

DHFL/CSD/2020-21/1957

Date: 6th June 2021

The Manager Listing Department BSE Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai- 400 001	The Manager Listing Department National Stock Exchange of India Limited, 'Exchange Plaza', C-1, Block G, Bandra- Kurla Complex, Bandra (East), Mumbai- 400 051.
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The Company has already intimated the Exchanges that the Reserve Bank of India ("RBI") had superseded the board of directors of Dewan Housing Finance Corporation Limited ("Company") and appointed Mr R. Subramaniakumar as the Administrator of the Company in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 Audited 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



DEWAN HOUSING FINANCE CORPORATION LIMITED

Corporate Identity Number (CIN) : L65910MH1984PLC032639

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

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

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

Tel. : (022) 7158 3333


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

(₹ in Lakh)

PARTICULARS	Quarter ended			Year ended	
	31.03.2021 (Audited)	31.12.2020 (Reviewed)	31.03.2020 (Audited)	31.03.2021 (Audited)	31.03.2020 (Audited)
1 INCOME:					
Revenue from operations:					
Interest income	2,01,915	2,19,356	2,20,390	8,71,406	9,10,025
Fees and Commission income	31	87	58	129	281
Net gain / (loss) on derecognition of financial instruments under amortised cost category			(2,040)	(4)	2,101
Other operating revenue	1,407	1,285	1,390	4,840	5,311
Total Revenue from operations	2,03,453	2,20,658	2,38,758	8,77,065	9,32,223
Other Income (Refer Note 20)	2,604	58	454	3,14	1,089
Total Income	2,06,057	2,20,746	2,39,217	8,80,279	9,34,112
2 EXPENSES:					
Finance costs (Refer Note 16)	5,118	5,313	13,371	21,640	4,72,573
Net loss on fair value changes	1,50,494	19,28,644	1,40,327	25,99,033	18,00,848
Impairment on financial instruments & Write-offs	15,367	42,140	865	2,74,677	5,111
Employee benefits expenses	4,612	5,306	6,171	21,313	28,779
Depreciation and amortisation	2,042	1,963	3,994	8,083	7,741
Others expenses	5,127	5,137	-242	12,230	26,512
Total Expenses	1,82,660	19,88,493	12,68,908	28,91,984	27,59,111
3 Profit / (Loss) before tax (1-2)	23,397	(17,67,747)	(10,29,691)	(20,11,705)	(18,24,999)
4 Tax Expense					
Current tax	9,27			9,137	
Earlier years adjustments			1,131		1,131
Deferred tax	4,582	(4,58,211)	(2,65,065)	(5,15,740)	(4,58,211)
Total tax expense	13,719	(4,58,211)	(2,66,202)	(5,06,593)	(4,63,561)
5 Profit / (Loss) for the period / Year (3+4)	9,678	(13,09,536)	(7,63,489)	(15,05,112)	(13,61,132)
6 Other comprehensive income					
- Items that will not be reclassified to profit or loss					
Remeasurements of the defined benefit plans	47	(39)	134	(69)	(154)
Tax on above	(12)	10	(35)	18	
- Items that will be classified to profit or loss					
Cash flow hedge reserves			20,052		5,321
Tax on above			(5,264)		1,494
Total Other comprehensive income	35	(29)	14,887	(51)	3,712
7 Total comprehensive income for the period / Year (5+6)	9,713	(13,09,565)	(7,48,602)	(15,05,163)	(13,57,420)
Earnings per share (Face value of Rs. 10 each) (not annualised)					
Basic (in ₹)	3.08	(417.28)	(241.29)	(476.61)	(483.00)
Diluted (in ₹)	3.08	(417.28)	(241.29)	(476.61)	(483.76)
Paid up Equity Share Capital (Face value ₹ 10/-)	11,382	11,382	11,382	11,382	11,382
Reserves excluding Revaluation Reserves as at March 31				(20,95,187)	(5,80,199)



Notes

1 Statement of Standalone Assets and Liabilities

	As at	
	31.03.2021	31.03.2020
ASSETS		
Financial Assets		
Cash and cash equivalents	9,45,805	6,84,361
Bank Balances other than above	86,511	87,064
Receivables	47	375
Housing and Other loans -		
At amortised cost	29,03,437	35,47,037
At Fair Value	9,42,092	30,73,233
	38,45,529	66,20,268
Investments	8,44,866	3,28,051
Other financial assets	1,83,248	1,79,25
Total Financial Assets	59,06,006	79,59,772
Non-Financial Assets		
Current Tax Assets (Net)	5,646	33,021
Deferred tax assets	10,20,962	5,05,211
Property, plant and equipment	79,600	25,361
Intangible assets under development	6,232	10,111
Other intangible assets	8,141	5,559
Other non-financial assets	10,099	14,127
Total Non-Financial Assets	11,30,680	6,54,967
Total Assets	70,36,686	86,14,739
LIABILITIES AND EQUITY		
LIABILITIES		
Financial Liabilities		
Trade Payables		
(i) total outstanding dues of micro enterprises and small enterprises	319	14
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	7,284	12,140
Debt Securities	45,57,530	45,42,829
Borrowings (Other than Debt Securities)	37,68,591	38,41,011
Deposits	5,29,165	2,27,839
Subordinated Liabilities	1,29,833	1,29,450
Other financial liabilities	98,979	1,00,438
Total Financial Liabilities	90,91,701	91,53,841
Non-Financial Liabilities		
Provisions	756	113
Other non-financial liabilities	7,934	12,933
Total Non-Financial Liabilities	8,690	14,690
Total liabilities	91,00,391	91,68,531
EQUITY		
Equity Share Capital	31,382	31,082
Other equity	(20,95,087)	(15,86,179)
Total equity	(20,63,705)	(5,53,794)
Total liabilities and equity	70,36,686	86,14,739



