audited) ASSETS Financial assets Cash and cash equivalents 9,45,869 6,84,928 Bank Balances other than Above 86,511 87,064 Receivables 47 275 Housing and other loans: At amortised cost 29,03,437 35,47,037 At Fair Value 9,42,092 30,73,231 38,45,529 66,20,268 Investments 8,44,865 3,88,051 Other financial assets 1,83,250 1,79,255 **Total Financial Assets** 59,06,071 79,59,841 Non-Financial assets Current Tax Assets (Net) 5,646 33,023 Deferred tax assets 10,20,077 5,04,330 Property, plant and equipment 79,600 85,361 Intangible assets under development 6,232 10,517 Other intangible assets 8,141 6,669 Other non-financial assets 10,099 14,182 **Total Non-Financial Assets** 11,29,795 6,54,082 TOTAL ASSETS 70,35,866 86,13,923 LIABILITIES AND EQUITY LIABILITIES **Financial Liabilities** Trade Payables (i) total outstanding dues of micro enterprises and small enterprises 319 34 (ii) total outstanding dues of creditors other than micro enterprises and small enterprises 7,284 12,146 **Debt Securities** 45,57,530 45,42,829 Borrowings (Other than Debt Securities) 37,68,591 38,41,077 Deposits 5,29,165 5,27,889 Subordinated Liabilities 1,29,833 1,29,430 Other financial liabilities 98,985 1,00,442 **Total Financial Liabilities** 90,91,707 91,53,847 Non-Financial Liabilities Provisions 756 753 Other non-financial liabilities 7,934 13,937 **Total Non-Financial Liabilities** 8,690 14,690 **Total liabilities** 91,00,397 91,68,537 EOUITY Equity Share Capital 31,382 31,382 Other equity (20, 95, 913)(5, 85, 996)Total equity (20, 64, 531)(5, 54, 614)TOTAL LIABILITIES AND EQUITY 70,35,866 86,13,923



(₹ in Lakh)

Notes: 2. Consolidated Cash Flow Statement (₹ in Lakh) As at 31st March, 2021 As at 31st March, 2020 **Particulars** (Audited) (Audited) A. Cash flow from operating activities Net (Loss)/Profit before tax (20, 11, 710)(18,06,252) Adjustments for: Depreciation and amortisation expense 8.083 7,941 Share Based Payments to employees 209 (1,791)Loss/(Profit) on Sale of Property, plant and equipments 155 169 Interest on Income tax refund (2, 537)Interest income from investments (11, 610)(3,281) Other interest income (124)(3,749)Net loss/ (gain) on fair value changes 25,99,033 15,03,471 Net loss/ (gain) on derecognition of financial instruments under amortised cost category 4 594 Impairment on financial instruments & written offs 2,24,477 6,24,213 Liability written off (23, 582)Gain on Dilution of Investment 1,103 **Operating profit before working capital changes** 8,05,980 2,98,836 Adjustments for: (Increase)/Decrease in other bank balances 11 88,548 Decrease/ (Increase) in trade receivables 228 201 (Increase)/Decrease in other financial asset (3, 887)(73, 726)(Increase)/Decrease in other non financial asset 24,502 20,176 (Increase)/ Decrease in housing and other property loans (1,22,244)8,05,076 (Increase)/Decrease in trade payable (4,577) 1,975 Increase/ (Decrease) in other financial liabilities (1, 273)1,14,060 (Decrease)/ Increase in other non financial liabilities (6,002)(2,390)3 (262)(Decrease)/Increase in provisions 6,92,741 12,52,494 Cash generated from operations during the year 20,777 5,130 Taxes paid 7,13,518 12,57,624 Net Cash (used in) Operating Activities [A] B. Cash flow from investing activities 10,363 7,368 Interest Income 25,084 Sale Proceeds investments (net) (4,76,064)51,691 Net movement in Other Investments 12,791 (17, 727)Net movement in PTC 324 (2,211)Capital Expenditure on Fixed Assets 150 9 Proceeds from Sale of Fixed Assets (4,52,577) 64,355 C. Net Cash generated from / (used in) Investing Activities [B] Cash flow from financing activities (2,58,526)Repayment of redeemable non convertible debentures (Repayment) of / Proceeds from Commercial Paper (75,000)(4, 42, 504)Repayment of term loan 1,86,739 Proceeds from other borrowings (net) (1,73,762)Public / Other Deposits (repaid)/received (net) (10) **Dividend & Dividend Distribution Tax Paid** (7, 63, 063)Net Cash (used in)/ generated from financing activities [C] 2,60,941 5,58,916 Net increase / (decrease) in cash and cash equivalents [A+B+C] 6,84,928 1,26,012 Cash and cash equivalents at the beginning of the year 9,45,869 6,84,928 Cash and cash equivalents at the end of the year



