

# Report on Corporate Governance

In compliance with Regulation 34(3) and Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [hereinafter referred as "SEBI Listing Regulations"], a Report on Corporate Governance for the Financial Year 2018-19 is presented below:

## 1. DHFL'S PHILOSOPHY ON CODE OF GOVERNANCE

At DHFL, Corporate Governance is all about maintaining a valuable relationship and trust with all our stakeholders i.e. regulators, shareholders, creditors, government agencies, bankers, depositors, employees, lenders and developers. We consider stakeholders as partners in our success and therefore remain committed towards maximizing stakeholders' value. The Company firmly believes that corporate governance is a set of principles, systems and practices through which the Board of Directors of the Company ensures integrity, transparency, fairness and accountability in the Company's relationship with all its stakeholders. The code of corporate governance is based on the principle of making all the necessary decisions and disclosures, accountability and responsibility towards various stakeholders, complying with all the applicable laws and a continuous commitment of conducting business in a transparent and ethical manner. These principles are ingrained in the Company's culture and the corporate governance practices of the Company revolve around these principles.

DHFL has, over the years, built goodwill by nurturing long-term relationships with its stakeholders including bankers, regulators, government agencies, employees, investors, creditors, customers and shareholders. The Company strives to provide all its stakeholders an access to clear, adequate and factual information relating to the Company. The Company endorses timely and balanced disclosure of all material information concerning the Company to all its stakeholders and protection of its rights and interest. It also promotes accountability of its management and the Board of Directors of the Company acknowledges its responsibility towards all the stakeholders for creation and safeguarding their wealth.

The Company is also in compliance with the Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016 as amended from time to time [hereinafter referred as "NHB CG Directions"].

## 2. BOARD OF DIRECTORS

DHFL's Board of Directors are committed towards upholding the highest standards of governance. The Board ensures the integrity of financial reporting system, financial & internal control, risk management and compliance with the applicable laws.

The Board monitors and approves the annual budgets, business plans & strategies and various policies of the Company. It also reviews the operational and financial performance of the Company. It also oversees the process of disclosure & communications made by the Company and ensures that a transparent nomination process to the Board of the Company is duly followed. Frequent and detailed interaction sets the agenda and provides the strategic roadmap for the Company's future growth.

The Board of Directors ensures proper delegation of appropriate authority and oversees the functioning of the Company and that of its management; and ensures that every decision taken is in the best interest of all the stakeholders of the Company.

### Composition and Category

The Composition of the Board of Directors of the Company is in compliance with Section 149 of the Companies Act, 2013 and Regulation 17 of the SEBI Listing Regulations. The Board has an optimum combination of Executive, Non-Executive and Independent Directors with demonstrated skill sets and relevant experience. The Directors of the Board of the Company are from diverse backgrounds. As at March 31, 2019, the Board comprised of total five (5) Directors, out of which one (1) was an Executive Director (designated as the Chairman & Managing Director who acted as the Chairperson of the Board), two (2) were Non – Executive Directors and two (2) were Independent Directors.

The Board has appointed Dr. Deepali Pant Joshi as an Additional Director (Woman Director) in the category of Non-Executive Independent Director of the Company w.e.f May 8, 2019. The Board periodically evaluates the need for change in its composition and size.

The composition of the Board and category of each Director along with their shareholding in the Company as at March 31, 2019 and upto the date of this Report, is as follows:

Name of the Directors	Category of Directors	DIN	No. of equity shares <sup>1</sup> held in the Company
Mr. Kapil Wadhawan	Promoter/Executive Director	00028528	18,00,000
Mr. Dheeraj Wadhawan	Promoter/Non-Executive Director	00096026	18,00,000
Mr. Harshil Mehta <sup>2</sup>	Executive Director	03038428	5,110
Mr. G. P. Kohli <sup>3</sup>	Independent Non-Executive Director	00230388	6,800
Mr. V. K. Chopra <sup>3</sup>	Independent Non-Executive Director	02103940	-
Mr. Mannil Venugopalan <sup>3</sup>	Independent Non-Executive Director	00255575	1,000
Ms. Vijaya Sampath <sup>3</sup>	Independent Non-Executive Director	00641110	5,000
Mr. Srinath Sridharan <sup>4</sup>	Non- Executive Director	03359570	-
Mr. Alok Kumar Misra <sup>4</sup>	Independent Non-Executive Director	00163959	-
Mr. Sunjoy Joshi <sup>4</sup>	Independent Non-Executive Director	00449318	-

- None of the Directors hold any convertible instruments of the Company.
- Mr. Harshil Mehta, resigned from the position of the Executive Director designated as Joint Managing Director & CEO w.e.f. February 13, 2019;
- Mrs. Vijaya Sampath, Mr. V. K. Chopra, Mr. G. P. Kohli and Mr. M. Venugopalan, resigned from the position of Independent Directors of the Company w.e.f. February 12, 2019, March 11, 2019, March 29, 2019 and March, 30, 2019, respectively.
- Mr. Sunjoy Joshi and Mr. Alok Kumar Misra were appointed with effect from March 26, 2019 as Additional Directors, in the category of Non-Executive Independent Directors of the Company. Further, Mr. Srinath Sridharan was appointed with effect from March 26, 2019 as Additional Director, in the category of Non-Executive Director of the Company.

