Board's Report

Dear Members,

The Board of Directors of your Company take pleasure in presenting the standalone and consolidated reports on the operational and business performance, along with the audited financial statements for the financial year ended March 31, 2019.

KEY FINANCIALS

The financial performance of your Company for the financial year ended March 31, 2019, is summarized below:

(₹ in crore)

Particulars	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Gross Income	12,902.52	10,864.42	12,911.66	10,891.13
Less: Finance Costs	9,392.85	7,721.95	9,416.91	7,744.02
Net loss on fair value changes	2,458.37	-	2,458.37	-
Impairment on financial instruments	1,084.98	629.68	1,008.97	629.68
Overheads & Provisions	1,080.15	784.14	1,080.27	784.21
Depreciation and amortization expense	51.15	27.63	51.15	27.63
Profit/ (Loss) before Tax	**(1,164.98)**	**1,701.02**	**(1,104.01)**	**1,705.59**
Less: Current Tax	538.32	483.62	538.32	483.62
Deferred Tax	(667.25)	(22.59)	(658.4)	(22.59)
Net Profit/ (Loss) after tax	**(1,036.05)**	**1,239.99**	**(983.93)**	**1,244.56**
Add: Share of net profits of associates and joint ventures	-	-	18.02	18.76
Add: Balance brought forward from the previous year	2,377.73	1,841.38	2,143.21	1,583.81
Dividend of earlier years on shares allotted upon exercise of ESOPs/ ESARs	-	-	0.07	-
Add/(Less): Other Comprehensive Income	0.93	(2.17)	0.88	(2.33)
Surplus available for appropriations	**1,342.61**	**3,079.20**	**1,178.25**	**2,844.80**
Appropriations				
Transferred to Statutory Reserve under Section 36(1) (viii) of the Income Tax Act, 1961 read with Section 29C of National Housing Bank Act, 1987	-	275.00	-	275.00
Transferred to General Reserve	-	200.00	-	200.00
Interim Dividend(s)	-	94.08	-	94.08
Equity Dividend (Final)	78.41	94.07	78.41	94.07
Tax on Dividends	16.13	38.32	16.46	38.44
Balance carried over to Balance Sheet	1,248.07	2,377.73	1,083.38	2,143.21
Total	**1,342.61**	**3,079.20**	**1,178.25**	**2,844.80**
Earnings Per Share				
Basic (in ₹)	(33.02)	39.55	(30.78)	40.29
Diluted (in ₹)	(33.02)	39.37	(30.78)	40.11

Appropriations from Net Profit are as detailed in the table given above

Your Company's Gross Income grew by 18.76% to ₹ 12,902.52 crore as at March 31, 2019 as against ₹ 10,864.42 crore as at March 31, 2018.

IND AS IMPLEMENTATION

During the financial year under review, your Company has adopted Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015. The financial statements for the year ended March 31, 2019 have been prepared under Ind AS. The financial statements for the year ended March 31, 2018 have been restated in accordance with Ind AS for comparative purposes.

TRANSFER TO RESERVES

During the year under review, your Company suffered a net loss of ₹ 1,036.05 crore on account of increased provisioning and higher impact of impairment on financial instruments and consequently, no transfers were made to the reserves out of the amount available for appropriation.

PERFORMANCE

Your Company has always been the flag bearer of the Mission - Housing for All. Your Company since inception is conducting its business towards fulfilling a mission of enabling every Indian citizen more particularly those in Lower and Middle Income (LMI) and Economically Weaker Sections (EWS) to own a house for themselves and their families.

Your Company disbursed loans worth ₹ 13,582.89 crore in first quarter of the financial year under review, which is the highest ever loans disbursed by your Company in the first quarter of any financial year and in value terms is more than the loan disbursement in the fourth quarter of the previous financial year. This tremendous growth in the first quarter shows the ability of your Company to forge ahead and work collaboratively at all times to deliver beyond the expected.

Unfortunately, the Non-Banking Financial Companies (NBFCs) and Housing Finance Companies (HFCs) sectors witnessed some strong headwinds in the financial year under review in the wake of the default by prominent financial institutions which led to a liquidity crunch in the financial markets. Bond market lost depth and with banks playing cautious in releasing funds to NBFCs and HFCs, the business cycle for NBFCs and HFCs took a hit in the latter half of the financial year under review.

While your Company was not left unaffected of the liquidity crunch in the financial markets, your Company successfully repaid all its repayment obligations till March 31, 2019 without any default, even in the face of the liquidity shortfall, wherein your Company looked at securitization to tide over the crises. Your Company securitized over ₹ 18,411.86 crore of loan assets in the financial year under review, which bore a testimony to the high quality and strength of the retail portfolio that your Company has built with a single minded focus on catering to the LMI segment.

Your Company continues to remain committed to its mission of enabling home ownership to every Indian which is also aligned to the Government's vision of "Housing for All by 2022" and has facilitated Credit Linked Subsidy Scheme (CLSS) subsidy to over 45,745 households worth over ₹ 1,035.3 crore being sanctioned by National Housing Bank under Pradhan Mantri Awas Yojna (PMAY).

Even though your Company continued to pay all liabilities as per scheduled dates, starting February 2019, the credit rating agencies downgraded your Company multiple times creating further pressure on the liquidity. Your Company continued to make all efforts to pay all liabilities on time. However, on June 4, 2019, there was a delay in repayment of dues to the holders of Non-Convertible Debentures (NCDs) issued by your Company. While your Company repaid the amount within the 7 working days cure period, the credit rating was downgraded to Default by the rating agencies. The downgrade of credit rating has impacted your Company and also there were a few instances of defaults in respect of NCDs, however, the management and the promoters of your Company are working on all possible solutions to resolve the current crisis of your Company.

Your Company has been working towards resolving its liquidity crisis in a comprehensive and timely manner. As a step towards the same, your Company has formulated a draft resolution plan in accordance with the requirements set out in the circular issued by the Reserve Bank of India on Reserve Bank of India (Prudential Framework for Resolution of Stressed Assets), 2019 dated June 7, 2019 bearing Circular No. RBI/2018-19/203, DBR. No.BP.BC.45/21.04.048/2018-19 and the said draft resolution plan has been submitted to the lenders for their consideration and approval, pursuant to execution of Inter-Creditor Agreement executed among lenders.

Standalone

During the financial year ended March 31, 2019 and March 31, 2018, your Company made total loan disbursements of ₹ 28,770.61 crore and ₹ 44,800.31 crore, respectively. As on March 31, 2019 and March 31, 2018, the Gross NPAs as a percentage of the outstanding loans were 2.72% and 0.96%, respectively. The net NPAs as a percentage of the outstanding loans were 2.12% and 0.56%, respectively, which are both substantially lower than industry benchmarks.

Total income for the financial year under review was ₹ 12,902.52 crore as against ₹ 10,864.42 crore during the previous financial year and total expenditure was ₹ 14,067.5 crore, compared to ₹ 9,163.4 crore during the previous financial year. Your Company's Assets Under Management (AUM), including other loans and ICDs stood at ₹ 1,33,024 crore as on March 31, 2019, as against ₹ 1,13,655 crore in the previous financial year.

For the financial year under review, your Company suffered a Loss Before Taxes of ₹ 1,164.98 crore as against Profit Before Tax of ₹ 1,701.02 crore in the previous financial year and Loss After Tax is ₹ 1,036.05 crore as against Profit After Tax of ₹ 1,239.99 crore in the previous financial year, mainly on account of Net Loss on Fair Value Changes of ₹ 2,458.37 crore and ₹ 1,084.98 crore towards impairment on financial instrument during the financial year under review.

Consolidated

During the financial year under review, your Company's total revenue on consolidated basis stood at ₹ 12,911.66 crore, higher than ₹ 10,891.13 crore in the previous financial year. The overall operational expenses for the financial year under review were ₹ 14,015.67 crore, as against ₹ 9,185.54 crore in the previous financial year. Operating loss before tax stood at ₹ 1,104.01 crore as compared to profit of ₹ 1,705.59 crore in the financial year 2017-18. The financial year's Loss After Tax stood at ₹ 965.91 crore as against Profit After Tax of ₹ 1,263.32 crore in the previous financial year.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments affecting the financial position of your Company, which have occurred between the end of the financial year under review, i.e. March 31, 2019 and the date of this Board's report i.e. August 26, 2019, except as disclosed in this Board's Report.

DIVIDEND

Your Company has in place a Dividend Distribution Policy formulated in accordance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which intends to ensure that a rational decision is taken with regard to the amount to be distributed to the shareholders as dividend after retaining sufficient funds for your Company's growth, to meet its long-term objective and other purposes. The Policy lays down various parameters to be considered by the Board of Directors of your Company before recommendation/ declaration of dividend to the Members of your Company and also circumstances under which the shareholders of your Company may not expect dividend.

Owing to the present economic scenario in the financial sector and in view of the loss incurred by your Company for the financial year under review, no dividend has been declared/recommended by the Board of Directors on Equity Shares for the financial year ended March 31, 2019.

The Dividend Distribution Policy is available on the website of the Company at the URL https://www.dhfl.com/docs/default-source/investors/dividend-distribution-policy/dividend-distribution-policy-jan-2018.pdf and forms part of this Board's report as "Annexure - 1".

TRANSFER OF UNCLAIMED DIVIDEND / DEPOSITS AND SHARES TO INVESTOR EDUCATION & PROTECTION FUND (IEPF)

Pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013, rules made thereunder and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 read with the relevant circulars and amendments thereto, the amount of dividend / deposits remaining unpaid or unclaimed for a period of 7 (seven) years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF) as constituted by the Central Government.

Further, as per the provisions of Section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer & Refund) Rules 2016, the shares in respect of which the dividend has not been claimed for seven (7) consecutive years are required to be transferred by the Company to the designated Demat account of the IEPF Authority.

The details of the unpaid/unclaimed dividend/deposits and the shares due to be transferred to the IEPF, are also uploaded as per the requirements, on the website of your Company i.e. www.dhfl.com.

Unpaid / Unclaimed Dividend

During the financial year under review, your Company has transferred unclaimed final dividend of ₹ 0.09 crore pertaining to the financial year 2010-11 to the Investor Education and Protection Fund (IEPF) established by the Central Government after the expiry of seven years from the date of transfer to unpaid dividend account.

Unclaimed Deposits

During the financial year under review, an amount of ₹ 0.26 crore was transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government, being the amount of deposits along with interest thereon, that remained unclaimed and unpaid for a period of seven years from the date it became first due for payment.

Members and Depositors of your Company are requested to claim their unclaimed dividend/deposit, if any, and for the purpose may correspond with the Secretarial Department or the Registrar and Share Transfer Agent.

Transfer of Shares to IEPF

Pursuant to the provisions of Section 124(6) of the Companies Act, 2013 and the rules made thereunder, your Company has transferred in aggregate 84,764 equity shares of ₹ 10 each to Investor Education and Protection Fund (IEPF) established by the Central Government in respect of which the dividend remained unpaid / unclaimed for a period of seven consecutive years i.e. from 2010-11 till the due date of September 2, 2018 after following the prescribed procedure.

In case your shares, unclaimed dividend or deposits etc. have been transferred to IEPF, you can claim the same by making an application directly to IEPF in the prescribed form under the IEPF Rules which is available on the website of IEPF i.e. www.iepf.gov.in.

LENDING OPERATIONS

The sanctions and disbursements of housing and other loans, during the financial year ended March 31, 2019, were ₹ 43,343.28 crore and ₹ 28,770.61 crore, respectively, as against ₹ 65,935.78 crore and ₹ 44,800.31 crore, respectively, in the previous financial year. Your Company's cumulative loan disbursement since inception was ₹ 2,07,050.15 crore.