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

Particulars	As at 31st March, 2021	As at 31st March, 2020
A. Cash flow from operating activities		
Net (Loss)/profit before tax	(20,11,765)	18,24
Adjustments for:		
Depreciation and amortisation expense	8,083	94
Share Based Payments to employees	209	11
Loss/(Profit) on Sale of Property, plant and equipments	155	69
Interest on Income Tax Refund	(2,537)	
Interest income from investments	(11,610)	3,28
Other interest income	(124)	13
Net loss/ (gain) on fair value changes	25,99,033	14,99,648
Net loss/ (gain) on derecognition of financial instruments under amortised cost category	4	14
Impairment on financial instruments & written-off	2,24,477	1,24,13
Operating profit before working capital changes	8,05,985	2,98,805
Adjustments for:		
(Increase)/Decrease in other bank balances	11	88,118
Decrease/ (Increase) in trade receivables	228	2
(Increase)/Decrease in other financial asset	(3,887)	(13,771)
(Increase)/Decrease in other non financial asset	24,502	2,1
(Increase)/ Decrease in housing and other property loans	(1,22,244)	8,05,177
(Increase)/Decrease in trade payable	(4,577)	2,15
Increase/ (Decrease) in other financial liabilities	(1,274)	1,14,1
(Decrease)/ Increase in other non financial liabilities	(6,003)	1,13,111
(Decrease)/ increase in provisions	3	(1,17)
Cash generated from operations during the year	6,92,744	12,52,506
Taxes paid (Net)	20,777	5,13
Net Cash (used in) Operating Activities [A]	7,13,521	12,57,636
B. Cash flow from investing activities		
Interest Income	10,363	368
Sales proceeds from investment (Net)		18,21
Net movement in Other Investments	(4,76,064)	5,111
Net movement in PTC	12,791	1,777
Capital Expenditure on Fixed Assets	324	4,21
Proceeds from Sale of Fixed Assets	9	1
Net Cash generated from / (used in) Investing Activities [B]	(4,52,577)	57,115
C. Cash flow from financing activities		
Repayment of redeemable non convertible debentures		12,58,1
(Repayment) of / Proceeds from Commercial Paper		1,163
Repayment of term loan		14,41,14
Proceeds from other borrowings (net)		1,93,111
Public / Other Deposits (repaid)/received (net)		(3,13,762)
Dividend & Dividend Distribution Tax Paid		10
Net Cash (used in)/ generated from financing activities [C]	-	(7,56,258)
Net Increase / (decrease) in cash and cash equivalents [A+B+C]	2,60,944	5,58,851
Cash and cash equivalents at the beginning of the year	6,84,861	1,26,008
Cash and cash equivalents at the end of the year	9,45,805	6,84,861

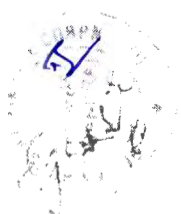


3. The standalone financial results have been prepared in accordance with Ind AS, adopted under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, other relevant provision of the Act, guidelines issued by the RBI, as applicable 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 and the year to date unaudited figures published up to the third quarter of the said financial year.
5. The Reserve Bank of India (RBI) vide Press Release dated November 20, 2019 in exercise of the powers conferred under Section 45-II (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-II (2) of the RBI Act. Thereafter, RBI vide its Press Release dated November 22, 2019, in exercise of the powers conferred under Section 45-II 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 (ISP Rules) to initiate CIRP against DHFL read with Section 227 of the Code. Accordingly, in terms of Rule 5(b)(i) of the ISP Rules, an interim moratorium came into effect on the filing of the application to initiate CIRP. Further, CIRP was initiated against the Company as Debtor under Section 227 read with clause (zk) of sub-section (2) of section 229 of the Code and also with rules 5 and 6 of the ISP 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(e) and 21(f) of the Code and the Regulations, 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 27th 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 systems, legal audit of material loan documents, establishing risk management framework, updating internal financial control 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 remain to be ongoing.