- 3. The consolidated financial results have been prepared in accordance with Ind AS, notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, other relevant provision of the Act, guidelines issued by the RBI as applicable to NBFC and other accounting principles generally accepted in India.
- 4. The figures for the quarter ended March 31, 2021 and March 31, 2020 mentioned in the above consolidated financial results, are the balancing figures between the audited figures for the whole financial year(s) and the year to date unaudited figures published up to the third quarter of the said financial years.
- 5. 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 and year ended 31st March, 2021 have been prepared on going concern assumptions.
- 6. 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 have ensured that the Company continues to operate as a "Going Concern" in line with the objective of the Code and requirements thereunder.
- 7. The above consolidated financial results of the Company for the quarter and year ended 31st March, 2021 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.
- 8. The Administrator and the Advisory Committee members along with the KMPs, upon their taking charge have taken various efforts to improve the operational, financial and managerial efficiency of the Company with the support of the employees 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 allso been undertaken. While substantial progress has been made by concluding some of the initiatives



including legal audit as well, some of these could not be fully concluded and implemented by 31st March, 2021 due to the ongoing pandemic and therefore, various activities continue to be ongoing.

- 9. The Administrator, Advisors and KMPs have taken charge with effect from 21th November 2019 and have relied on information, data, clarifications and views provided by the existing staff of the Company for the purposes of the financial results. The Company has initiated appropriate actions on the basis of reports submitted by Transaction Auditor such as filing of application with NCLT and submission of Fraud Monitoring Reporting(FMRs) to National Housing Bank(NHB)/RBI and filing of complaint with appropriate authorities. The Company has also taken into consideration the fair value of wholesale loan portfolio as per cash flows which are part of the valuation reports submitted by valuer appointed under IBC while calculating the fair value of wholesale loan portfolio during the quarter and year ended on 31st March, 2021. The Administrator and the KMPs have signed the 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.
- 10. Pursuant to findings of the Transaction Avoidance Auditor's, report under Section 66 of the Code covering certain transactions undertaken by the Company in the past has been filed before Hon'ble NCLT, Mumbai. During this quarter ended on 31st March 2021, additional transactions amounting Rs. 12,73,574 lakh have been identified and reported by the Company to Stock Exchanges and National Housing Bank (NHB)/ Reserve Bank of India (RBI) as fraudulent, undervalued and preferential in nature. The Company has made provisions as per NHB/RBI guidelines on 'Provisioning Pertaining to Fraud Accounts'. The Company has made provision for the entire amount of loans in respect of all such transactions. The above provision requirement as per NHB/RBI 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.
- 11. In certain instances, the amount of the claim admitted under CIRP may differ from the amount reflecting in the books of accounts of the Company. The above audited financial results are drawn on the basis of figures appearing in the books of accounts of the Company as on March 31st 2021. 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 and yearly audited financial results and that these figures could change during the CIRP or thereafter depending upon the findings.
- 12. 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 initiated investigation in connection with certain loan granted by the Company. Apart from this. CBI is also investigating into the matter of amounts invested by an Uttar Pradesh State Government entity Provident Fund in the Fixed Deposits of the Company and few other cases. The Company is fully co-operating with all the investigating agencies and providing the necessary information/data as and when the same is sought.
- 13. The Administrator has filed an application under Section 30(6) of the IBC Code for submission of resolution plan of Piramal Capital & Housing Finance Limited (PCHFL) as approved by the Committee of Creditors, with the Adjudicating Authority i.e. Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench on 24th February 2021 post receipt of No objection from Reserve Bank of India as per Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019.
- 14. Consequent to the outbreak of the COVID-19 pandemic, the Central Government in India had declared a national lockdown in March, 2020. Subsequently, the national lockdown was lifted by the central government, but regional lockdowns continue to be implemented in areas with a significant number of COVID-19 cases. However, with various working measures, the Company has been making efforts to restore its normal operations. The extent to which the COVID-19 pandemic, including the current



"second wave" that has significantly increased the number of cases in India, will impact the operation of the company, will depend on the ongoing as well as future developments, which is not precisely predictable.