Securitisation / Assignment of Loans

During the financial year under review, your Company has sold/ assigned multiple pools of ₹18,411.86 crore. Your Company will, however, continue to collect the Equated Monthly Installments (EMIs) receivable from the borrowers in most of the cases, on behalf of the acquirer of the loans and remit the same to the latter after retaining its portion in terms of the individual agreements.

Loan Book (Housing and Other Loans)

As at March 31, 2019, the loan book, including other loans, stood at ₹ 1,02,429 crore, as against ₹ 94,501 crore in the previous financial year, including; inter-corporate deposits.

SHARE CAPITAL

(A) Authorized Share Capital

During the financial year under review, there has been no change in the authorized share capital of the Company. The Authorized share capital of the Company as at March 31, 2019 stood at ₹ 828,00,00,000 divided into (i) 57,80,00,000 equity shares of ₹ 10/- each aggregating to ₹ 578,00,00,000; and (ii) 25,00,000 non-convertible redeemable cumulative preference shares of ₹ 1,000/- each aggregating to ₹ 250,00,00,000.

(B) Issued and Paid-up Share Capital

(1) Equity Share Capital

The issued and paid-up equity share capital of the Company as at March 31, 2019 was ₹ 313,82,30,240 divided into 31,38,23,024 equity shares of ₹ 10/- each as compared to ₹ 313,65,88,470 divided into 31,36,58,847 equity shares of ₹ 10/- each as at March 31, 2018. The increase was on account of allotment of 1,64,177 equity shares of ₹ 10/- each, upon exercise of options (employee stock option plan and employee stock appreciation rights) by the eligible employees of your Company pursuant to the Employee Stock Option Scheme, 2008 and Employee Stock Appreciation Rights Plan, 2015.

Your Company has neither issued any shares with differential voting rights nor any Sweat Equity shares, during the financial year under review.

(2) Preference Share Capital

No preference shares have so far been issued by the Company.

RESOURCE MOBILISATION

Your Company's borrowing policy is under the control of the Board. Your Company has vide special resolution passed by the Members of your Company, under Section 180(1)(c) of the Companies Act, 2013, at the 33rd Annual General Meeting held on July 21, 2017, authorized the Board of Directors to borrow money upon such terms and conditions as the Board may think fit in excess of the aggregate of paid up share capital and free reserves of your Company upto an amount of ₹ 2,00,000 crore and the total amount so borrowed shall remain within the limits as prescribed by National Housing Bank. Your Company has maintained a well diversified borrowing mix comprising of borrowings from the Banks (36%), debt market instruments (51%), deposits (7%), refinance from National Housing Bank (3%) and External Commercial Borrowings (3%).

Your Company continued to raise resources at competitive rates from its lenders.

Your Company's total borrowings amounted to ₹ 91,391 crore as at March 31, 2019, as against ₹ 92,076 crore in the previous year.

The Company's Asset-Liability Management Committee (ALCO), set-up in line with the guidelines issued by NHB, monitors asset-liability mismatches.

Non-Convertible Debentures [NCDs] by way of public issue

During the financial year under review, your Company made a public issue of Secured Redeemable Non-Convertible Debentures of ₹ 12,000 crore (including green shoe option). Your Company allotted 10,94,47,863 NCDs of the face value of ₹ 1,000 each for an aggregate amount of ₹ 10,944.79 crore. The proceeds of the aforesaid issuances were utilized for the purpose for which they were raised, largely towards business purposes, pre-payment/ repayment of borrowings. The outstanding balance of these Debentures as on March 31, 2019 amounts to ₹ 24,634.32 crore.

Non-Convertible Debentures [NCDs] issued on private placement basis

During the financial year under review, your Company continued to issue Non-Convertible Debentures on private placement basis, pursuant to the special resolution passed by the Members of the Company and Policy for private placement of Non-Convertible Debentures (NCDs) of the Company formulated as per the guidelines issued by National Housing Bank. The proceeds of the aforesaid issues were utilized for making disbursement to meet the housing finance requirements of the borrowers, repayment/ prepayment of principal and interest of existing borrowers as well as for general corporate purposes.

Non-Convertible Secured Redeemable Debentures

During the financial year under review, your Company issued Non-Convertible Secured Redeemable Debentures on private placement basis amounting to ₹ 5,950 crore to banks and financial institutions. The outstanding balance of these Debentures including accrued premium on zero coupon NCDs as on March 31, 2019 amounts to ₹ 15,561.03 crore.

Non-Convertible Perpetual Unsecured Debentures

During the financial year under review, your Company did not raise any Non-Convertible Perpetual Unsecured Debentures. The outstanding balance of such debentures as at March 31, 2019 amounts to ₹ 1,135.81 crore.

Non-Convertible Subordinated Unsecured Debentures

As at March 31, 2019, your Company's outstanding subordinated debts were ₹ 2,202.00 crore. The debt is subordinated to present and future senior indebtedness of your Company. Further, in the month of April, 2018, your Company has issued on private placement basis Non-Convertible Subordinated Unsecured Debentures amounting to ₹ 1,000 crore.

Debenture Trustee Agreement(s) were executed by your Company, in favour of Catalyst Trusteeship Limited (formerly known as GDA Trusteeship Limited) for NCDs issued during the year.

During the financial year under review, the interest on Non-Convertible Debentures issued by way of public issue and on private placement basis were paid by your Company on their respective due dates and there were no instances of any interest amount which were not claimed by the investors or paid by your Company after the date, on which the same became due for payment. However, there have been few instances of delay and non-payment of interest and principal amount of the Non-Convertible Debentures during the month of June 2019 to August 2019 on account of liquidity crunch faced by your Company.

Your Company being Housing Finance Company is exempted from the requirement of creating Debenture Redemption Reserve (DRR) in case of privately placed debentures. Therefore no DRR has been created for the Debentures issued by your Company on private placement basis. However, your Company has created a DRR for Secured Redeemable Non-Convertible Debentures issued by way of Public issue. As at March 31, 2019, DRR stood at ₹ 1,170 crore.

Medium Term Notes (MTN) programme (Masala Bonds)

During the financial year under review, your Company has set up Medium Term Note (MTN) programme for raising of funds by way of issue of secured Rupee denominated Notes overseas to be settled in USD for an amount not exceeding USD 2 billion. Under the said MTN Programme, your Company has on April 18, 2018 successfully raised an amount of ₹ 989.72 crore by issue of INR denominated USD settled 10 billion Notes having a tenure of 5 years. These bonds are listed on London Stock Exchange (LSE – International Securities Market (ISM) Segment).

Disclosure under Housing Finance Companies issuance of Non-Convertible Debentures on Private Placement Basis (NHB) Directions, 2014

During the financial year under review, the Non-Convertible Debentures issued on private placement basis, were paid/ redeemed by your Company on their respective due dates and there were no such instances of any Non-Convertible Debentures which have not been claimed by the investors or not paid by your Company after the date on which the Non-Convertible Debentures became due for redemption. However, there have been few instances of delay and non-payment of interest and principal amount of the Non-Convertible Debentures during the month of June 2019 to August 2019 on account of liquidity crunch faced by your Company.

Loans from Banks

Your Company continued to leverage on its long term relationship with banks and thus tied up funds by raising additional term loans from banks to the extent of ₹ 1,425 crore during the financial year under review at competitive rates available in the market and continued its focus on domestic sources.

Deposits

Your Company has been consistently growing the retail deposit book over the past several years, backed by a strong distribution network and a competitive product offering. However, this year has been relatively tough for your Company due to adverse economic and market conditions for Housing Finance Companies and Non-Banking Financial Companies. As a result, the fixed deposit portfolio of your Company has seen a decline during the financial year under review. The total deposits reduced by 32% to ₹ 6,915.55 crore as on March 31, 2019 as compared to ₹ 10,166.72 crore as on March 31, 2018.

As of March 31, 2019, there were 9,123 depositors who had not claimed their deposits (along with interest due thereon) aggregating to ₹ 88.78 crore. Your Company sends appropriate reminders to the depositors before the date of deposit maturity and that is also followed up by reminders after the date of maturity in case the deposit remains unclaimed, to renew or claim their maturity amount of deposits by submitting necessary deposit receipt along with the necessary instructions.

Your Company, a deposit accepting Housing Finance Company, registered with National Housing Bank (NHB), governed by the provisions of the Housing Finance Companies (NHB) Directions, 2010 (NHB Directions 2010), as amended and other directions, regulations and circulars issued by NHB, has temporarily stopped accepting deposits w.e.f. May 20, 2019 due to downgrading of its Credit Rating below the investment grade as required under NHB Directions 2010. The Fixed Deposits accepted by your Company are secured appropriately by the floating charge on the statutory liquid assets maintained in terms of Sub-Sections (1) and (2) of Section 29B of the National Housing Bank Act, 1987.

Commercial Papers

As at March 31, 2019, Commercial Papers outstanding amount stood at ₹ 833.18 crore.

External Commercial Borrowings (ECBs)

During the financial year under review, your Company has refinanced External Commercial Borrowings (ECBs) amounting to ₹ 1,595.98 crore in the form of a syndicated loan facility. The ECBs were raised under the RBI Refinance Guidelines for Low Cost Affordable Housing Scheme of the Reserve Bank of India (RBI) under the approval route.

In terms of ECB Master Circular issued by RBI, the proceeds of the subject ECBs have been utilised for financing the prospective owners of low cost affordable housing units. Low cost affordable housing units have been defined as units where the property cost is up to ₹ 30 lakh, the loan amount is capped at ₹ 25 lakh and the carpet area does not exceed 60 square metres.

SECURITY COVERAGE FOR THE BORROWINGS

The security details of the aforesaid secured borrowings made by the Company are mentioned at Note No. 18 in the Notes to accounts forming part of the audited (standalone) financial statements for the financial year ended March 31, 2019.

CREDIT RATINGS

On June 4, 2019, there was a delay in repayment of dues by your Company to some of the holders of Non-Convertible Debentures (NCDs). While your Company repaid the amount within the 7 working days cure period, the credit rating was downgraded to Default grade by the rating agencies.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Your Company being a housing finance company, the disclosure regarding particulars of loans made, guarantees given and securities provided in the ordinary course of its business is exempted as per the provisions of Section 186(11) of the Companies Act, 2013.

Details of the investments made by the Company pursuant to the provisions of Section 186 of the Companies Act, 2013 are given in the Notes to accounts forming part of the audited (standalone) financial statements for the financial year ended March 31, 2019.

CAPITAL ADEQUACY

As required under Housing Finance Companies (NHB) Directions, 2010, [NHB Directions, 2010], your Company is presently required to maintain a minimum capital adequacy of 12% on a stand-alone basis. The following table sets out the Company's Capital Adequacy Ratios as at March 31, 2017, 2018 and 2019:

Particulars	As on March, 31		
	2019	2018	2017
Capital Adequacy Ratio	14.07%	15.29%	19.12%

The Capital Adequacy Ratio (CAR) of your Company was at 14.07% as on March 31, 2019, as compared to the regulatory requirement of 12% as disclosed at point no. 3 in "Disclosure Required by the National Housing Bank".

In addition, the NHB Directions, 2010 also require that your Company transfers minimum 20% of its annual profits to a reserve fund. Due to net loss incurred during the reported period, no transfer was made by the Company.