Mr. G. P. Kohli, Mr. V. K. Chopra, Mr. Mannil Venugopalan and Ms. Vijaya Sampath, Independent Non-Executive Directors, have resigned from the office of the Director on March 29, 2019, March 11, 2019, March 30, 2019 and February 12, 2019 respectively, due to personal reasons.

The Board of Directors hereby confirms that the Independent Directors of the Company fulfill all the conditions specified in the SEBI Listing Regulations and are Independent of the Management.

#### Inter- se relationship between the Directors

Mr. Kapil Wadhawan and Mr. Dheeraj Wadhawan are brothers. None of the other Directors are related to each other.

#### Directorships and Membership of the Directors in other Companies/Committees

None of the Directors on the Board is a Member of more than ten Committees across public companies in which he/she is a Director and Chairperson of more than five Committees across all listed entities in which he/she is a Director.

None of the Directors of the Company have directorships in more than eight (8) listed entities. Further none of the Independent Directors serve as an Independent Director in more than seven (7) listed entities.

## Dewan Housing Finance Corporation Limited

The details of directorship, chairmanship and membership of the committees of each Director of the Company including that of the Company as at March 31, 2019, are as follows:

Name of the Directors	Number of Directorships <sup>1</sup>	Member/Chairperson of Committee <sup>2</sup>		Other Listed Entities in which he is a Director & Category of Directorship
		Member <sup>3</sup>	Chairperson <sup>4</sup>	
Mr. Kapil Wadhawan	10	3	-	a. Aadhar Housing Finance Limited - Non-Executive Director & Chairman b. Avanse Financial Services Limited - Non-Executive Director & Chairman
Mr. Dheeraj Wadhawan	6	0	-	-
Mr. Harshil Mehta <sup>5</sup>	-	-	-	-
Mr. G. P. Kohli <sup>6</sup>	-	-	-	-
Mr. V. K. Chopra <sup>6</sup>	-	-	-	-
Mr. Mannil Venugopalan <sup>6</sup>	-	-	-	-
Ms. Vijaya Sampath <sup>6</sup>	-	-	-	-
Mr. Srinath Sridharan <sup>7</sup>	9	1	-	-
Mr. Alok Kumar Misra <sup>7</sup>	7	6	2	a. Monte Carlo Fashions Limited - Independent Director b. The Investment Trust of India Limited - Independent Director c. Indiabulls Ventures Limited - Independent Director d. Indiabulls Consumer Finance Limited - Independent Director
Mr. Sunjoy Joshi <sup>7</sup>	3	2	-	-

1. Directorships and memberships of Committees held by Directors in Private Limited Companies, Foreign Companies and Section 8 companies have been excluded.
2. Committees considered to reckon the limit are Audit Committee & Stakeholders' Relationship Committee.
3. The number of membership includes the number of chairmanship held by the Director.
4. The Committee chairmanship held by the Director in listed entities alone has been considered. However, the entities whose debentures are listed on the Stock Exchange(s) has been considered as listed entities for the purpose of calculating the number of chairmanship.
5. Mr. Harshil Mehta, resigned from the position of the Executive Director designated as Joint Managing Director & CEO w.e.f. February 13, 2019;
6. Mrs. Vijaya Sampath, Mr. V. K. Chopra, Mr. G. P. Kohli and Mr. M. Venugopalan, resigned from the position of Independent Directors of the Company w.e.f. February 12, 2019, March 11, 2019, March 29, 2019 and March, 30, 2019, respectively.
7. Mr. Sunjoy Joshi and Mr. Alok Kumar Misra were appointed with effect from March 26, 2019 as Additional Directors, in the category of Non-Executive Independent Directors of the Company. Further, Mr. Srinath Sridharan was appointed with effect from March 26, 2019 as Additional Director, in the category of Non-Executive Director of the Company.

### Board Meetings

The Board meets at least four (4) times a year, one in each quarter, inter-alia, to discuss and review the financial results, business policies, strategies etc. The maximum interval between two Board meetings is not more than one hundred and twenty days. However, in case of business exigency or urgent matters, approval of the Board is sought through resolution by circulation as per the provisions of Companies Act, 2013, which is noted in the subsequent Board Meeting. Additional Board Meetings are held by the Company as and when the Company needs merit oversight and guidance.

The Company circulates the Board/Committee Meeting agenda and related notes/documents well in advance through its e-based module known as the Board Meeting Organiser (BMO) which provides for quick and easy accessibility. The information/documents are available at a click of a button without compromising on the confidentiality of information, at all times.

All statutory and other significant matters including minimum information required to be placed in terms of Schedule II – Part A of the SEBI Listing Regulations and also as per Secretarial Standards are tabled before the Board to enable it to discharge its duties responsibly.