- 15. The Company has a balance of Rs. 10,20,962 lakh as deferred tax asset created as per Ind AS 'Income Taxes' as on 31st March 2021. 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 maintained it as a going concern.
- 16. The Company has not made any provision for interest on borrowings amounting to Rs. 1,91,213 lakh and Rs 7,65,155 lakh for the quarter and year ended on 31.03.2021, respectively, 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. Had the interest was accrued on borrowings and provided for, the profit for the quarter ended 31st March 2021 would have been lower by Rs 1,42,205 lakh (net of taxes) and loss for the year ended 31st March,2021 would have been higher by Rs 5,69,046 lakh (net of tax).
- 17. 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.
- 18. The investments/ advance by way of unsecured Inter Corporate Deposit (ICD) including interest receivable aggregating Rs 4,10,924 lakh are outstanding as at 31st March 2021. The provision for the entire ICD amount has been made due to lack of security.
- 19. The total wholesale loan portfolio, including interest receivable aggregating Rs 54,24,862 lakh (pursuant to classification of this portfolio to "held for sale" in the year ended 31st March 2019), has been "fair valued" as at 31st March 2021 at Rs. 9,42,093 lakh, with the resulting fair value loss aggregating Rs 44,82,769 lakh. Out of this, fair value loss aggregating Rs 43,31,150 lakh has been accounted up to 31st December,2020 and balance loss of Rs 1,51,619 lakh has been charged to the Statement of Profit and Loss for the quarter ended 31st March 2021.
- 20. Other income includes interest income of Rs 2,537 lakh on income tax refund received during the year.
- 21. The Honourable Supreme Court of India, in a public interest litigation (PIL) filed by Gajendra Sharma vs. Union of India & Anr, vide an interim order dated September 3, 2020 ("Interim Order"), had directed that accounts which were not declared NPA till August 31, 2020 shall not be classified as NPA till further order. Basis the said interim order, even accounts that would have otherwise been classified as NPA post August 31, 2020 were not classified as NPA. However, during such period the Company has classified such accounts as stage 3 for financial reporting and provisioning purpose.

The interim order granted to not declare accounts as NPA stood vacated on March 23, 2021 vide the judgement of the Hon'ble Supreme Court. In accordance with the instructions in paragraph 5 of the RBI circular dated April 07, 2021 issued in this connection, the Company has classified the accounts as NPA as on 31st March 2021 as per the extant RBI instructions / IRAC norms.

22. In accordance with RBI circular dated April 07, 2021, the Company shall refund / adjust 'interest on interest' to all borrowers including those who had availed of working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed. Pursuant to these instructions, the methodology for calculation of the amount of such 'interest on interest' has been recently circulated by the Indian Banks Association (IBA). The Company is in the process of suitably implementing this methodology and has created a liability towards estimated amount of interest on interest of Rs. 1,397 lakh collected/charged and reduced the same from the interest income for the year ended March 31, 2021.



3. The Company having a default rating does not fulfil the credit rating criteria and hence does not meet the definition of a 'Large Corporate' as per criteria under SEBI circular SEBI/HO/DDHS/CIR/P/2018/144 dated 26th November, 2018. Necessary disclosure has been made to the stock exchanges in this regard

- 24. The consolidated financial results include the financial information of subsidiaries which are based on statements either audited by other auditors.
- 25. The above results for the quarter and year ended 31st March, 2021 read with the disclosures stated vide notes above have been audited by the Statutory Auditors of the Company.
- 26. 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'ble NCLT, Mumbai)

Place: Chennai Date: 5th June 2021

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

Annexure I

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted alongwith Annual Audited Financial Results - (Consolidated)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016] (Consolidated)