NON-PERFORMING ASSETS AND PROVISIONS FOR CONTINGENCY

Your Company adhered to the prudential guidelines for Non-Performing Assets (NPAs), under the Housing Finance Companies (NHB) Directions, 2010 [NHB Directions, 2010], as amended from time to time. Your Company did not recognize income on such NPAs and further created provisions for contingencies on standard as well as non-performing housing loans and property loans, in accordance with the NHB Directions, 2010. The Company has also made additional provisions to meet unforeseen contingencies. The following table set forth Company's gross NPAs, net NPAs, cumulative provisions and write-offs for the periods indicated:

(₹ in crore)

Particulars	As of March 31		
	2019	2018	2017
Gross Non-Performing Assets	2,445.52	880.94	678.45
% of Gross NPA to Total Loan Portfolio	2.72%	0.96%	0.94%
Net Non-Performing Assets	1,902.94	514.65	419.43
% of Net NPA to Total Loan Portfolio	2.12%	0.56%	0.58%
Total cumulative provision- loans and other assets*	4,494.07	974.08	714.19
Write-off	212.26	159.91	87.49

** including additional provision of ₹ 3,020 crore*

Recovery & Collections

The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act) has been effectively utilized by your Company to initiate recovery action under the provisions of this Act, against the defaulting borrowers. Your Company has taken physical possession of the secured assets of some of the defaulters and the same are being auctioned as per the process laid down under the SARFAESI Act and the rules framed thereunder. Your Company has a very robust and comprehensive collections setup comprising of call centers, field agents, law firms and auctioneers to deal with various stages of default while adhering to NHB guidelines.

In order to prevent frauds in loan cases by mortgaging the same property with multiple lenders, the Government of India has set up Central Registry of Securitization Asset Reconstruction and Security Interest of India (CERSAI) under Section 20 of the SARFAESI Act. Your Company has been filing requisite particulars of mortgaged properties with CERSAI as per the prevailing guidelines issued by CERSAI.

INVESTMENTS

The Investment Committee constituted by the Board of Directors is responsible for approving investments in line with the Investment Policy and limits as set out by the Board. The Investment Policy is reviewed and revised in line with the market conditions and business requirements from time to time. The decisions to buy and sell up to the approved limit delegated by the Board are taken by the Chairman & Managing Director, who is assisted by Senior Executives of the Company. The investment function is carried out primarily to support the core business of housing finance to ensure adequate levels of liquidity and to maintain investment in approved securities in respect of public deposits raised as per the norms of National Housing Bank. Considering the time lag between raising of resources and its deployment, the surplus funds are generally being parked with liquid fund schemes of mutual funds, bonds and short term deposits with banks. During the financial year under review, your Company earned ₹ 36.10 crore by way of income from mutual funds & other treasury operations and ₹ 35.75 crore by way of interest on bonds (including SLR bonds) and deposits placed with banks.

As per National Housing Bank guidelines, Housing Finance Companies are required to maintain Statutory Liquid Ratio (SLR) in respect of public deposits raised. Currently, the SLR requirement is 13% of the public deposits. As at March 31 2019, your Company has invested ₹ 697.47 crore (book value - gross) in approved securities comprising of government securities, government guaranteed (State and Central) bonds, State Development Loans and by way of bank deposits for ₹ 737.95 crore. It is being maintained within the limits prescribed by National Housing Bank.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

As on March 31, 2019, your Company has four (4) wholly owned subsidiaries, three (3) joint ventures and three (3) associate companies. The Board of Directors reviewed the affairs of all the subsidiaries, joint ventures and associate companies.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013, your Company has prepared Consolidated Financial Statements of the Company which forms part of this Annual Report. Further, a Statement containing salient features of financial statements of the subsidiaries, joint venture entities and associate companies in the prescribed format AOC-1, pursuant to the provisions of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 forms part of this Board's report as "Annexure - 2". The Statement also provides details of performance and financial position of each of these companies.

In accordance with the provisions of Section 136 of the Companies Act, 2013 read with the applicable rules, the audited standalone financial statements, the consolidated financial statements and related information of the Company and the audited accounts of the subsidiary/ies, joint venture entities and associate companies, are available on the Company's website i.e. www.dhfl.com. These documents shall also be available for inspection till the date of the ensuing Annual General Meeting during the business hours, i.e. between 2.00 p.m. to 5.00 p.m. on all working days (except Saturdays, Sundays and Public Holidays) at the Registered Office of the Company.

Highlights of Performance of Subsidiaries

DHFL Advisory & Investments Private Limited (DAIPL)

DHFL Advisory & Investments Private Limited was incorporated as a wholly-owned subsidiary of your Company with the main object to, inter-alia, carry on the business of providing all kinds of advisory/ consultancy services and fee based intermediation activities.

As at March 31, 2019, DAIPL held 32.88% stake in the equity share capital of the joint venture entity i.e. DHFL Pramerica Asset Managers Private Limited (DPAMPL).

During the current financial year, your Company has pursuant to receipt of approval from relevant regulatory authorities sold the entire stake held by it (i.e. 17.12% directly and 32.88% through DAIPL) in DPAMPL and DHFL Pramerica Trustees Private Limited (DPTPL) to PGLH of Delaware and the transaction was consummated on July 31, 2019.

DAIPL earned an advisory fees of ₹ 0.025 crore during the financial year ended March 31, 2019 as against ₹ 0.05 crore for the financial year 2017-18.

DHFL Investments Limited (DIL)

DHFL Investments Limited was incorporated as a wholly owned subsidiary of your Company in the financial year 2016-17. The Company made an investment of ₹100.05 crore in DIL by way of subscription to 10,00,50,000 equity shares of ₹10/- each in the financial year 2016-17. During the previous financial year, your Company made further investment of ₹ 1.20 crore by subscribing to 12,00,000 Equity shares of ₹10/- each issued by DIL on preferential basis.

DIL holds 50% stake in the equity share capital of the joint venture entity DHFL Pramerica Life Insurance Company Limited. DIL had during the financial year 2016-17, by way of issue of Compulsory Convertible Debentures (CCDs), raised an amount of ₹1,901 crore from Wadhawan Global Capital Limited (formerly Wadhawan Global Capital Private Limited). The said CCDs are convertible into equal number of equity shares of DIL after the expiry of 100 months from the date on which the CCDs were issued and mandatorily to be converted on the expiry of 110 months.

As at March 31, 2019, the networth of DIL stood at ₹2,000.62 crore and its loss for the financial year 2018-19 was ₹0.05 crore as against loss of ₹0.33 crore for the financial year 2017-18.

DHFL Changing Lives Foundation

DHFL Changing Lives Foundation, was incorporated in the previous financial year as a Non-Profit Company, limited by guarantee, registered under Section 8 of the Companies Act, 2013 to take forward your Company's CSR Vision and implement social programmes in a far more collaborative and participative way. The DHFL Changing Lives Foundation has initiated implementing the Company's flagship CSR programme i.e. Early Childhood Care and Education (ECCE). It further proposes to invest in various capacity building initiatives to develop the programme, scale it to new geographies, foster partnership and use the learnings for creating a holistic approach to ECCE and make it an adaptable model in the National agenda for sustainable development goals.

DHFL Holdings Limited (DHL)

During the financial year under review, your Company incorporated DHFL Holdings Limited as its wholy-owned subsidiary and made an investment of ₹ 1 lakh in DHL by way of subscription to 10,000 equity shares of ₹ 10/- each.

The main object of DHL is, inter-alia, to carry on the business of a holding and investment company, to buy, underwrite, invest in, acquire, hold, deal in and trade in shares, stocks, debentures, debenture-stock, bonds, obligations and securities of any kind of companies or partnership firms or body corporate, whether in India or elsewhere.

Highlights of Performance of Joint Ventures

DHFL Pramerica Life Insurance Company Limited

Your Company had acquired 50% equity stake in DHFL Pramerica Life Insurance Company Limited (erstwhile DLF Pramerica Life Insurance Company Limited) ("DPLI"), a life insurance Company registered with Insurance Regulatory and Development Authority of India, from DLF Limited in December, 2013, and entered into a joint venture with Prudential International Insurance Holdings Limited ("Prudential"). In order to unlock the value of the Company's investment in DPLI, with the approval of Board of Directors, the Members of the Company and relevant regulatory authorities, during the financial year 2016-17, the entire equity stake held in DPLI representing 50% of the paid-up equity share capital of DPLI was sold to DIL, a wholly-owned subsidiary.

As at March 31, 2019, the networth of DPLI stood at ₹ 989.91 crore and its Profit before tax declined by 19.4% to ₹ 97.91 crore for financial year 2018-19 as against ₹ 121.53 crore for financial year 2017-18. The Assets under Management of DPLI stood at ₹ 4,463.70 crore as at March 31, 2019 as against ₹ 3,101.80 crore as at March 31, 2018. DPLI has presence in 27 states and 2 Union Territories.

DHFL Pramerica Asset Managers Private Limited & DHFL Pramerica Trustees Private Limited

Upon entering into a joint venture with PGLH of Delaware, (a wholly-owned indirect subsidiary of Prudential Financial Inc.) your

Company had acquired 50% of the equity share capital of DHFL Pramerica Asset Managers Private Limited (hereinafter referred to as “DPAMPL”), the Asset Management Company of DHFL Pramerica Mutual Fund (hereinafter referred to as “DPMF”) and DHFL Pramerica Trustees Private Limited, the Trustee of DPMF.

Your Company is registered with Association of Mutual Funds in India (AMFI) vide registration No. ARN -101515 as AMFI registered Mutual Fund Advisor and undertakes the distribution of mutual fund products of DPAMPL.

As at March 31, 2019, your Company held 50% equity stake in DPAMPL (directly 17.12% and 32.88% through its wholly-owned subsidiary, DAIPL) and the DPTPL, respectively. Your Company has sold the entire stake held by it in DPAMPL (i.e. 17.12% directly and 32.88% through DAIPL) and DPTPL to PGLH of Delaware and the transaction was consummated on July 31, 2019. Consequent upon said disinvestment on July 31, 2019, both DHFL Pramerica Asset Managers Private Limited and DHFL Pramerica Trustees Private Limited ceased to be Joint Venture companies of your Company.

As on March 31, 2019, the networth of DPAMPL stood at ₹ 133.28 crore with a Loss Before Tax of ₹ 10.20 crore for financial year 2018-19 as against Profit of ₹ 11.27 crore for financial year 2017-18. The Assets under Management of DPAMPL stood at ₹ 9,432.40 crore as at March 31,2019 as against ₹ 26,750.82 crore as at March 31, 2018. DPAMPL has presence in 14 states.

Highlights of Performance of Associate Companies

Aadhar Housing Finance Limited (AHFL) (formerly DHFL Vysya Housing Finance Limited)

Aadhar Housing Finance Limited (formerly known as DHFL Vysya Housing Finance Limited, hereinafter referred to as “AHFL”) is a housing finance company registered with NHB and it focuses to cater to the lower and middle income segment.

As at March 31, 2019, the networth of AHFL stood at ₹ 859.85 crore (including capital reserve on amalgamation) and its Profit Before Tax grew by 45.53% at ₹ 235.40 crore for the financial year 2018-19 as against ₹ 161.75 crore for the financial year 2017-18. The Assets under Management of AHFL stood at ₹ 10,016 crore as at March 31, 2019 as against ₹ 7,966.41 crore as at March, 31, 2018. AHFL has presence in 20 states.

As on March 31, 2019, your Company held 9.15% of the paid-up equity share capital of AHFL.

During the current financial year, your Company has pursuant to receipt of regulatory approvals and execution of relevant documents, completed the sale/transfer of its entire stake i.e. 23,01,090 equity shares (equivalent to 9.15% of AHFL) held in AHFL to BCP Topco VII Pte. Ltd., which is controlled by private equity funds managed by Blackstone and consummated the transaction on June 10, 2019. Consequent upon sale/transfer on June 10, 2019, Aadhar Housing Finance Limited ceased to be an associate company of your Company.

Avanse Financial Services Limited (Avanse)

Avanse Financial Services Limited is one of the leading education focused niche NBFC, regulated by Reserve Bank of India. With its new age, flexible and tailored financial solutions, Avanse addresses higher education needs of the Indian youth enabling them to ‘Aspire without Boundaries’. Avanse has fulfilled dreams of over 15,000 academic aspirants across 6,000+ courses in 2,000+ institutes across India and over 45+ countries including US, UK, Canada, Australia and others.