9. The Administrator, Advisors and KMPs have taken charge with effect from 21st November 2020 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 action on the basis of reports submitted by Transaction Auditor such as filing of application with NCTE and filing of Stock 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 31st March, 2021. The Administrator and the KMPs have signed the standalone financial results reports 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 coming 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 68 of the Code covering certain transactions undertaken by the Company in the past has been filed before Hon'ble NCTE, Mumbai. During this quarter ended on 31st March 2021, additional transaction amounting to 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 guideline 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 reflected 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, 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 2020 into the affairs of the Company under Section 212(1) of the Companies Act, 2013 through Section 47(1) Investigation Office (SFO). 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 Ultra-Trade to 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 all 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 confirmation 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 (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 declared by the government, but regional lockdowns continue to be implemented in various states and union territories (COVID-19) cases. However, with various working measures, the Company has been making efforts



restore its normal operations. The extent to which the COVID-19 pandemic will impact the Company's business and the "second wave" that has significantly increased the number of cases in India, will impact the operations of the company, will depend on the ongoing as well as future government policies and the overall economic environment, which is not 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 as a going concern.
16. The Company has not made any provision for interest on borrowings amounting to Rs. 1,03,421 lakh and Rs. 7,65,155 lakh for the quarter and year ended on 31st 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 taxes).
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 fees, 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 2021, has been re-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 Vardaan Services vs. Union of India & Am. 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 27, 2021, in view of judgement of the Hon'ble Supreme Court. In accordance with the instructions in paragraph 8 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 "August 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 "August 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 in its does not fulfil the credit rating criteria as per the definition of a Large Corporate as per the credit rating criteria issued by SEBI HO/DDHS CIR P 2018-144 dated 20th November, 2018. Necessary disclosures are made in the stock exchanges in this regard.

24. The above results for the quarter and year ended 31st March, 2021 read to be correct and true and the notes above have been audited by the Statutory Auditors of the Company.

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



Pisces Chennai
Date: 30 June 2021

For DEWAN HOUSING FINANCE CORPORATION LIMITED

in Company under Corporate Insolvency Process under dated December 3, 2019 passed by Hon'ble MCA 21

MR. R SUBRAMANIAKUMAR
ADMINISTRATOR APPOINTED UNDER IBC



The Administrator has been appointed under Rule 30(1) of the Insolvency and Bankruptcy Liquidation Proceedings - Liquidation Service Providers and Application to Adjudicator General under the Insolvency and Bankruptcy Code, 2016. The affairs, business and property of Dewan Housing Corporation Limited are being managed by the Administrator, Mr. R. Subramaniakumar, on behalf of the Company only and without any personal liability.

Address for Correspondence: Ground & 1st Floor, HDH Towers, Anant Kanekar Marg, Santacruz (East), Mumbai 400051.

Email ID for Correspondence:

(a)

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 - (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)

Sr. No.	Particulars	Audited Figures (Rs.in Lakhs)	
		(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 Determinable
5	Total Assets	70,36,686	
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):

- 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 21st November 2019 and have relied on information, data, clarifications and views provided by the existing staff of the Company for the purposes of the financial results. 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 CRR period of the Company and in accordance with the provisions of the Code, read with the regulations and rules thereunder, and based on the explanations, clarifications, certifications, representations and statements made by the existing staff of the Company in relation to the data pertaining to the period prior to the joining of the present management and does not have personal knowledge of the past affairs, finances and operations of the Company.



- b) We refer to Note no. 8 to the Statement regarding the Administrator and the Advisory Committee members and 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 Proper Management and its limitations and inability thereof in confirming or non-confirming the assertions forming part of the standard "Written Representation" as required by law 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 (endeavour) 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/allegations have occurred in relation to the allegations and matters under



public scrutiny and otherwise. These investigations are, however, as not yet fully completed and with no outcome being communicated by the reported fraudulent transaction referred to in 16(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 investigation 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 86 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 India (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.

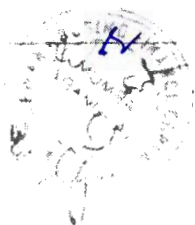
In view of the foregoing and due to non-availability of the transaction audit report, we are unable to comment upon the completeness, correctness and adequacy / inadequacy of the underlying security covers and of such provisions and their possible consequential effect / impact arising therefrom.

- 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 Deposits, 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 of the legal audit report we are unable to comment on the loan / securities / 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 2021 has been "fair valued" as at 31st March 2021 at Rs. 43,109 lakh, with the resulting fair value loss aggregating Rs. 44,80,769 lakh. Out of this, fair value loss aggregating Rs. 43,01,159 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. 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 IRC. 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 successor 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 IRC, the treatment of creditors under the resolution plan is as per debt 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 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.
- l) 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.

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 compliance, as applicable. Further the loans referred in above paragraphs, may not have been properly secured and may have been granted, including terms and conditions thereof, in a manner that is prejudicial to the interest of the Company or its members, for the reasons stated therein.

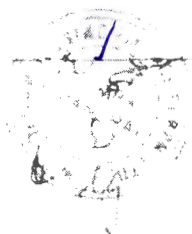
9. We refer to Note no. 11 to the Statement regarding that in certain instances, the amount of the claim admitted under CIRP may differ from the amount reflecting in the books of accounts of the Company. The Standalone Financial Results are drawn on the basis of figures appearing in the books of accounts 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 half 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 in 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 they 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 15.05 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

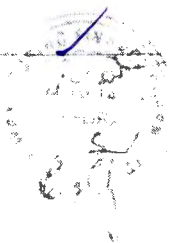
(ii) If management is unable to estimate the impact reasons for the same (Note reference are from the results being submitted to the Exchanges).