•		Audited Figures		Figures
			(Rs.in Lakhs)	
-	Sr. No.	Particulars	(As reported before adjusting for qualifications)	(After adjusting for qualifications)
	1	Turnover / Total income	8,80,279	
	2	Total Expenditure	28,91,989	
	3	Net Profit/(Loss)	(15,05,117)	
	4	Earnings Per Share (Rs)	(479.61)	Not Determinable
	5	Total Assets	70,35,866	
	6	Total Liabilities	91,00,397	
	7	Net Worth	(20,64,531)	
	8	Any other financial item(s) (as felt appropriate by the management)	None	

II. Audit Qualification (each audit qualification separately):

a.	Details of Audit	7. a. We refer to Note No. 9 to the Statement regarding that the
a.		Administrator, Advisors and KMPs have taken charge with effect
	,	
	references are from	from 21 th November 2019 and have relied on information, data,
	the auditors report) :	clarifications and views provided by the existing staff of the
Ì		Company for the purposes of the financial results. The Company
		has initiated appropriate actions on the basis of reports
		submitted by Transaction Auditor such as filing of application
		with NCLT and submission of Fraud Monitoring Reporting
		(FMRs) to National Housing Bank (NHB)/RBI and filing of
		complaint with appropriate authorities. The Company has also
		taken into consideration the fair value of wholesale loan portfolio
		as per cash flows which are part of the valuation reports
		submitted by valuer appointed under IBC while calculating the
		fair value of wholesale loan portfolio during the quarter and year
		ended on 31st March, 2021. Only when the complete outcome
		and impact of ongoing investigations are known, the accuracy
		and completeness or otherwise of the data can be known.
		Further, the Administrator and the KMPs have signed the
		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
		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. 8 to the Statement regarding the Administrator and the Advisory Committee members along with the KMPs, upon their taking charge have taken various efforts to improve the operational, financial and managerial efficiency of the Company with the support of the employees 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 has been made by concluding some of the initiatives including legal audit as well, some of these could not be fully concluded and implemented by 31 st March, 2021 due to the ongoing pandemic and therefore, various activities continue to be ongoing.
	However, with regard to the legal audit, it is informed that the legal audit is completed. Further as also informed the legal audit was done for internal consumption having no bearing on financials of their findings and the legal audit report has not been provided to us.
	In view of the above, 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 and with regard to the legal audit, due to non-availability of the legal audit report we are unable to comment on the possible consequential effects arising therefrom.
	c. We also refer to the "Written Representations" by Present Management and its limitations and inability thereof in confirming or non-confirming the assertions forming part of the standard "Written Representation" as required by us in accordance with the guidelines issued by the Institute of Chartered Accountants of India (the ICAI").
	d. We refer to Note no. 12 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. The Central Bureau of Investigation (CBI) has also initiated investigation in connection with certain loans 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 and few other cases. As of the date of this report, investigations are ongoing together with transactions audits performed by independent agencies/firms appointed by the Administrator. We
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 also noted that various regulatory authorities / lenders currently carrying out their own investigations which are y be completed/concluded; and they may make a determin on whether any fraud or any other non-compliance/ illega have occurred in relation to the allegations and matters u public scrutiny and otherwise. These investigations are infor as not yet fully completed; and with no outcomes b communicated by the reported fraudulent transaction referr in '7(e') below are made in the Statement in respect of the reported matters. Further regarding the Special Review b external professional firm assigned by lending banks, the report is still awaited. In view of the above, we are unable to comment on consequential impact that the outcomes of the investiga and transaction audits may have on the Consolidated Fina Results and the provisions made by the Present Manage so far. e. We refer to the Note no. 10 to the Statement on findings of Transaction Avoidance Auditor's Report under Section 66 of Code covering certain transactions undertaken by the Com in the past has been filed before Hon ble NCLT, Mumbai. D this quarter ended on 31st March 2021, additional transac amounting Rs. 12, 73, 574 lakh have been identified and republy the Company to Stock Exchanges, National Housing 1 (NHB) and Reserve Bank of India (RBI) as fraud undervalued and preferential in nature. The above prov requirement as per NHB/RBI guidelines will be used on regulatory reporting purpose. The provision under Consolidated Financial Results have been indertified and republy the company to Stock Exchanges, National Housing 1 (NHB) and Reserve Bank of India (RBI) as fraud undervalued and preferential in nature. The above prov requirement as per NHB/RBI guidelines will be used on regulatory reporting purpose. The provision under Consolidated Financial Results have been indertified All report of the said report to allow /enable us to verify and validation with the recognition and measurement principles laid do hudian Account	t to tition ities order med eing ed to said an final the on to the ions ncial the pany iring
 completeness and appropriateness of the balances in relative these subjected matters, as quoted, in the Statement and consequential impact that the outcomes of the investiga and transaction audits may have on the Consolidated Fina Results and the provisions made by the Present Managers of far. e. We refer to the Note no. 10 to the Statement on findings of Transaction Avoidance Auditor's Report under Section 66 of Code covering certain transactions undertaken by the Com in the past has been filed before Hon'ble NCLT, Mumbai. D this quarter ended on 31st March 2021, additional transact amounting Rs. 12,73,574 lakh have been identified and repuby the Company to Stock Exchanges, National Housing I (NHB) and Reserve Bank of India (RBI) as fraudu undervalued and preferential in nature. The above province quirement as per NHB/RBI guidelines will be used on regulatory reporting purpose. The provision under Consolidated Financial Results have been made in accord with the recognition and measurement principles laid dow Indian Accounting Standards. We have requested for the of the said report to allow /enable us to verify and validat completeness and correctness of the quoted Note no However, we have been informed the said report of Transaction Audit is exclusively meant for Administrator NCLT and is accordingly not provided to us. 	the ions ions incial nent the f the pany iring
Transaction Avoidance Auditor's Report under Section 66 c Code covering certain transactions undertaken by the Com in the past has been filed before Hon'ble NCLT, Mumbai. D this quarter ended on 31st March 2021, additional transact amounting Rs. 12,73,574 lakh have been identified and repu- by the Company to Stock Exchanges, National Housing I (NHB) and Reserve Bank of India (RBI) as fraudu undervalued and preferential in nature. The above prov requirement as per NHB/RBI guidelines will be used onl regulatory reporting purpose. The provision under Consolidated Financial Results have been made in accord with the recognition and measurement principles laid dov Indian Accounting Standards. We have requested for the of the said report to allow /enable us to verify and validate completeness and correctness of the quoted Note no However, we have been informed the said report of Transaction Audit is exclusively meant for Administrator NCLT and is accordingly not provided to us.	f the bany iring
	rted Bank lent, sion for the ance n in copy the 10. the
completeness; correctness and adequacy / inadequacy o underlying security covers; and of such provisions and possible consequential effect/ impact arising therefrom.	the the
f. In respect of certain loans granted or invested by the Com wherein with regard to deficiencies in documentation/ secu of Project / Mortgage Loans/ Inter Corporate Deposit Present Management has earlier expressed its inabili express any view on the documentation adequa completeness till the conclusion of the legal audit which is informed to have been completed.	the the the y to
Further as also informed the legal audit was done for int consumption having no bearing on financials of their fin- and the legal audit report has not been provided to us an Present Management continue to not express any view o documentation adequacy / completeness.	lings I the
In view of the above and due to non-availability, the legal report we are unable to comment on the loan/ security	