As at March 31, 2019, the net worth of Avanse stood at ₹ 577.78 crore and its Profit Before Tax grew by 130% at ₹ 41.48 crore for the financial year 2018-19 as against ₹ 18.00 crore for the Financial Year 2017-18. The Assets under Management of Avanse stood at ₹ 2,852 crore as at March 31, 2019 as against ₹ 2,187 crore as at March 31, 2018. Avanse has presence in 16 locations across India.

As on March 31, 2019, your Company held 30.63% of the paid-up equity share capital of Avanse.

During the current financial year, your Company has pursuant to receipt of regulatory approvals and execution of relevant documents, completed the sale/transfer of its entire stake held in Avanse i.e. 1,92,50,719 (30.63%) equity shares to Olive Vine Investment Limited, an affiliate of the Warburg Pincus group and consummated the transaction on July 30, 2019. Consequent upon sale/transfer on July 30, 2019, Avanse Financial Services Limited ceased to be an associate company of your Company.

DHFL Ventures Trustee Company Private Limited (DHFL Ventures)

DHFL Ventures is a Company which acts as a trustee company of venture capital funds and alternative investment funds. During the financial year 2016-17, your Company had transferred its entire equity stake held in DHFL Ventures to its wholly owned subsidiary i.e. DHFL Investments Limited at face value

As at March 31, 2019 the net worth of DHFL Ventures stood at ₹ 0.06 crore and its Profit Before Tax was ₹ 0.02 crore for financial year 2018-19. The total assets of DHFL Ventures stood at ₹ 0.11 crore as at March 31, 2019 as against ₹ 0.09 crore as at March 31, 2018.

INFORMATION TECHNOLOGY

Your Company has been expanding technology landscape through advanced technology solutions as part of digital transformation program which comprises of technology enablers for business growth and operational efficiency along with a lot of emphasis on IT security.

The journey towards digital transformation is to enhance customer and employee experience by strengthening enterprise architecture and expanding the digital footprint to meet evolving business needs.

As part of this program, best-fit solutions were being implemented/ enhanced in the areas of (i) customer relationship management to achieve higher customer satisfaction and enhanced marketing and sales effectiveness; (ii) digital channels to provide for effective interaction between the Company and its customers and business partners/agents (iii) enhancing deposits system (iv) complete digitization of processes and document management to facilitate the centralization of processes (v) Mobility solutions for collections management, customer on-boarding and technical verifications (vi) loan origination and management system (vii) middleware enhancements (viii) Integration with fintech solutions for improving operational efficiency.

HUMAN RESOURCES

Your Company continues to nurture a culture of talent and leadership development and believes that the internal human potential shall be the stepping stones of establishing a profitable business proposition. It is your Company's constant attempt to create an atmosphere where the workforce thrives, grows up the learning curve and are valued for their contributions.

Your Company believes in acquiring the finest resources, building their capabilities through robust learning models, and retaining them through progressive employee-centric policies and practices. This successfully creates alignment of organizational and individual aspirations.

During the financial year 2018-19, your Company strengthened the pre-trained manpower hiring channel, providing product and process training prior to on-boarding, in order to curtail the loss of productive hours. Your Company is also tied up with prominent and Tier I learning institutions of the country to curate end-to-end scholastic cycles for the youth of tomorrow. Your Company introduced referral schemes to ensure economical quality hires. It also refurbished its Employee Induction Program, aiding cultural orientation of the off-role staff to the organizational culture, while, at the same time, imparting to them the necessary product and process knowledge.

Under the flagship program, GATI – Career Progression Plan for its DSSL staff – that was announced in financial year 2015-16, approximately 3,500 frontline staff was dispersed across three levels. During the financial year under review, your Company on-boarded 10% proportion of its total hire from DHFL Sales and Services Limited (DSSL) source, rationalizing cost of hire and lessening performance lead time on external hires. Your Company also arranged for "First Time Manager" training to employees to hone their people management skills and improve employee relations. Your Company also joined hands with prominent educational institutions to sponsor higher education opportunities for the staff and their families at reduced rates. As part of this initiative, more than 70 applications were received in the year under review. Through this initiative, your Company intends to provide career growth opportunities to its human capital and foster higher studies amongst the extended DHFL Family, contributing to the cause of developing employable skills amongst the youth of the nation.

Your Company, in the financial year 2016-17, had launched "Better Together" - its diversity and inclusion initiative. Your Company continued to maintain a 10% female in the workforce ratio. Your Company leveraged on "Stronger Together" – the DHFL Women's Club, to facilitate knowledge sharing and empowerment among women employees. This informal platform helped us to create a more secure and supportive environment for the women staff. Your Company also scheduled several work-life sessions by celebrated speakers, besides financial knowledge camps, as well as grooming and health awareness sessions. An in-house nutritionist and Desk Yoga instructor were also appointed keeping in mind the welfare of the staff. Your Company, as responsible corporate citizens, will continue to promote diversity and go beyond its duty to build a workplace conducive to female staff, marked by equal opportunities and merit-based career decisions.

Your Company is on its way to building an organization that is future ready, based on the capabilities of its internal human capital, so as to leverage the inborn talents of employees to achieve higher levels of productivity. For this, your Company had worked with a celebrated brand in the Strength Management Field, Gallup, through their tool, Gallup Clifton Strength's Finder – an online assessment tool that identifies areas in which an individual has the greatest potential for building strengths. In financial year 2017-18, your Company had started the conversation around strengths and in the last financial year, your Company continued to work with people managers for this initiative and successfully implemented this concept, infusing strengths based working into the backbone of internal processes and human resources. Your Company, post the Leadership Enrichment Session based on the Strengths Philosophy, also worked to progress towards drawing out Succession Plans for the organization, wherein the successors for the top three layers were charted out.

Your Company also progressed in areas of Company level Strength Maps and Competency Framework, keeping in mind the next generation of technology and millennials. This involved the making of Organizational and Functional level Strength Maps that would help ascertain the overall organizational behavior and the competencies that we need to build for the future. The exercise charted out the core competencies that your Company would need to build internally to thrive in the next phase of growth and business operations. This was aimed at supporting the strategic growth charter of the Company and filtering out key action areas in terms of employee capability to make your Company's future-ready.

Learning and Development

Your Company's Learning & Development Team (L&D Team) is responsible for providing learning solutions to every role within the Company by designing comprehensive training framework to match the dynamic and ever evolving business trends.

Your Company has created stronger depth and focus in its skill building efforts. It has been able to support professional development and empower employees to deliver improved quality of service through its training intervention and motivating them to perform with renewed vigor and enthusiasm. Teaching expertise has been nurtured in-house, in the form of dedicated trainers, facilitators, content developers as well as subject matter experts from business teams.

During the financial year under review, training was imparted to 4,584 on roll employees and 2,626 off roll employees, covering a wide range of functional areas including sales skill development programs, credit analytical skills, appraisal techniques, fraud & risk management. "Organization Orientation" the exclusive monthly induction program for the new recruits is conducted to give an overall view of the Company's vision and mission. Similarly, programs based on soft skills and monitoring techniques were also conducted and 4,113 employees were covered, of which 3,337 were on roll and 776 were off roll.

In keeping with its importance and in compliance with National Housing Bank norms, trainings on Know Your Customer (KYC)

& Anti Money Laundering (AML) with a total coverage of 2,801 employees were also imparted at all levels within the organization. External training programs and cross functional exposures were utilized to provide an extra edge to employees for continuous and better performance through learning and job experience. To leverage the internal strength of L&D Team, only 14.24% of trainings were fully outsourced.

Your Company has partnered with the best in class leadership trainers of the country for corporate breakthrough workshop for key position holders and business managers. To study the impact of training, your Company engages leading trainers from the industry to benchmark Company's skills and for analyzing the same with focus on measuring and improving employee engagement and learning quotient.

Taking concrete steps based on the study findings, is helping the organization in building a stronger and more engaged workforce. Customer focus remains at the core of all L&D initiatives.

Your Company's Human Resources initiatives and L&D systems are designed to ensure an active employee engagement process, leading to better organizational capability and vitality for maintaining a competitive edge and in pursuing its ambitious growth plans.

EMPLOYEE REMUNERATION

(A) The ratio of the remuneration of each director to the median employees' remuneration and other details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended by the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016, forms part of this Board's report as "Annexure - 3".

(B) The statement containing particulars of employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended by the Companies (Appointment and Remuneration of Managerial Personnel) Amendment Rules, 2016 forms part of this Board's report. However, as per first proviso to Section 136(1) of the Act and second proviso of Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Report and Financial Statements are being sent to the Members of the Company excluding the said statement. Any Member interested in obtaining a copy of the said statement may write to the Secretarial Department at the Registered Office of the Company.

EMPLOYEES STOCK OPTION SCHEME (ESOP)/ EMPLOYEE STOCK APPRECIATION RIGHTS (ESARs)

Your Company has formulated employee stock option schemes/ employee stock appreciation rights plan with an intent to reward the employees of the Company for their performance and to motivate them to contribute to the growth and profitability of the Company. The Company also intends to use these schemes/plan to retain the talent, working with the Company.

Your Company has with the approval of Nomination and Remuneration Committee of the Board of Directors and pursuant to the special resolution passed by the Members of the Company at the Annual General Meeting held on July 23, 2007, formulated three employee stock option schemes, ESOP - 2008, ESOP - 2009 – Plan II and ESOP – 2009 – Plan III. The said stock option schemes are in compliance with the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (SEBI SBEB Regulations). The ESOP 2009 Plan II lapsed on November 25, 2015 and the ESOP 2009 Plan III was completed on May 12, 2017 and ESOP 2008 was completed on June 1, 2018 upon allotment of the balance 15,440 equity shares of ₹ 10 each under the said plans.

Pursuant to the resolution passed by the Board of Directors of the Company, at its meeting held on January 16, 2015 and the special resolution passed by the Members of the Company on February 23, 2015 through Postal Ballot, the DHFL Employee Stock Appreciation Rights Plan 2015 ("DHFL ESAR Plan 2015" / "the Plan") was approved in accordance with the provisions of SEBI SBEB Regulations, exercisable into not more than 51,46,023 fully paid-up equity shares in aggregate, having face value of ₹ 10/- each. Consequent to the bonus shares issued by the Company to its Members in the ratio 1:1 during the financial year 2015-16, the total number of Employee Stock Appreciation Rights (ESARs) also increased in the same ratio i.e. exercisable into not more than 1,02,92,046 fully paid up equity shares.

During the financial year 2017-18, Nomination and Remuneration Committee on July 13, 2017 approved Grant III of 32,47,100 and Grant IV of 5,50,000 ESARs and thereafter, on October 16, 2017 and January 22, 2018 approved Grant V & VI of 1,50,800 ESARs and 71,900 ESARs respectively, to the eligible employees of the Company conferring upon them a right to receive equity shares equivalent to the appreciation in the value of the shares of your Company. Nomination and Remuneration Committee on January 22, 2018 also approved the amendment to the vesting schedule in respect of the ESARs granted under Grants III, IV and V.

During the financial year 2017-18, the Members of the Company, approved amendment to the DHFL ESAR Plan 2015, inter-alia, for increasing the number of equity shares that can be allotted thereunder to 2,67,82,046 equity shares from the earlier limit of 1,02,92,046 equity shares. Pursuant to the subject approval, the Nomination and Remuneration Committee on March 21, 2018 approved Grant VII of 1,17,35,600 ESARs to the eligible employees of the Company.

Pursuant to the subject approval, the Nomination and Remuneration Committee on June 27, 2018 approved Grant VIII of 2,40,000 ESARs to the eligible employees of the Company.