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 6 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 (2k) 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 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.
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.
5. The Administrator, Advisors and KMPs have taken charge with effect from 21st November 2019 and have relied on information, data, clarifications and views provided by the existing staff of the Company for the purposes of the financial results. 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 CIO 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' Our view remains unchanged considering the matters referred to in
Comments on (i) or paragraphs 6 to 13 in our audit report
(ii) above

III. Signatories

For K.K. Mankeshwar & Co

Chartered Accountants

ICAI MN: 106009W



Dinesh Kumar Bachchas

Partner

ICAI MN: 097820



MR. R SUBRAMANIAKUMAR

ADMINISTRATOR APPOINTED UNDER IBC

*The Administrator has been appointed under Rule 5(1)(a) 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, A and Kanekar Marg, Station Road, Bandra (East), Mumbai 400051 Email ID for Correspondence: info@hdil.co.in

Place: Chennai

Date: June 05, 2021



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**

1. 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 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 ("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.



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:
- 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 (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 and rules thereunder, and based on the explanations, clarifications, certifications, representations and statements made by the existing staff of the Company in relation to the data pertaining



to the period prior to the joining of the present management and does not have personal knowledge of the past affairs, finances and operations of the Company.

- b. We refer to Note no. 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 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 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 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.

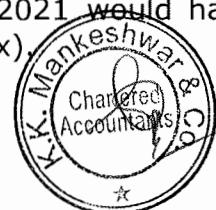


In view of the above and due to non-availability, the legal audit report we are unable to comment on the loan/ security(ies) documentation and the possible consequential effects arising therefrom.

- 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 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. 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 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.
- l. 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.

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 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.

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

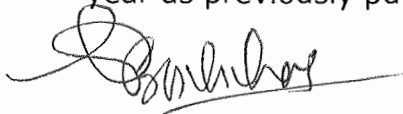
14. Our responsibility is to conduct an audit of the Company's Standalone Financial Results in accordance with Standards on Auditing and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient 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 our 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: 21097820AAAAJL9848

New Delhi, dated the

05th June, 2021



DEWAN HOUSING FINANCE CORPORATION LIMITED

Corporate Identity Number (CIN) - L65910MH1984PLC032639

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

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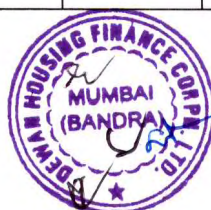
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Tel. : (022) 7158 3333


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

(₹ in Lakh)

PARTICULARS	Quarter ended			Year ended	
	31.03.2021 (Audited)	31.12.2020 (Reviewed)	31.03.2020 (Audited)	31.03.2021 (Audited)	31.03.2020 (Audited)
1 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	283
- Net gain / (loss) on derecognition of financial instruments under amortised cost category	-	-	(2,040)	(4)	2,397
- Other operating revenue	1,407	1,215	1,380	4,840	6,318
Total Revenue from operations	2,03,453	2,20,658	2,38,758	8,77,065	9,32,223
Other Income (Refer Note 20)	2,604	88	459	3,214	2,089
Total Income	2,06,057	2,20,746	2,39,217	8,80,279	9,34,312
2 EXPENSES:					
Finance costs (Refer Note 16)	5,118	5,313	13,309	21,849	5,72,518
Net loss on fair value changes	1,50,494	19,28,644	12,40,327	25,99,033	14,99,648
Impairment on financial instruments & Write-offs	15,267	42,140	865	2,24,477	6,24,113
Employee benefits expenses	4,612	5,306	6,171	21,312	28,329
Depreciation and amortisation	2,042	1,963	3,994	8,083	7,941
Others expenses	5,127	5,127	4,242	17,230	26,562
Total Expenses	1,82,660	19,88,493	12,68,908	28,91,984	27,59,111
3 Profit / (Loss) before tax (1-2)	23,397	(17,67,747)	(10,29,691)	(20,11,705)	(18,24,799)
4 Tax Expense					
Current tax	9,137	-	-	9,137	-
Earlier years adjustments	-	-	(1,137)	-	(1,133)
Deferred tax	4,582	(4,58,211)	(2,65,065)	(5,15,730)	(4,62,434)
Total tax expense	13,719	(4,58,211)	(2,66,202)	(5,06,593)	(4,63,567)
5 Profit / (Loss) for the period / Year (3-4)	9,678	(13,09,536)	(7,63,489)	(15,05,112)	(13,61,232)
6 Other comprehensive income					
- Items that will not be reclassified to profit or loss					
Remeasurements of the defined benefit plans	47	(39)	134	(69)	(154)
Tax on above	(12)	10	(35)	18	39
- Items that will be classified to profit or loss					
Cash flow hedge reserves	-	-	20,052	-	5,320
Tax on above	-	-	(5,264)	-	(1,488)
Total Other comprehensive income	35	(29)	14,887	(51)	3,717
7 Total comprehensive income for the period / Year (5+6)	9,713	(13,09,565)	(7,48,602)	(15,05,163)	(13,57,515)
Earnings per share (Face value of Rs. 10 each) (not annualised)					
Basic (in ₹)	3.08	(417.28)	(243.29)	(479.61)	(433.76)
Diluted (in ₹)	3.08	(417.28)	(243.29)	(479.61)	(433.76)
Paid-up Equity Share Capital (Face value ₹ 10/-)	31,382	31,382	31,382	31,382	31,382
Reserves excluding Revaluation Reserves as at March 31				(20,95,087)	(5,85,176)