		documentation and the possible consequential effects arising therefrom.
	g.	We refer to the Note no. 19 to the Statement regarding the total wholesale loan portfolio including interest receivable aggregating Rs. 54,24,862 lakh (pursuant to classification of this portfolio to "held for sale" in the year ended 31st March 2019) has been "fair valued" as at 31st March 2021 at Rs 9,42,093 lakh, with the resulting fair value loss aggregating Rs 44,82,769 lakh. Out of this, fair value loss aggregating Rs 43,31,150 lakh has been accounted up to 31 st December 2020 and balance loss of Rs 1,51,619 lakh has been charged to the Statement of Profit and Loss for the quarter ended 31 st March 2021. The Company had disclosed in the previous quarters that fair value arrived at for wholesale portfolio would be subject to the outcome of the valuation exercise to be completed during CIRP period. In line with the same, the fair valuation for March 2021 quarter factors the outcome of valuation exercise carried out under IBC. 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.
	h.	The net worth of the Company is fully eroded rendering the Company unable to comply with the regulatory requirements of RBI in respect of the Net Owned Fund (NOF) and which also resulted in multiple contraventions of the provisions of RBI Master Directions – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, 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.
		In view of the above, the Company on 24th December, 2020 had represented to RBI to permit forbearance for the Company in relation to such requirement, as the Company was under Corporate Insolvency Resolution Process (CIRP). As advised by RBI on 5th February, 2021 the Company had been allowed to submit the compliance roadmap through the successful Prospective Resolution Applicants (PRA), after implementation of the resolution plan.
	i.	We refer to Note No. 16 to the Statement regarding that the Company has not made any provision for interest on borrowings amounting to Rs. 1,91,213 lakh and Rs 7,65,155 lakh for the quarter and year ended on 31.03.2021, respectively, in view of the Company's current CIRP 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. Had the interest was accrued on borrowings and provided for, the profit for the quarter ended 31 st March, 2021 would have been lower by Rs. 1,42,205 lakh (net of taxes) and the loss for year ended 31st March,2021 would have been higher by Rs 5,69,046 lakh respectively (net of tax).
CHANCE COR		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. The Company continues to follow the ECL Policy as determined in the last year, which also included the approach to be followed by the Company for the subsequent years, for the year ended 31st March 2021 without considering any consequential effects of the changing business conditions and overall economic scenario during the year. In view of the same we are unable to comment upon the financial impact, if any, on the Consolidated Financial Results arising thereof due to the same.
	k. We refer to Note no. 15 to the Statement regarding that the Company has a balance of Rs.10,20,962 lakh as deferred tax asset as on 31st March, 2021. 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.
	I. We observed 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 assets 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 year 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, its development cost and adjustments arising thereof, if any, and we are therefore unable to comment upon their consequential effects to the Consolidated Financial Results.
	m. In view of the possible effects of the matters described in paragraphs 7(a) to 7(I) 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.	We refer to Note no. 13 regarding that the Administrator has filed an application under Section 30(6) of the Code for submission of resolution plan of Piramal Capital & Housing Finance Limited (PCHFL) as approved by the Committee of Creditors with the Adjudicating Authority i.e. Hon'ble National Company Law Tribunal (NCLT), Mumbai Bench on 24th February 2021 post receipt of No objection from Reserve Bank of India as per Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019.
ACE COM	We have not been provided with a copy of the said application together with relevant details and we are therefore unable to comment whether or not the CIRP outcomes require any accounting
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adjustments to be made in the attached Consolidated Financial Results on account of business impairment or otherwise following the business value now becoming known in definitive terms; and the consequential effect that such adjustment/s, if any, could carry on the attached Consolidated Financial Results if required to have been made.