During the Financial Year under review, in view of the interest expressed and requests given by all the ESAR Grantees covered under the aforesaid Grant – VII and Grant – VIII of the DHFL ESAR Plan 2015 to cancel and discontinue with the said Grants, the Nomination & Remuneration Committee and the Board of Directors of the Company at their respective Meetings held on March 29, 2019, approved cancellation of said Grant VII and Grant VIII of ESARs issued under the DHFL ESAR Plan 2015.

During the financial year under review, the Company allotted to the eligible employees from time to time 1,48,737 equity shares of ₹ 10/- each on exercise of 2,42,211 ESARs, under Grant I, II and III of DHFL ESAR Plan 2015.

The Company's Nomination and Remuneration Committee of the Board of Directors, inter-alia, administers and monitors the Employee Stock Option Schemes/Employee Stock Appreciation Rights Plans of the Company, in accordance with SEBI SBEB Regulations.

The Company has received a certificate from its auditors confirming that the Employee Stock Options Schemes/ Employee Stock Appreciation Rights Plan have been implemented in accordance with SEBI SBEB Regulations and is as per the respective resolutions passed by the Members of the Company. The said certificate would be placed at the ensuing Annual General Meeting for the inspection by the Members of the Company. The applicable disclosures as stipulated under SEBI SBEB Regulations, for the financial year under review, form part of this Board's report as "Annexure - 4" and in terms of Regulation 14 of SEBI SBEB Regulations the said details are also available on the website of the Company at the URL: http://www.dhfl.com/investors/esos-esar-disclosures/

DISCLOSURE UNDER SUB-SECTION (3) OF SECTION 134 OF COMPANIES ACT, 2013, READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014

A. Conservation of Energy

Your Company is not engaged in any manufacturing activity and thus its operations are not energy intensive. However, adequate measures are always taken to ensure optimum utilization and maximum possible saving of energy. During the financial year under review, your Company has made capital investment of approximately ₹ 0.80 crore at various locations, towards the installation of energy conservation equipment's such as replacement of CFL (Compact Fluorescent Lamp) with LED (Light- Emitting Diode) lights, energy saving Air-conditioners (VRV), replacement of normal tube lights with LED lights at the National Office of the Company and other pan-India branches. These initiatives have resulted in power saving on a daily basis. The Company on its lending side actively associates in all programmes and schemes of the Government and National Housing Bank (NHB), in promoting energy efficient homes.

B. Technology Absorption

Your Company has taken positive steps towards digital transformation to enhance customer experience, provide superior customer service, improve operational efficiency to support evolving business needs.

By expanding digital footprint, your Company has embraced mobility solutions in a big way to improve productivity and efficiency in customer onboarding, collections and technical verification processes. In addition, your Company is doing continuous enhancement of the core technology architecture to provide a scalable future ready platform to support and enable your Company's growth. The new technology platform covers all functions starting from sales to loan underwriting and management, customer relationship management, financial accounting and collections management.

Your Company is also adopting analytics solutions in a big way to provide better insights about its customers and internal operations, and take informed decisions based on advanced and predictive analytics. The various technology advancements that have been undertaken are aimed at serving the customers better, managing the processes efficiently and economically without compromising on security and controls.

C. Foreign Exchange Earnings and Outgo

There were no foreign exchange earnings during the year.

During the financial year under review, your Company's expenditure in foreign currency increased by 55.35% from ₹ 127.96 crore in the financial year ended March 31, 2018 to ₹ 198.79 crore for the financial year ended March 31, 2019. The increase in foreign exchange expenses was due to payment of interest on foreign borrowings and expenses for raising funds / borrowings.

INSURANCE

Your Company has insured its various properties and facilities against the risk of fire, theft, risk of financial loss due to fraud and other perils, etc. and has also obtained Directors' and Officers' Liability Insurance Policy which covers the Company's Directors and Officers (employees in managerial or supervisory position) against the risk of financial loss including the expenses pertaining to defense cost and legal representation expenses arising in the normal course of business. Also the Public Liability policy availed covers the legal liability arising out of third party bodily injury or third party property damage in Company premises.

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

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

Your Company being registered with Insurance and Regulatory Development Authority of India (IRDAI) to act as a Corporate Agent (Composite) for distribution and solicitation of life and general insurance products of DHFL Pramerica Life Insurance Company Limited, Cholamandalam MS General Insurance Company Limited and DHFL General Insurance Limited, respectively.

Your Company serves as group administrators for group health and/or personnel accident insurance policy for its customers and also solicit Property (Fire & Standard Perils) retail general insurance product to ensure adequate insurance coverage for the properties financed during the tenure of the loan.

Your Company also has in place a policy on Open Architecture for Retail Insurance Business, in terms of the Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015, which lays down the manner of soliciting and servicing insurance products and addresses the manner of adopting the philosophy of open architecture and its implementation.

Your Company also educates its customers in relation to the insurance products suitable for them.

NATIONAL HOUSING BANK GUIDELINES

Your Company has complied with the provisions of the Housing Finance Companies (NHB) Directions as prescribed by National Housing Bank (NHB) and has been in compliance with the various Circulars, Notifications and Guidelines issued by NHB from time to time. The Circulars, Notifications and Guidelines issued by NHB are also placed before the Audit Committee / Board of Directors at regular intervals to update the Committee/ Board members on the status of compliance with the same.

VIGIL MECHANISM (WHISTLE BLOWER POLICY)

Pursuant to the provisions of Section 177 (9) & (10) of the Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has in place a Whistle Blower Policy, which provides for a vigil mechanism that encourages and supports its Directors and employees to report instances of illegal activities, unethical behavior, actual or suspected, fraud or violation of the Company's Code of Conduct and Code of Business Ethics. It also provides for adequate safeguards against victimization of persons who use this mechanism and direct access to the Chairman of the Audit Committee in exceptional cases.

The said policy is available on the website of the Company at the URL: https://www.dhfl.com/docs/default-source/investors/whistle-blower-policy/whistle-blower-policy-revised.pdf

PREVENTION, PROHIBITION & REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

As per the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, your Company has in place a Policy on Prevention, Prohibition & Redressal of Sexual Harassment of Women at Workplace and has a robust mechanism to redress the complaints reported thereunder. An Internal Complaints Committee has been constituted, which comprises of internal members and an external member who has experience in the subject field.

Pursuant to the provisions of Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the complaints received thereunder and the details relating thereto are as follows:

(a) Number of complaints received in the year: Nil

(b) Number of complaints disposed of during the year: Nil

(c) Number of cases pending more than ninety days: Nil

(d) Number of workshops or awareness programme against sexual harassment carried out: Your Company on a regular basis sensitizes its employees on prevention of sexual harassment through various workshops, awareness programmes which are conducted at branch, regional, zonal and national level.

(e) Nature of action taken by the employer or district officer: Nil

RISK MANAGEMENT

As a housing finance company, your Company is exposed to various risks like credit risk, market risk, liquidity risk and operational risk (technology, employee, transaction and reputation risk).

While your Company catapulted into large HFC domain, prudence in underwriting and loan appraising capability remained a key benchmark for your Company. Your Company's highly proficient teams from legal, technical services and risk containment unit are the backbone of your Company's adept risk management processes and differentiates it from the others. Corporate governance remained a matter of utmost priority. Your Company has an effective Risk Management Control Framework that has been developed encircling all the above areas. Your Company has a Risk Management Committee (RMC) and Operational Risk Management Committee (ORMC) that comprise of its directors and members of its senior management team, respectively, who have rich experience in the industry in various domains. The RMC meets on periodic basis to oversee risk management system and the emergent risks your Company is exposed to. Your Company encourages sound risk management culture within the organization.

Your Company is committed to manage its risk in a proactive manner and has adopted structured and disciplined approach to risk management by developing and implementing risk management framework. With a view to manage its risk effectively, your Company has in place a Comprehensive Risk Management Policy which covers a formalized Risk Management Structure, alongwith other aspects of Risk Management i.e. Credit Risk Management, Operational Risk Management, Market Risk Management and Enterprise Risk Management. The Risk Management Committee of the Board, on periodic basis, oversees the risk management systems, processes and minimization procedures of the Company. During the financial year under review, the risk management policy of the Company was revised to align the same with the changing business environment.

During the financial year under review, the Comprehensive Risk Management Policy was amended on August 13, 2018 to amend the parameters for risk profiling on the basis of individual credit risk. Further, the details of the amended Asset Liability Management Policy and Foreign Exchange and Interest Rate Risk Management Policy were also included in the subject policy.

NOMINATION (INCLUDING BOARDS' DIVERSITY) REMUNERATION & EVALUATION POLICY (NRE POLICY) & PERFORMANCE EVALUATION

Your Company recognizes the importance and benefits of having a diverse Board. It endeavors to ensure diversity on the Board through varied skills, experience and background, gender, knowledge and other distinguishing qualities to enhance the overall effectiveness of the Board which in turn brings in valuable contribution to the Company's business strategies, plans and future growth aspects.

Your Company also believes that the Board shall at all times represent an optimum combination of Executive and Non-Executive Directors as well as Independent Directors. The Nomination (including Boards' Diversity), Remuneration & Evaluation Policy (NRE Policy) of the Company, inter-alia, lays down the approach to diversity of the Board, criteria for identifying the persons who are qualified to be appointed as Directors and/or Senior Management Personnel of the Company, alongwith the criteria for determination of remuneration of Directors, KMPs and other employees and their evaluation and includes other matters, as prescribed under the provisions of Section 178 of Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Additional details with respect to the said policy are given in the Report on Corporate Governance forming part of this Annual Report.

The said policy is available on the website of the Company at the URL: https://www.dhfl.com/docs/default-source/investors/nomination-(including-boards-diversity)-remuneration-and-evaluation-policy-of-the-company/nomination-remuneration-evaluation-policy-revised.pdf

The Nomination and Remuneration Committee of the Board of Directors has laid down the performance evaluation and assessment criteria/parameters for the Board (including Board Committees) and individual Directors. The Independent Directors in terms of Schedule IV of the Companies Act, 2013 at its separate meeting evaluated the performance of the Chairman & Managing Director, Joint Managing Director, Non-Executive Director and the Board as a whole.

The Nomination and Remuneration Committee carried out the evaluation of every Director's performance and the Board additionally carried out a formal evaluation of its own performance, Board Committees namely Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Finance Committee and all the individual Directors without the presence of the Director being evaluated. The detailed process and manner of performance evaluation carried out basis the criteria / parameters laid down for the purpose have been explained in the Report on Corporate Governance, forming part of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY

Your Company has been raising hope and fulfilling dreams of home ownership, of the lower and middle income (LMI) segment, for more than three and a half decades. Thus, encouraging a safer and healthier living environment, aspirations for better education, better career opportunities and better lifestyle. Your Company has extended its business ethos of 'Changing Lives' to its Corporate Social Responsibility (CSR) and has in place a Corporate Social Responsibility Policy (CSR Policy), as per the provisions of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, which, inter-alia, lays down the guidelines and mechanism for undertaking socially useful projects for welfare and sustainable development of the community at large.

During the financial year under review, the Corporate Social Responsibility policy (CSR Policy) was amended on November 21, 2018 to align the same with the requirements of the amendments made to the relevant provisions of the Companies Act, 2013 and the rules thereunder notification of the Companies Amendment Act, 2017 issued by Ministry of Corporate Affairs (MCA).

As per the provisions of Section 135 of the Companies Act, 2013, your Company has constituted a Corporate Social Responsibility Committee (CSR Committee). The CSR Committee assists the Board in fulfilling its duty towards the community and society at large by identifying the activities and programmes that can be undertaken by the Company, in terms of the CSR Policy of the Company. The composition of the CSR Committee and its terms of reference are given in the Report on Corporate Governance forming part of this Annual Report.