Notes

1 Statement of Standalone Assets and Liabilities

(₹ in Lakh)

	As at	
	31.03.2021	31.03.2020
ASSETS		
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:-		
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	8,44,866	3,88,051
Other financial assets	1,83,248	1,79,253
Total Financial Assets	59,06,006	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
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	98,979	1,00,438
Total Financial Liabilities	90,91,701	91,53,843
Non-Financial Liabilities		
Provisions	756	753
Other non-financial liabilities	7,934	13,937
Total Non-Financial Liabilities	8,690	14,690
Total liabilities	91,00,391	91,68,533
EQUITY		
Equity Share Capital	31,382	31,382
Other equity	(20,95,087)	(5,85,176)
Total equity	(20,63,705)	(5,53,794)
Total liabilities and equity	70,36,686	86,14,739



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

(₹ in Lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
A. Cash flow from operating activities		
Net (Loss)/profit before tax	(20,11,705)	(18,24,799)
Adjustments for:		
Depreciation and amortisation expense	8,083	7,941
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	14,99,648
Net loss/ (gain) on derecognition of financial instruments under amortised cost category	4	594
Impairment on financial instruments & written-off	2,24,477	6,24,113
Operating profit before working capital changes	8,05,985	2,98,845
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	(1,274)	1,14,061
(Decrease)/ Increase in other non financial liabilities	(6,003)	(2,388)
(Decrease)/ Increase in provisions	3	(262)
Cash generated from operations during the year	6,92,744	12,52,506
Taxes paid (Net)	20,777	5,130
Net Cash (used in) Operating Activities [A]	7,13,521	12,57,636
B. Cash flow from investing activities		
Interest Income	10,363	7,368
Sales proceeds from investment (Net)	-	18,204
Net movement in Other Investments	(4,76,064)	51,691
Net movement in PTC	12,791	(17,727)
Capital Expenditure on Fixed Assets	324	(2,211)
Proceeds from Sale of Fixed Assets	9	150
Net Cash generated from / (used in) Investing Activities [B]	(4,52,577)	57,475
C. Cash flow from financing activities		
Repayment of redeemable non convertible debentures	-	(2,58,526)
(Repayment) of / Proceeds from Commercial Paper	-	(75,000)
Repayment of term loan	-	(4,42,504)
Proceeds from other borrowings (net)	-	1,93,544
Public / Other Deposits (repaid)/received (net)	-	(1,73,762)
Dividend & Dividend Distribution Tax Paid	-	(10)
Net Cash (used in)/ generated from financing activities [C]	-	(7,56,258)
Net increase / (decrease) in cash and cash equivalents [A+B+C]	2,60,944	5,58,853
Cash and cash equivalents at the beginning of the year	6,84,861	1,26,008
Cash and cash equivalents at the end of the year	9,45,805	6,84,861



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.



Place: Chennai
Date: 5th June 2021

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)

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 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] (Standalone)

I.	Sr. No.	Particulars	Audited Figures (Rs.in Lakhs)	
			(As reported before adjusting for qualifications)	(After adjusting for qualifications)
	1	Turnover / Total income	8,80,279	Not Determinable
	2	Total Expenditure	28,91,984	
	3	Net Profit/(Loss)	(15,05,112)	
	4	Earnings Per Share (Rs)	(479.61)	
	5	Total Assets	70,36,686	
	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):

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 st 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 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.
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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 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 report, investigations are ongoing together with transactions audits performed by independent agencies/firms appointed by the Administrator. We also noted that various regulatory authorities / lenders are currently carrying out their own investigations which are yet to be completed/concluded; and they may make a determination on whether any fraud or any other non-compliance/ illegalities have occurred in relation to the allegations and matters under



public scrutiny and otherwise. 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 India (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.

- 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 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. 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 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



	<p>unable to comment upon the financial impact, if any, on the Standalone Financial Results arising thereof due to the same.</p> <p>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.</p> <p>l) 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</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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</p>
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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.

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 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'



		<p>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.</p> <p>Material uncertainty related to Going Concern</p> <p>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.</p>
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) :	<p>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</p>



	<p>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.</p> <ol style="list-style-type: none"> 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 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. 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. 5. The Administrator, Advisors and KMPs have taken charge with effect from 21th November 2019 and have relied on information, data, clarifications and views provided by the existing staff of the Company for the purposes of the financial results. 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
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		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 Partner ICAI MN: 097820	MR. R SUBRAMANIAKUMAR ADMINISTRATOR APPOINTED UNDER IBC*
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*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