- **9.** 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.
- 10. We refer to Note no. 11 to the Statement regarding that in certain instances, the amount of the claim admitted under CIRP may differ from the amount reflecting in the books of accounts of the Company. The Consolidated Financial Results are drawn on the basis of figures appearing in the books of accounts of the Company as on 31st March 2021. As also stated, these figures may be interpreted solely for the purpose of satisfying the regulatory requirements for filing yearly audited results and these figures could undergo changes during the CIRP or thereafter depending upon the findings. Pending final outcome of the CIRP, no adjustments, including of the effects arising due to changes in foreign exchange rates except for regrouping and recharacterization adjustments identified during the year, 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 such accounts and the consequential effect of the adjustments arising thereof on the Statement.

- **11.** We refer to Note no. 14 to the Statement which explains that consequent to the outbreak of the COVID-19 pandemic, the Central Government in India had declared a national lockdown in March. 2020, through various notifications. Subsequently, the national lockdown was lifted by the central government, but regional lockdowns continue to be implemented in areas with a significant number of COVID-19 cases. However, with various working measures, the Company has been making efforts to restore its normal operations. The extent to which the COVID- 19 pandemic, including the current "second wave" that has significantly increased the number of cases in India, will impact the operation of the company, will depend on the ongoing as well as future developments, which are not precisely predictable and for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve.
- **12.** We also refer to the reporting requirements under section 143(1) of the Companies Act, 2013, in respect of which, we have to state that we are unable to comment whether the loans referred in paragraph 7(f) above have been properly secured and hence these loans may have been granted in a manner that is prejudicial to the interest of the Company or its members, for the reasons stated therein. Further, in respect to loans referred to in paragraphs 7 (d), 7(e) and 7(f) above.