Your Company's CSR programmes have scaled to cover 6 States and 25 locations (cities/ villages/ towns), in the following thematic areas:

I. Education viz. Early Childhood Care & Education (ECCE)

II. Rural development with a focus on drought mitigation

III. Empowerment through Financial literacy and inclusive growth, under 'Sharmaji ke Sawal. Vinodji ke Jawab'

IV. Skills development for sustainable livelihoods

Your Company has established a wholly-owned subsidiary viz. DHFL Changing Lives Foundation in December 2017, for implementing the Company's CSR programmes. The DHFL Changing Lives Foundation currently implements the Company's flagship CSR programme under Early Childhood Care & Education

(ECCE) as 'Project Sneh' along with few other allied programmes towards livelihoods and education. The Annual Report on CSR activities forms part of this Board's report as "Annexure - 5" and details the programme reach, impact and investments.

LISTING OF SHARES OF THE COMPANY

The Equity Shares of your Company continue to remain listed on BSE Limited and the National Stock Exchange of India Limited.

The Company has paid the listing fees as payable to the BSE Limited and the National Stock Exchange of India Limited for the financial year 2019-20 within stipulated time.

MARKETING AND BRANDING

Your Company has also ensured value driven communication, to reinforce the significance of home ownership, across TV, print, radio, digital and outdoor media. Additionally, your Company has leveraged digital media to generate awareness on the nuances of home loans and welfare schemes, including the Pradhan Mantri Awas Yojana (PMAY), using digital characters 'Sharmaji & Vinodji' launched in 2016 as a part of its consumer education initiative. In addition to this your Company also continued its country wide unique initiative called 'Griha Utsav – Property Expo and Home Loan Mela' wherein a market place was created for builders to display affordable properties and consumers who were looking for such properties were invited to visit the expo. Throughout the year your Company conducted 39 such exhibitions and touched millions of lives by enabling home ownership. To keep up with the digital boom, your Company also launched its revamped website in April 2018. The revamped website came with an appealing look & feel and also with a mobile friendly navigation.

Your Company enhanced its social media presence by increasing its engagement with customers via Facebook, Twitter, LinkedIn and YouTube. Basis in-depth research on consumer's online behaviour and journeys, your Company revamped its website making it mobile and user friendly for improved communication with its stakeholders and customers. The website effectively captures your Company's leadership position across housing and non-housing loan portfolios and helps visitors get a better understanding of your Company's products and services with a least number of clicks.

AWARDS AND RECOGNITIONS

The Awards and recognitions won by the Company during the Financial Year 2018-19, at various award forums are as under:

- DHFL awarded "The Best Performing Primary Lending Institution under CLSS for MIG" by the Ministry of Housing and Urban Affairs, Government of India
- DHFL awarded as the Leading Housing Finance Company of the Year by Times Network
- DHFL Griha Utsav awarded the Most Admired Brand Activation Campaign at the 7th ACEF Asian Leadership Awards 2018
- DHFL awarded "Housing Finance Company of the Year" at the Asia's Banking, Financial Services and Insurance Excellence Awards held in Singapore
- DHFL awarded The Economic Times Iconic Brand Award 2018

DISTRIBUTION NETWORK

The distribution network of your Company is designed to reach out to the Lower and Middle Income (LMI) segment and tap a growing potential customer base throughout India. Your Company maintains a pan-India marketing and distribution network with a presence across at 330 locations throughout India, including 195 Branches, 108 Service Centres, 19 Zonal/ Regional/CPU Offices, 4 Disbursement Hubs, 1 Administrative Office, 1 Registered Office, 1 Corporate Office and 1 National Office as on March 31, 2019. Additionally, your Company has international representative offices located in London and Dubai.

Your Company's network is grouped into Zones and Regions located pan-India with significant presence in Tier II and Tier III cities, town and its peripheral suburbs. Your Company believes that its business model allows it to deliver improved turnaround time and to improve customer satisfaction while maintaining asset quality. The distribution network includes direct selling teams (i.e. staff working on a contract basis), Direct Selling Agents [DSAs] and other business referral partners. Direct selling teams work under supervision of the employees of your Company and the payment for their services is a combination of fixed fee and variable commission based on the disbursement of loans sourced by them. The majority of the loans are sourced through the direct selling teams. Your Company has also entered into tie-ups with a number of Indian public and private sector banks to provide their customers access to the home loan solutions offered by your Company. The tie-ups with such banks allow your Company an access to the ally banks' customers and branch networks while providing them with the option to participate in the loan syndication programs with the Company.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Board of Directors of your Company as at March 31, 2019 consisted of five Directors, out of which two were Independent Directors, two were Non-Executive Directors and one was Executive Director designated as a Chairman & Managing Director. The current composition of the Board (as on the date of this Report) consists of six Directors, out of which three are independent Directors, two are Non-Executive Directors and one is Executive Director designated as a Chairman & Managing Director.

The following are the changes that occurred in the composition of Board of Directors and Key Managerial Personnel during the financial year under review and until the date of this Report:

Mr. Harshil Mehta (DIN: 03038428) resigned from the position of Whole Time Director (designated as Joint Managing Director & CEO) from the Board of Directors of the Company with effect from February 13, 2019. Mrs. Vijaya Sampath (DIN: 00641110), Mr. Vijay Kumar Chopra (DIN: 02103940), Mr. Guru Prasad Kohli (DIN: 00230388) and Mr. Mannil Venugopalan (DIN: 00255575) resigned from the position of Independent Directors of the Company with effect from February 12, 2019, March 11, 2019, March 29, 2019 and March 30, 2019 respectively.

The Board of Directors places on record its appreciation for the invaluable contribution made and services rendered by Mr. Harshil Mehta, Mrs. Vijaya Sampath, Mr. Vijay Kumar Chopra, Mr. Guru Prasad Kohli and Mr. Mannil Venugopalan during their tenure as Directors with the Company.

The Board of Directors appointed Mr. Sunjoy Joshi (DIN: 00449318), Mr. Alok Kumar Misra (DIN: 00163959) with effect from March 26, 2019 and Dr. Deepali Pant Joshi (DIN: 07139051) with effect from May 8, 2019 as Additional Directors, in the category of Non-Executive, Independent Directors of the Company for a term of 5 years, not liable to retire by rotation, subject to the approval of the Members of the Company at the ensuing Annual General Meeting of the Company.

The Board of Directors also appointed Mr. Srinath Sridharan (DIN: 03359570) as an Additional Director in the category of Non-Executive Director of the Company with effect from March 26, 2019, subject to the approval of the Members of the Company at the ensuing Annual General Meeting of the Company, whose office shall be liable to retire by rotation.

In accordance with the provisions of section 152 of the Companies Act, 2013 and Articles of Association, Mr. Dheeraj Wadhawan (DIN: 00096026), Non-Executive Director being the longest in office among directors who are liable to retire by rotation, retires by rotation and being eligible; offers himself for reappointment at the ensuing Annual General Meeting.

All Independent Directors have given declarations that they meet the criteria of independence, as laid down under section 149(6) of the Companies Act, 2013 and the provisions of Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

None of the Directors of your Company are related to each other, except for Mr. Dheeraj Wadhawan, Non-Executive Director who is the brother of Mr. Kapil Wadhawan, Chairman & Managing Director of the Company.

The necessary resolutions for the appointment/re-appointment of the above mentioned directors and their brief profiles, nature of expertise in specific functional areas and names of other companies in which they hold Directorship alongwith the Membership/Chairmanship of Committees of the Board as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard (SS-2) on General Meetings are provided in the annexure to the Notice of the Thirty Fifth (35th) Annual General Meeting being sent to the Members along with this Annual Report.

Based on the confirmations received, all the directors satisfy the fit and proper criteria as prescribed under the applicable regulations and they are not disqualified for being appointed/reappointed as directors in terms of section 164 the Companies Act, 2013.

During the year under review, no stock options were issued to the Promoter Directors or Independent Directors of the Company.

During the year under review, Mr. Santosh Sharma, the erstwhile Chief Financial Officer of the Company and Ms. Niti Arya, the erstwhile Company Secretary of the Company resigned from their respective positions with effect from end of working hours of March 15, 2019.

BOARD MEETINGS

Your Company holds at least four Board meetings in a year, one in each quarter, inter-alia, to review the financial results of the Company and an annual calendar of meetings of the Board are finalized well before the beginning of the financial year after seeking concurrence of all the Directors. All the decisions and urgent matters approved by way of circular resolutions are placed, numbered and noted at the subsequent Board meeting. In case of urgent matters, additional Board meetings are held in between the quarterly meetings.

During the financial year under review, nine (9) Board Meetings were convened and held. The intervening gap between the Board Meetings was within the period prescribed under the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details of the Board composition, its meetings held during the year along with the attendance of the respective Directors thereat are set out in the Report on Corporate Governance forming part of this Annual Report.

Board Committees

Your Company has a duly constituted Audit Committee as per the provisions of Section 177 of the Companies Act, 2013 and provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors have constituted other committees namely – Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Risk Management Committee, Finance Committee and Corporate Social Responsibility Committee which enable the Board to deal with specific areas / activities that need a closer review and to have an appropriate structure to assist in the discharge of its responsibilities.

The Board of Directors had constituted two special committees viz. "Review Committee for Declaration of Willful Defaulters to Credit Information Companies (CICs)" pursuant to circular issued by National Housing Bank, and NCD Public Issue Committee to take all decisions in connection with the issue of Non-convertible Debentures by way of public issue, in one or more tranches and allotment thereunder. The Board of Directors of your Company at their meeting held on March 29, 2019 unanimously agreed to dissolve the said committee since the purpose of the constitution of this committee was duly met with.

During the financial year under review, the Board of Directors at its meeting held on January 31, 2019 also constituted a Special Committee viz., 'Special Committee for Sale of Strategic Investments' to identify, determine and approve strategic sale of investments by the Company.

The details of the composition of the Audit Committee alongwith that of other Board committees and other details including their respective terms of reference are included in the Report on Corporate Governance forming part of this Annual Report.

The Audit Committee and other Board Committees meet at regular intervals and ensure to perform the duties and functions as entrusted upon them by the Board.

PARTICULARS OF CONTRACTS AND AGREEMENTS WITH RELATED PARTIES

Your Company has in place Related Party Transaction Policy as per the provisions of Companies Act, 2013 read with the rules made thereunder and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which describes the related party transactions requiring requisite approvals and requirements of appropriate reporting and disclosure of transactions between the Company and its related parties. The said policy also defines the materiality of related party transactions and lays down the procedures of dealing with such transactions.

The Company obtains prior approval of the Audit Committee before entering into any related party transaction. Approval of the Board of Directors in terms of Section 188 of the Companies Act, 2013 is also obtained for entering into Related Party Transactions by the Company, wherever applicable. A quarterly update on the related party transactions is provided to the Audit committee and the Board of Directors for their review and consideration.

All related party transactions entered during the financial year under review were in ordinary course of business and on an arm's length basis.

There were no material related party transactions entered by the Company with any related party during the financial year under review. Thus, the disclosure of related party transaction as per Section 134(3)(b) of the Companies Act, 2013 in the prescribed Form AOC – 2 is not applicable.

The details of the related party transactions entered into by the Company in the ordinary course of business at arm's length basis are mentioned in the notes to the accounts forming part of the audited (standalone) financial statements for the financial year ended March 31, 2019.

During the financial year under review, the Related Party Transaction Policy was amended to align the same with the requirements of the amendments made to the Companies Act, 2013 and the rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016, the Related Party Transaction Policy of the Company forms part of this Board's report as "Annexure - 6". The said policy is available on the website of the Company at URL https://www.dhfl.com/docs/default-source/investors/related-party-transaction-policy-of-the-company/related-party-transaction-policy_27-06-2018.pdf

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATOR OR COURT OR TRIBUNALS

There were no significant and material orders passed by any Regulator or Court or Tribunal which would impact the going concern status of the Company and its future operations.