Place: Chennai

Date: June 05,2021



DFWAN HOUSING FINANCE CORPORATION LIMITED

Corporate Identity Number (CIN) : L65910MH1984PLC032639

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

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

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

Tel. : (022) 7158 3333


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

₹ m Lakh

PARTICULARS	Quarter ended			Year ended	
	31.03.2021 (Audited)	31.12.2020 (Reviewed)	31.03.2020 (Audited)	31.03.2021 (Audited)	31.03.2020 (Audited)
INCOME:					
Revenue from operations					
Interest Income	2,01,915	2,19,356	2,39,360	8,71,900	9,23,211
Fees and Commission Income	131	81	58	329	281
Net gain (loss) on derecognition of financial instruments under amortised cost category			(2,140)	(4)	7,197
Other operating revenue	1,407	1,275	24,962	4,840	29,900
i Total Revenue from operations	2,03,453	2,20,658	2,62,340	8,77,065	9,55,796
ii Other Income (Refer Note 20)	2,604	88	(46,342)	1,214	989
iii Total 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	5,311	13,148	21,849	1,13,611
Net loss on fair value changes	1,50,494	19,28,644	12,04,563	25,99,033	15,03,331
Impairment on financial instruments & Write-offs	15,267	42,140	722	2,24,477	6,24,711
Employee Benefits Expenses	4,612	5,306	6,174	21,912	28,399
Depreciation and amortisation expense	2,042	1,963	3,994	8,081	7,941
Others expenses	5,130	2,129	4,233	17,225	27,562
IV Total Expenses	1,82,663	19,88,495	12,33,001	28,91,989	27,64,137
V (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)
Tax Expense					
Current tax	9,137			0	1,111
Earlier years adjustment			(1,371)		1,111
Deferred tax	4,582	(4,58,211)	(2,65,065)	(5,15,710)	(4,61,341)
VI Total Tax expense	13,719	(4,58,211)	(2,66,202)	(5,06,593)	(4,63,567)
VII 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 Share of Net Profits/(Loss) of Associates and Joint Ventures					
IX 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)	(15)
(ii) Income tax relating to items that will not be reclassified to profit or loss	(12)	0	(39)	8	10
Subtotal (A)	35	(29)	99	(51)	(11)
(B) Items that will be classified to profit or loss					
(i) Cash flow hedge reserves			20,052		9,320
(ii) Tax on above			(5,264)		(1,488)
Subtotal (B)			14,788		3,812
X Total Other comprehensive income/(loss) (Fully attributable to owners of the Parent) (A+B)	35	(29)	14,887	(51)	3,717
XI 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)
Earnings per share (Face value of ₹ 10 each) (not annualised)					
Basic (in ₹)	1.08	(17.29)	2.92	(479.61)	(128.77)
Diluted (in ₹)	3.08	(417.19)	2.92	(479.61)	(128.77)
Paid up Equity Share Capital (Face value ₹ 10)	31,382	31,182	31,382	31,382	31,182
Reserves excluding Revaluation Reserves as at March 21				20,95,911	(1,25,946)



Notes:**1: STATEMENT OF AUDITED CONSOLIDATED ASSETS AND LIABILITIES**

(₹ in Lakh)

Particulars	As at 31-Mar-21 (Audited)	As at 31-Mar-20 (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
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)

Particulars	As at 31st March, 2021	As at 31st March, 2020
	(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)
(Decrease)/Increase in provisions	3	(262)
Cash generated from operations during the year	6,92,741	12,52,494
Taxes paid	20,777	5,130
Net Cash (used in) Operating Activities [A]	7,13,518	12,57,624
B. Cash flow from investing activities		
Interest Income	10,363	7,368
Sale Proceeds investments (net)	-	25,084
Net movement in Other Investments	(4,76,064)	51,691
Net movement in PTC	12,791	(17,711)
Capital Expenditure on Fixed Assets	324	(2,111)
Proceeds from Sale of Fixed Assets	9	150
Net Cash generated from / (used in) Investing Activities [B]	(4,52,577)	64,355
Cash flow from financing activities		
Repayment of redeemable non convertible debentures		(2,58,526)
(Repayment) of / Proceeds from Commercial Paper		(75,000)
Repayment of term loan		(4,42,504)
Proceeds from other borrowings (net)		1,86,739
Public / Other Deposits (repaid)/received (net)		(1,73,762)
Dividend & Dividend Distribution Tax Paid		(10)
Net Cash (used in)/ generated from financing activities [C]	-	(7,63,063)
Net increase / (decrease) in cash and cash equivalents [A+B+C]	2,60,941	5,58,916
Cash and cash equivalents at the beginning of the year	6,84,928	1,26,012
Cash and cash equivalents at the end of the year	9,45,869	6,84,928



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 annexed consolidated financial results, are the balancing figures between the audited figures for the whole financial years 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 (3) of the RBI Act. Hereafter RBI vide its Press Release dated November 27, 2019, in exercise of the powers conferred under Section 45-IE (5a) 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 (ii) 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(h)(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 (z)(i) 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 to DHFL, as constituted by him in accordance with Section 18(c) and 21(c) 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 2nd 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 management 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 initial



including legal audit as well, some of these could not be fully concluded and implemented till 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 21st November 2019 and have relied on information, data, clarifications and views provided by the existing staff of the Company for the purposes of the financial results. 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 31, 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, 2016.
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 its impact



three of ways that is significantly more than the number of cases included. Well equipped management of the Company will depend on the long term growth and development of the Company and its predictive role.