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	we are unable comment whether the terms on which these have been made are prejudicial to the interest of the Company or its members, for the reasons stated therein.	
	13. We refer to the Note No. 22 to the Statement regarding that in accordance with RBI circular dated April 07, 2021, the Company shall refund / adjust 'interest on interest' to all borrowers including those who had availed of working capital facilities during the moratorium period, irrespective of whether moratorium had been fully or partially availed, or not availed. Pursuant to these instructions, the methodology for calculation of the amount of such 'interest on interest' has been recently circulated by the Indian Banks Association (IBA). The Company is in the process of suitably implementing this methodology and has created a liability towards estimated amount of interest on interest collected/charged and reduced the same from the interest income for the year ended March 31, 2021.	
	Material uncertainty related to Going Concern	
	14. The Company has incurred loss aggregating Rs. 15,05,168 lakh (including Other Comprehensive Income) during the year ended March 31, 2021, and has accumulated losses due to which its net worth has been fully eroded. However, these consolidated financial results are drawn on going concern basis under the ongoing Corporate Insolvency Resolution Process (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.	
Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Disclaimer of Opinion	
Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	Repetitive(Third year)	
For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	Not Applicable	
For Audit Qualification	n(s) where the impact is not quantified by the auditor:	
(i) Management's estimation on the impact of audit qualification:	Not Determinable	
(ii) If management is unable to estimate the impact, reasons for the same (Note reference are from the results being submitted to the Exchanges) :	 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, 	
	TypeofAuditQualification:QualifiedOpinion/ Disclaimer of Opinion/ Adverse Opinion/ Frequencyofqualification:Whetherappeared first time /repetitive / since howlong continuingForAuditQualification(s)where the impact isquantifiedbytheauditor,Management'sViews:ForAudit Qualification(i)Management'sviews:ForAudit qualification:(ii)If management isunabletoestimationonthe impact, reasonsfor the same (Notereference are fromthe resultsbeingsubmittedto	



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 and year ended 31st March, 2021 have been prepared on going concern assumptions.

- 2. 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 have ensured that the Company continues to operate as a "Going Concern" in line with the objective of the Code and requirements thereunder.
- 3. The above consolidated financial results of the Company for the quarter and year ended 31st March, 2021 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.
- 4. The Administrator and the Advisory Committee members along with the KMPs, upon their taking charge have taken various efforts to improve the operational, financial and managerial efficiency of the Company with the support of the employees 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 has been made by concluding some of the initiatives including legal audit as well, some of these could not be fully concluded and implemented by 31st March, 2021 due to the ongoing pandemic and therefore, various activities continue to be ongoing.



(iii) Auditors	5. The Administrator, Advisors and KMPs have taken charge with effect from 21 th 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. The Company has initiated appropriate actions on the basis of reports submitted by Transaction Auditor such as filing of application with NCLT and submission of Fraud Monitoring Reporting(FMRs) to National Housing Bank(NHB)/RBI and filing of complaint with appropriate authorities. The Company has also taken into consideration the fair value of wholesale loan portfolio as per cash flows which are part of the valuation reports submitted by valuer appointed under IBC while calculating the fair value of wholesale loan portfolio during the quarter and year ended on 31st March, 2021. The Administrator and the KMPs have signed the 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, 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.
Comments on (i) c (ii) above:	

III. Signatories:

For K.K. Mankeshwar & Co	
Chartered Accountants	
ICAI MN: 106009W	
Dinesh Kumar Bachchas	MR. R SUBRAMANIAKUMAR
Partner	ADMINISTRATOR APPOINTED UNDER IBC*
ICAI MN: 097820	

*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 400051Email ID for Correspondence: dhfladministrator@dhfl.com

Place: Chennai

Date: June 05, 2021