INTERNAL AUDIT & INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

Your Company has a Management Assurance and Audit Department, which provides comprehensive audit coverage of functional areas and operations of the Company to examine the adequacy of and compliance with policies, procedures, statutory and regulatory requirements. Annual Risk Based audit plan is placed before the Audit Committee and adherence to the plan is reported quarterly to the Audit Committee.

Significant audit observations and follow up actions thereon are reported to the Audit Committee. The Audit Committee reviews and evaluates adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations.

Management Assurance and Audit is an independent and objective assurance and consulting activity designed to add value and improve the Company's operations. Management Assurance and Audit function is accountable to the Board of Directors through the Chairman of the Audit Committee. Management Assurance and audit also assist the management in identifying operational opportunities for revenue leakage, cost savings and revenue enhancements; ensures working within the regulatory and statutory framework and facilitate early detection and prevention of frauds.

The Audit Committee and Board of Directors have approved a documented framework for the internal financial control to be followed by the Company and such policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information and disclosures. The Audit Committee periodically reviews and evaluates the effectiveness of internal financial control system.

SECRETARIAL AUDIT REPORT AND SECRETARIAL COMPLIANCE REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company had appointed Mrs. Jayshree S. Joshi, Proprietress of M/s Jayshree Dagli & Associates, Practicing Company Secretaries, Mumbai, to undertake the Secretarial Audit of the Company for the financial year 2018-19.

The Secretarial Audit Report for the financial year ended March 31, 2019, forms part of this Board's report as "Annexure – 7". The said report contains certain qualifications, reservations or adverse remarks and response of the Board on the same are as follows:

The Secretarial Audit report to the Members for the financial year under review, contains qualified opinion and the response of the Board with respect to the same are as follows:

Response to para 1(a) of Annexure 1 to the Secretarial Audit Report: During the financial year under review, your Company had granted short term loan of ₹ 30 crore to Wadhawan Global Capital Limited (WGC) in the ordinary course of business of your Company, on account of the urgency of the fund requirement by WGC. However, it was observed at a later date that the said transaction required prior approval of the Audit Committee under the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") as WGC was a related party of your Company pursuant to Regulation 2(1)(zb) of SEBI Listing Regulations, which was inadvertently missed by your Company. Upon realizing the said inadvertent error, your Company forthwith placed the said transaction before the members of the Audit Committee and the Board of Directors for their consideration and the said transaction was ratified by the Audit Committee members on May 3, 2019 and by the Board of Directors on May 5, 2019 i.e. within the period of three months prescribed under the Companies Act, 2013 during which the Audit Committee and the Board are empowered to ratify such transactions. The management shall take due care to avoid such instances in future.

Response to para 1(b) of Annexure 1 to the Secretarial Audit Report: Your Company, being a housing finance company, in its ordinary course of business grants various loans in the form of housing loan and non housing loan to third parties through its various branches. In March, 2018, your Company had in its ordinary course of business, through one of its branches granted a Property Term Loan of ₹ 27,97,64,893 to Wadhawan Holdings Private Limited, a related party of your Company. In view of the delay in flow of information to the head office, prior approval of Audit Committee/Board of Directors could not be sought. However, as it was observed that the said transaction was a related party transaction and the said transaction required approval of the Audit Committee, your Company placed the said transaction before the members of the Audit Committee and the Board of Directors for their consideration and the said transaction was ratified by the Audit Committee members and the Board of Directors on July 13, 2019. The management shall take due care to avoid such instances in future.

Response to para 1(c) of Annexure 1 to the Secretarial Audit Report: All Related party transactions require prior approval of the Members of Audit Committee as per the provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Mr. G.P. Kohli was granted leave of absence for the Audit Committee Meeting held on March 29, 2019 due to his pre-occupation and hence the quorum could not be available as per the Regulation 18(2)(b) of SEBI Listing Regulations. However, the Management is of the view that since the subject related party transaction was also approved by the Board of Directors at their meeting held on March 29, 2019 i.e. immediately after the Audit Committee meeting, the transaction continues to be valid.

Response to para 2 of Annexure 1 to the Secretarial Audit Report: As a practice, your Company submits Form ECB 2 within the specified timeline on monthly basis, however in few instances there were inadvertent delay in submission of Form ECB 2 either due to non-availability of the authorised signatories or delay at the end of the AD banks in confirming the correctness of the details provided in Form ECB 2. The management has noted the same and shall take due care to submit the said Form within the specified timelines.

Response to para 3 of Annexure 1 to the Secretarial Audit Report: The Asset Liability Management Committee consists of Directors and senior officials of your Company and the said Committee is constituted pursuant to the Asset-Liability Management Policy of your Company framed in accordance the provisions of Housing Finance Companies (NHB) Directions, 2010. It was observed that the Joint Managing Director & CEO had resigned w.e.f. February 13, 2019 and the Chief Financial Officer had resigned w.e.f. the close of working hours of March 15, 2019, hence, the meetings as referred in this para were presided by one of the senior management personnel of your Company, who is also one of the members of ALCO Committee and was elected at such meetings to act as Chairman of the meetings. The Management is of the view that as per the standard corporate governance practices where the Chairman of any Committee is not present, any one of the members of such committee can act as the Chairman of the meetings of such committee if so elected by the members present at such meetings.

Response to para 4 of Annexure 1 to the Secretarial Audit Report: The Management believed that although the approval of the Board of Directors was sought post facto but the rescheduling of the 12 SRA projects was largely undertaken in compliance with the provisions of Housing Finance Companies (NHB) Directions, 2010 which interalia stipulated for rescheduling of any loan account and had appropriate approval of the Chairman and Managing Director which was also ratified by the Board at a later date. Your Company had accordingly submitted its representation to NHB in this respect and subsequently paid the penalty of ₹ 65,000 for the said deficiency.

Response to para 5 of Annexure 1 to the Secretarial Audit Report: In the last week of January, 2019, News portal Cobrapost.com made allegations against your Company's management and its promoters. Your Company had received a series of questions from the portal hours before the allegations were made public. The Audit Committee appointed an independent firm of Chartered Accountants (Independent Chartered Accountants) to review the allegations and report to the Committee. The report by Independent Chartered Accountants restricted its scope to the allegations which in their opinion pertained to your Company, highlighted certain procedural lapses and documentation deficiencies inter alia that the end use monitoring of the funds loaned had not been performed. Your Company, its directors and officers have submitted the required documents and explanations to the Ministry of Corporate Affairs in this regard as and when called upon to do so including by way of letter dated February 8, 2019 bearing No. ROC-M/Inqs.206/DDPL/48/02/2019/56 and MCA's letter dated 5th February, 2019 bearing reference no. ROC/Inq 206/DHFL/45/02/2019/25.

Response to para 6 of Annexure 1 to the Secretarial Audit Report: Pursuant to the implementation of the Indian Accounting Standards ("IndAS") in preparation of financial statements and audit respectively, for accounting periods beginning from April 1, 2018, the financial year ended on March 31, 2019 was the first full financial year pertaining to which your Company was required to submit its Audited Standalone and Consolidated Financial Results as per IndAS. In view of the requirement of submission of the IndAS compliant Audited Standalone and Consolidated Financial Results for the first time and as it required additional resources, time and effort as also full time engagement of accounts and finance team in various non-routine audits and due diligence by various parties, your Company was not in a position to submit the Audited Standalone and Consolidated Financial Statements for the financial year ended on March 31, 2019 within the time stipulated under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 i.e. on or before May 30, 2019. Accordingly, on July 22, 2019, your Company submitted the said Annual Audited Ind AS Financial Statements for the financial year ended March 31, 2019 and also paid the penalty to BSE Limited and National Stock Exchange of India Limited as levied by the stock exchanges owing to delay in submission of financial results.

Response to para 7 of Annexure 1 to the Secretarial Audit Report: In view of the extension granted by National Housing Bank (NHB), your Company is in the process of dilution of 1% additional stake held in the joint venture entity DHFL Pramerica Life Insurance Company Limited (DPLI), however, has not been able to complete the same due to lack of interest of any prospective suitable acquirer.

Response to para 8 of Annexure 1 to the Secretarial Audit Report: While your Company has been adhering to the timelines for the transfer of amounts of unclaimed dividends, deposits and shares to the Investor Education and Protection Fund (IEPF) pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013 and rules framed thereunder, however, in view of administrative challenges, in a few cases while there have been inadvertent delays in transferring unclaimed amount of public deposits and/or interest thereon to IEPF aggregating to ₹ 7 lakh in the financial year 2018-19, there are no instances where your Company has failed to transfer such amounts to IEPF.

Response to para 9 of Annexure 1 to the Secretarial Audit Report: Mr. Harshil Mehta, erstwhile Joint Managing Director and CEO of your Company was paid remuneration for the financial year 2018-19 in excess of the remuneration permissible under the provisions of Section 197 of the Companies Act, 2013 ("the Act") read with Schedule V to the Act. However, the said excess remuneration has since been recovered from Mr. Harshil Mehta as permissible under the provisions of the Act.

Pursuant to SEBI Circular CIR/CFD/CMD1/27/2019 dated February 8, 2019, Ms. Prachi P. Sawant of M/s. Sawant & Associates, Practicing Company Secretary, Mumbai undertook the Annual Secretarial Compliance Audit and the Secretarial Compliance Audit Report has been duly submitted by the Company with the Stock Exchanges.

STATUTORY AUDITORS

M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration Number 117366W/W-100018) and M/s. Chaturvedi & Shah LLP, Chartered Accountants (Firm Registration Number 101720W/W10035) have resigned as the Joint Statutory Auditors of the Company with effect from August 2, 2019 and August 22, 2019, respectively. The Board of Directors, at their meeting held on August 26, 2019, on the recommendation of the Audit Committee, have appointed M/s. K. K. Mankeshwar & Co., Chartered Accountants (Firm Registration Number 106009W), as the Statutory Auditors of the Company, to fill the casual vacancy created upon resignation of the Statutory Auditors, with effect from August 26, 2019 till the conclusion of ensuing 35th Annual General Meeting of the Company, and also from the conclusion of the ensuing 35th Annual General Meeting of the Company till the conclusion of the 40th Annual General Meeting of the Company. The proposal for the said appointment as the Statutory Auditors of the Company is included in the Notice of the ensuing Annual General Meeting for approval of the Members of the Company.

M/s. K. K. Mankeshwar & Co. has furnished written consent and a confirmation to the effect that they are not disqualified to be appointed as the Statutory Auditors of the Company in terms of the provisions of the Companies Act, 2013 and Rules framed thereunder. In terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, they have confirmed that they hold a valid certificate issued by the Peer Review Board of the ICAI.

Auditors Report

The Report of the Joint Statutory Auditors to the members for the financial year under review contains disclaimer of opinion and the response of the Board to the Basis for Disclaimer of Opinion contained in the Joint Statutory Auditors' Report (hereinafter referred to as "the Basis for Disclaimer of Opinion") are as follows:-

Response to point No. 1 of the Basis for Disclaimer of Opinion: The unsecured Inter Corporate Deposits (ICDs) aggregating ₹ 5,65,269 lakh were outstanding as at March 31, 2019 and includes ICDs (net) of ₹ 4,82,014 lakh granted during the year. Of these, ICDs aggregating ₹ 40,870 lakh have since been repaid while ICDs aggregating ₹ 3,93,699 lakh are expected to be repaid shortly. Balance ICDs aggregating to ₹ 1,30,700 lakh are being converted into secured term loans. There are documentation deficiencies with respect to grant / rollover of ICDs which are being rectified. The ICDs have been advanced towards regular business activities and were either extended as a temporary loan pending full valuation of project funding or short term corporate requirements. Pending conclusion of these actions, your Company believes that no adjustments are required to the carrying value of the ICDs. This also addresses the point (c) of the audit qualification w.r.t. Internal Financial Control (IFC).