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 if as a going concern.
16. The Company has not made any provision for interest on borrowings amounting to Rs. 1,96,213 lakh and Rs. 7,65,155 lakh for the quarter and year ended on 31st 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. 5,79,046 lakh (net of taxes).
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 109.
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 (prior 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 Girendra 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 8 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 HODDHS v HDHHS dated 26th November 2020 is applicable to all listed companies and the stock exchange is the regulator.

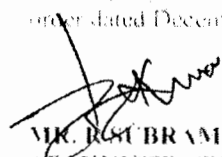
24. The consolidated financial results include the financial information of subsidiaries which are the subject of statements either audited or other auditors.
25. The above results for the quarter and year ended 31 March 2020 read with the disclosures contained in the notes above have been certified by the Statutory Auditors of the Company.
26. Figures for the previous period have been regrouped wherever necessary.



Place Chennai
Date: 5th June 2021

For DEWAN HOUSING FINANCE CORPORATION LIMITED

(a Company under Corporate Insolvency Resolution Process initiated and ordered dated December 7, 2020 passed by Hon'ble SC & J. Mumbai Bench)



MR. R. SUBRAMANIAM
ADMINISTRATOR APPOINTED UNDER IBC

The Administrator has been appointed under Rule 5(1)(ii) of the Insolvency and Bankruptcy Code, 2016, in Liquidation Proceedings of Lender Service Providers and Application for Sanctioning Amounts of Debts 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 is the sole representative of the Company and its affairs and its accountability.

Address for Correspondence: Ground & 4th Floor, HDH Towers, Anant Karvekar Marve Station Road, Marve East, Mumbai - 400051.

Print 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)

Sr. No.	Particulars	Audited Figures (Rs.in Lakhs)	
		(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 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 st 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 31 st 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
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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 of Chartered Accountants of India (ICAI).
- d. We refer to Note no. 12 to the Statement together with principal 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 /illegality has 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 (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 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.

- 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 India (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 Administrative 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 securities.



documentation and the possible consequential effects arising therefrom.

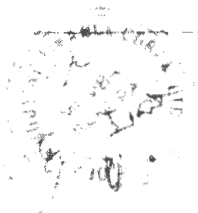
- g. We refer to the Note no. 19 to the Statement regarding the total wholesale loan portfolio including interest receivable aggregating Rs. 54,24,862 lakh (pursuant to classification of this portfolio to "held for sale" in the year ended 31st March 2019) has been "fair valued" as at 31st March 2021 at Rs. 9,12,09.3 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. 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 prospective 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. 5,69,146 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 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.
- l. 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(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.

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 adjustments, 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 thereof 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 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 stated 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 (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 () 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.



5. The Administrator, Auditors and KMPs have taken due care and effect from 21 November 2014 and have reported on the financial data, cash flows and flows provided by the existing staff of the Company for the period of the financial results. The Company has initiated appropriate action on the basis of reports submitted by Transaction Audit including filing of application with NCLT and submission of Fraud Monitoring Reporting (FMR) 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 OHP 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.

Our view remains unchanged considering the matters referred in paragraphs 7 to 14 of our audit report.

For Signatories:

For K.K. Mankeshwar & Co

Chartered Accountants

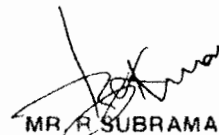
(CA) MN 106009W



Dinesh Kumar Bachchas

Partner

(CA) MN 097820



MR. R. SUBRAMANIAKUMAR

ADMINISTRATOR APPOINTED UNDER IBC, 2016

The Administrator has been appointed under Rule 5 of the Insolvency and Bankruptcy Code, 2016 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, Anand Karvekar Marg, Station Road, Bandra (East), Mumbai 400051 Email ID for Correspondence: dhiladministrator@dhil.com

Place: Chennai

Date: June 05, 2021



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 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 ("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.

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 (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 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 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 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 '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 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.

- 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 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; 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.

- 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 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. 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 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.
- l. 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(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.

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 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.



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

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

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

(₹ in Lakh)

PARTICULARS	Quarter ended			Year ended	
	31.03.2021 (Audited)	31.12.2020 (Reviewed)	31.03.2020 (Audited)	31.03.2021 (Audited)	31.03.2020 (Audited)
INCOME:					
Revenue from operations:					
Interest Income	2,01,915	2,19,356	2,39,360	8,71,900	9,23,216
Fees and Commission Income	131	87	58	329	283
Net gain/(loss) on derecognition of financial instruments under amortised cost category	-	-	(2,040)	(4)	2,397
Other operating revenue	1,407	1,215	24,962	4,840	29,900
I Total Revenue from operations	2,03,453	2,20,658	2,62,340	8,77,065	9,55,796
II Other Income (Refer Note 20)	2,604	88	(46,242)	3,214	2,089
III Total 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	5,313	13,318	21,849	5,73,621
Net loss on fair value changes	1,50,494	19,28,644	12,04,563	25,99,033	15,03,471
Impairment on financial instruments & Write-offs	15,267	42,140	722	2,24,477	6,24,213
Employee Benefits Expenses	4,612	5,306	6,171	21,312	28,329
Depreciation and amortisation expense	2,042	1,963	3,994	8,083	7,941
Others expenses	5,130	5,129	4,233	17,235	26,562
IV Total Expenses	1,82,663	19,88,495	12,33,001	28,91,989	27,64,137
V (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)
Tax Expense					
Current tax	9,137	-	-	9,137	-
Earlier years adjustments	-	-	(1,137)	-	(1,133)
Deferred tax	4,582	(4,58,211)	(2,65,065)	(5,15,730)	(4,62,434)
VI Total Tax expense	13,719	(4,58,211)	(2,66,202)	(5,06,593)	(4,63,567)
VII 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 Share of Net Profits/(Loss) of Associates and Joint Ventures	-	-	-	-	(2,896)
IX 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)
(ii) Income tax relating to items that will not be reclassified to profit or loss	(12)	10	(35)	18	39
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 Total Other comprehensive income/(loss) (Fully attributable to owners of the Parent) (A+B)	35	(29)	14,887	(51)	3,717
XI 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)
Earnings per share (Face value of ₹ 10 each) (not annualised)					
Basic (in ₹)	3.08	(417.29)	(239.21)	(479.61)	(428.77)
Diluted (in ₹)	3.08	(417.29)	(239.21)	(479.61)	(428.77)
Paid-up Equity Share Capital (Face value ₹ 10/-)	31,382	31,382	31,382	31,382	31,382
Reserves excluding Revaluation Reserves as at March 31				(20,95,913)	(5,85,996)