Response to Point No. 2 of the Basis for Disclaimer of Opinion: In the last week of January, 2019, news portal Cobrapost.com made allegations against your Company's management and its promoters. Your Company had received a series of questions from the portal shortly before the allegations were made public. The Audit Committee appointed an independent firm of Chartered Accountants (Independent Chartered Accountants) to review the allegations and report to the Committee. The report by Independent Chartered Accountants restricted its scope to the allegations which in their opinion pertained to your Company, highlighted certain procedural lapses and documentation deficiencies inter alia the fact that the end use monitoring of the funds loaned had not been performed despite a specific mandate by the Finance Committee as part of the loan sanction conditions. The Statutory Auditors post their review of the Independent Chartered Accountants report, provided their observations and suggestions on the scope, coverage and findings by the Independent Chartered Accountants in the report as well as additional areas that needed to be covered. Your Company is in the process of determining the action to address the comments of the Statutory Auditors. As stated in the Action Taken Report tabled before the Audit Committee on March 29, 2019, your Company has sought written explanations from the loanees for loans where end use monitoring was not effected. Your Company is yet to receive responses from the loanees after which a decision on remedial measures including recalling the monies advanced will be made. Your Company is undertaking fresh valuation in respect of the loans including underlying securities that were a subject matter of the allegations, from reputed valuation specialists and have been advised by the lawyers that agreements entered into with the loanees are legally enforceable. Necessary adjustments to the carrying values of the loans advanced will be made upon conclusion of the above actions. This also addresses the point No. (g) of the audit qualification w.r.t. Internal Financial Control (IFC).

Response to Point No. 3 of the Basis for Disclaimer of Opinion: Due to the current business environment, your Company no longer holds the project loans, SRA loans and wholesale mortgage loan portfolio for the purposes of solely collecting the principal and interest. Your Company envisages to monetise the wholesale loan portfolio. Consequently, the said loans aggregating ₹ 34,88,160 lakh including ₹ 16,48,717 lakh related to note 53 of the Notes to Standalone Financial Statements have been reclassified as Fair Value Through Profit or Loss (FVTPL) as at March 31, 2019 due to the change in business model. As required under Ind AS 109, these assets have been fair valued as at March 31, 2019 based on internal valuations which involve management's judgment and assumptions at ₹ 31,62,815 lakh and the resultant fair value loss aggregating ₹ 3,25,345 lakh (gross of reversal of provision) has been charged to the Statement of Profit and Loss.

Further, in respect of deficiencies of documentation with respect to points 3(a) and 3(b) of the Basis for Disclaimer of Opinion: In respect of certain Project / Mortgage Loans, the Management is actively engaged with the loanees to remediate certain lacunae in loan documentation and expects to complete this exercise by September 2019. Your Company believes that deficiencies in documentation will not affect the enforceability of the underlying security. Your Company is confident that the loans extended are secured and recoverable basis the cash flows arising from such project/mortgage loans.

In relation point 3(a) of the Basis for Disclaimer of Opinion: During the financial year under review, the housing finance sector has been under duress which has been compounded by the liquidity crunch in the real estate sector. Consequent to this, there have been instances where cheques received from the borrowers particularly from project and mortgage loan customers, were accounted for as receipts, but were not banked at the instance of the borrower. As at the year end, the collections recorded in this manner aggregating ₹ 1,87,526 lakh have been remediated at the year-end and the corresponding loans have been dealt with in a manner as stated in note 55 of the notes to accounts.

Response to Point No. 4 of the Basis for Disclaimer of Opinion: Your Company has received a letter dated July 3, 2019, from the National Housing Bank containing observations emanating from the inspection carried out by NHB for the year ended March 31, 2018 as per the provisions of the National Housing Bank Act, 1987. There are observations in the letter inter-alia, being impact on the Capital Adequacy Ratio of the Company as at March 31, 2018 reduced to 10.24%. NHB has directed the Company to provide a specific response to all the observations within a period of 21 days. Your Company does not concur with the observation of the NHB and has provided an appropriate response. As mentioned in the note 55 of the Standalone Ind AS Financial Statements, on account of classification of project loans, SRA loans and wholesale mortgage loans as Fair Value through Profit or Loss (FVTPL) due to the change in business model as at March 31, 2019, has resulted in a charge of fair value loss aggregating to ₹ 3,25,345 lakh to the statement of Profit and Loss. In view of these results being prepared using Indian Accounting Standards (Ind AS) while the NHB observations relate to numbers compiled on the basis of regulatory guidelines, the Management believes that the aforesaid observations may not have any implications on the same.

Response to Point No. 5 of the Basis for Disclaimer of Opinion: Your Company had commenced implementation of Expected Credit Loss (ECL) model as part of its Ind AS transition. During the course of the audit, deficiencies have been identified in the historical data used for the purpose of determination of the ECL provision. Your Company is in the process of remediating the same, though does not consider the resultant impact to be material.

Additionally, your Company has also taken external bureau supportive information (i.e. CIBIL score range band - Probability of default (PD) analysis) of our portfolio in comparison to Industry standards, which indicates that the PD of the Company's Portfolio is better than the Industry standards. Further, based on the Company's borrower profile and CIBIL score, the Company is convinced of its assumptions supporting ECL calculation.

Response to point No. 6 of the Basis for Disclaimer of Opinion: Your Company has recognized net deferred tax asset of ₹ 44,281 lakh as at March 31, 2019. Considering the factors described in Note 54 of the Standalone Ind AS Financial Statements, the Company is of the view that no adjustment is required to be made to the carrying value of the deferred tax asset.

Response to point No. 7 of the Basis for Disclaimer of Opinion: Your Company has incurred expenditure aggregating to ₹ 10,401 lakh for development of customised software for its operations and recording of transactions which has been carried as intangible asset under development as at March 31, 2019. Considering the factors described in Note 54 of the Standalone Ind AS Financial Statements, the Company is of the view that no adjustment is required to be made to the carrying value of the intangible asset under development pursuant to the requirement of Ind AS 36 on Impairment of Assets.

Response to point No. 8 of the Basis for Disclaimer of Opinion: Your Company, as described in Note 54 of the Standalone Ind AS Financial Statements, is of the view that, since in the first fortnight of July 2019, the consortium of bankers have agreed to enter into an Inter-creditor Agreement (ICA) for a potential restructuring of the Company's liabilities, the Company is confident that other lenders who may or may not have restrictive or compliance related covenants shall also be part of the proposed restructuring, Hence, no adjustment is made on this account.

Response to point No. 9 of the Basis for Disclaimer of Opinion: Your Company would like to state that your Company is undergoing substantial financial stress since second half of the current financial year. Your Company has suffered consistent downgrades in its credit ratings since February 2019. On June 5, 2019, the credit rating was reduced to 'default grade' despite there being no default till that date. Your Company's ability to raise funds has been substantially impaired and the business has been brought to a standstill with there being minimal/virtually no disbursements. These developments may raise a significant doubt on the ability of your Company to continue as a going concern.

Your Company is taking active steps to monetize its assets and is in discussions with multiple Indian banks and international financial institutions to sell off its retail as well as wholesale portfolio. It is in discussions with the consortium of bankers / lenders to restructure its borrowings and will take all the necessary steps to ensure that it meets its financial commitments. There have been discussions for stake sale by the promoters to a strategic partner with further equity infusion. The Company on July 1, 2019 had a meeting with the consortium of bankers wherein the bankers agreed to enter into an Inter-creditor Agreement (ICA) for a potential restructuring of Company's liabilities. In view thereof, the requirement in respect of creation of debenture redemption reserve and the corresponding deposit in liquid assets shall be assessed upon conclusion of the restructuring plan. The Company has submitted a draft resolution plan to the lenders and the lenders are expected to give an in principle approval to the plan. The ability of your Company to continue as a going concern is predicated upon its ability to monetize its assets, secure funding from the bankers and investors, restructure its liabilities and recommence its operations. In view of all the actions that are currently underway, the Financial Statements to Financial Year ended to 2019 have been prepared on the basis that your Company is a going concern.

Response to the Report on Other Legal and Regulatory Requirements under the Basis for Disclaimer of Opinion has been covered in the aforesaid responses. Further, in response to para j(iii) in the said Report, while your Company has been adhering to the timelines for the transfer of amounts of unclaimed dividends, deposits and shares to the Investor Education and Protection Fund (IEPF) pursuant to the provisions of Sections 124 and 125 of the Companies Act, 2013 and rules framed thereunder, however, in view of administrative challenges, in a few cases while there have been inadvertent delays in transferring unclaimed amount of public deposits and/or interest thereon to IEPF aggregating to ₹ 7 lakh in the financial year 2018-19, there are no instances where your Company has failed to transfer such amounts to IEPF.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors would like to inform that the audited (standalone) financial statements for the financial year ended March 31, 2019 are in conformity with the requirements of the Companies Act, 2013 and they believe that the financial statements reflect fairly the form and substance of transactions carried out during the year and reasonably present the Company's financial condition and results of operations. These financial statements have been audited by M/s. Chaturvedi & Shah LLP, Chartered Accountants (Firm Registration Number 101720W/W10035) and M/s. Deloitte Haskins & Sells LLP, Chartered Accountants (Firm Registration Number 117366W/W-100018), the Joint Statutory Auditors of the Company.

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013, it is hereby confirmed that:

(a) in the preparation of the annual accounts for the financial year ended March 31, 2019, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;

(b) the directors had selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual financial statements on a going concern basis;

(e) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

REPORT ON CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate section titled 'Report on Corporate Governance' forms part of this Annual Report which also includes certain disclosures that are required, as per the Companies Act, 2013.

Pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016, a separate section titled 'Management Discussion and Analysis' forms part of this Annual Report.

The certificate by Ms. Prachi P. Sawant of M/s. Sawant & Associates, Practicing Company Secretary, confirming compliance with the conditions of Corporate Governance as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Board's report as "Annexure - 8". The said certificate for the financial year 2018-19 does not contain any qualification reservation or adverse remark.

BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, a separate section titled Business Responsibility Report (BRR) forms part of this Annual Report which describes the Company's performance and activities from environmental, social and governance perspective. The BRR is also available on the website of the Company at the URL: https://www.dhfl.com/docs/default-source/investors/annual-reports/2018-2019/business-responsibility-report-fy-2018-19.pdf

EXTRACT OF ANNUAL RETURN

Pursuant to Section 134(3)(a) and Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return as at March 31, 2019, in the prescribed form MGT 9, forms part of this Board's report as "Annexure - 9". Further, the Annual Return of your Company in the prescribed Form MGT 7 is available on the website of the Company at the URL: https://www.dhfl.com/docs/default-source/investors/annual-reports/2018-2019/dhfl-annual-return-fy-2018-19.pdf

ACKNOWLEDGMENTS

Your Directors wish to place on record their gratitude for the continued support of various authorities including the National Housing Bank, Securities and Exchange Board of India, Insurance Regulatory and Development Authority of India, Ministry of Corporate Affairs, Registrar of Companies, Financial Intelligence Unit (India); and also for support and faith reposed in the Company by the Customers, Bankers and other Lenders, Members, Debenture holders, Trustees, Depositors and others. The Board also places on record its deep appreciation for the significant contributions made by its employees at all levels and for the dedication, commitment and hard work of the employees. The Directors would also like to thank the BSE Limited, the National Stock Exchange of India Limited, National Securities Depository Limited and Central Depository Services (India) Limited for their continued co-operation.

For and on behalf of the Board

Kapil Wadhawan
Chairman & Managing Director
(DIN-00028528)

Place: Mumbai
Date: August 26, 2019