Notes:**1: STATEMENT OF AUDITED CONSOLIDATED ASSETS AND LIABILITIES**

(₹ in Lakh)

Particulars	As at 31-Mar-21 (Audited)	As at 31-Mar-20 (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
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)

Particulars	As at 31st March, 2021	As at 31st March, 2020
	(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)
(Decrease)/Increase in provisions	3	(262)
Cash generated from operations during the year	6,92,741	12,52,494
Taxes paid	20,777	5,130
Net Cash (used in) Operating Activities [A]	7,13,518	12,57,624
B. Cash flow from investing activities		
Interest Income	10,363	7,368
Sale Proceeds investments (net)	-	25,084
Net movement in Other Investments	(4,76,064)	51,691
Net movement in PTC	12,791	(17,727)
Capital Expenditure on Fixed Assets	324	(2,211)
Proceeds from Sale of Fixed Assets	9	150
Net Cash generated from / (used in) Investing Activities [B]	(4,52,577)	64,355
Cash flow from financing activities		
Repayment of redeemable non convertible debentures	-	(2,58,526)
(Repayment) of / Proceeds from Commercial Paper	-	(75,000)
Repayment of term loan	-	(4,42,504)
Proceeds from other borrowings (net)	-	1,86,739
Public / Other Deposits (repaid)/received (net)	-	(1,73,762)
Dividend & Dividend Distribution Tax Paid	-	(10)
Net Cash (used in)/ generated from financing activities [C]	-	(7,63,063)
Net increase / (decrease) in cash and cash equivalents [A+B+C]	2,60,941	5,58,916
Cash and cash equivalents at the beginning of the year	6,84,928	1,26,012
Cash and cash equivalents at the end of the year	9,45,869	6,84,928



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 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 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.
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 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 along-with Annual Audited Financial Results - (Consolidated)

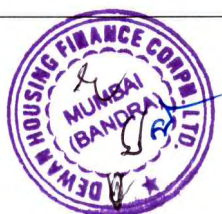
Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021

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

Sr. No.	Particulars	Audited Figures (Rs.in Lakhs)	
		(As reported before adjusting for qualifications)	(After adjusting for qualifications)
1	Turnover / Total income	8,80,279	Not Determinable
2	Total Expenditure	28,91,989	
3	Net Profit/(Loss)	(15,05,117)	
4	Earnings Per Share (Rs)	(479.61)	
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 st 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 31 st 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
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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 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 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 '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 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.

- 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 India (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; 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.

- 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 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. 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 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.

l. 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(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.

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

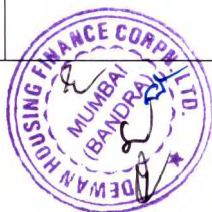


adjustments to be made in the attached Consolidated Financial Results on account of business impairment or otherwise following the business value now becoming known in definitive terms; and the consequential effect that such adjustment/s, if any, could carry on the attached Consolidated Financial Results 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,

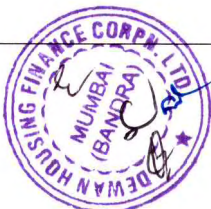


		<p>we are unable comment whether the terms on which these have been made are prejudicial to the interest of the Company or its members, for the reasons stated therein.</p> <p>13. We refer to the Note No. 22 to the Statement regarding that in accordance with RBI circular dated April 07, 2021, the Company 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.</p> <p>Material uncertainty related to Going Concern</p> <p>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.</p>
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(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) :	<p>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,</p>



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.



	<p>5. The Administrator, Advisors and KMPs have taken charge with effect from 21st November 2019 and have relied on information, data, clarifications and views provided by the existing staff of the Company for the purposes of the financial results. 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.</p>
(iii) Auditors' Comments on (i) or (ii) above:	Our view remains unchanged considering the matters referred to in paragraphs 7 to 14 in our audit report.

III. Signatories:

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

Place: Chennai

Date: June 05, 2021