As a practice, the Company Secretary reports the compliance status of all the laws applicable to the Board of Directors on quarterly basis. Senior management i.e. the functional heads are invited to attend the board meetings for providing additional inputs on the items being discussed by the Board and they also make presentations on various matters including the business operations, financial results, risk management, the economic and regulatory environment, investors' perceptions or any other issues which the Board needs to be apprised of. All significant decisions taken by the Board/Committee Members are communicated to the respective functional heads of the concerned department. The Board/Committee Members are apprised of the action taken or proposed to be taken by the Company on the observations/directions given in the previous meeting.

During the year 2018-19, nine (9) Board meetings were held on April 30, 2018, May 16, 2018, June 27, 2018, August 13, 2018, November 21, 2018, December 18, 2018, January 25, 2019, January 31, 2019 and March 29, 2019. The details of the Board meetings along with the attendance of each Director at the respective Board Meetings and last Annual General Meeting are tabled below:

Name of the Director	Attendance at the Board Meetings held on									Attendance at last (34 <sup>th</sup> ) AGM
	April 30, 2018	May 16, 2018	June 27, 2018	August 13, 2018	November 21, 2018	December 18, 2018	January 25, 2019	January 31, 2019	March 29, 2019	
Mr. Kapil Wadhawan	Yes	Yes	Yes	Yes	Yes	Leave of Absence	Yes	Yes	Yes	Yes
Mr. Dheeraj Wadhawan	Yes	Leave of Absence	Leave of Absence	Leave of Absence	Yes	Leave of Absence	Leave of Absence	Leave of Absence	Yes	Leave of Absence
Mr. Harshil Mehta <sup>1</sup>	Yes	Leave of Absence	Yes	Yes	Yes	Yes	Yes	Yes	-	Yes
Ms. Vijaya Sampath <sup>2</sup>	Yes	Leave of Absence	Leave of Absence	Yes	Yes	Yes	Yes	Leave of Absence	-	Leave of Absence
Mr. V.K. Chopra <sup>2</sup>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Leave of Absence	-	Yes
Mr. G. P. Kohli <sup>2</sup>	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Leave of Absence	Yes
Mr. M. Venugopalan <sup>2</sup>	Yes	Yes	Yes	Yes	Yes	Leave of Absence	Yes	Yes	Yes	Yes
Mr. Srinath Sridharan <sup>3</sup>	-	-	-	-	-	-	-	-	Yes	-
Mr. Alok Kumar Misra <sup>3</sup>	-	-	-	-	-	-	-	-	Leave of Absence	-
Mr. Sunjoy Joshi <sup>3</sup>	-	-	-	-	-	-	-	-	Leave of Absence	-

1. Mr. Harshil Mehta, resigned from the position of the Executive Director designated as Joint Managing Director & CEO w.e.f. February 13, 2019;
2. Mrs. Vijaya Sampath, Mr. V. K. Chopra, Mr. G. P. Kohli and Mr. M. Venugopalan, resigned from the position of Independent Directors of the Company w.e.f. February 12, 2019, March 11, 2019, March 29, 2019 and March, 30, 2019, respectively.
3. Mr. Sunjoy Joshi and Mr. Alok Kumar Misra were appointed with effect from March 26, 2019 as Additional Directors, in the category of Non-Executive Independent Directors of the Company. Further, Mr. Srinath Sridharan was appointed with effect from March 26, 2019 as Additional Director, in the category of Non-Executive Director of the Company.

### Secretarial Standards issued by Institute of Company Secretaries of India (ICSI)

Pursuant to the provisions of the Companies Act, 2013, the Company has complied with the Secretarial Standard on the meetings of the Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI) and approved by the Central Government under Section 118(10) of the Companies Act, 2013. Also, the Company has been substantially adhering to the Secretarial Standard on Dividend (SS-3) issued by ICSI and approved by the Central Government under Section 118(10) of the Companies Act, 2013, which was effective from January 1, 2018.

### Separate Independent Directors' Meeting

During the year 2018-19, a separate meeting of the Independent Directors without the presence of the non-Independent Directors and senior management members was held on January 25, 2019, in accordance with the provisions of Schedule IV - Code for Independent Directors of the Companies Act, 2013 and Regulation 25 of the SEBI Listing Regulations.

The Independent Directors, inter-alia, reviewed -

- the performance of Non-Independent Directors and the Board as a whole;
- the performance of the Chairperson of the Company, and
- the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

### Familiarization Programmes for the Independent Directors

The Company follows a structured orientation programme for its newly inducted Director(s) to ensure that they become fully aware of the industry in which the Company operates, the processes, systems and policies adopted and followed by the Company. The familiarization programme focuses on the business model and operations of the Company and aims at informing the directors on the legal, regulatory as well as socio-economic regime in which the Company functions.

The Company briefs its Independent Directors on the roles, rights and responsibilities of the Independent Directors, nature of the industry in which the Company operates, business and operations model, credit policies of the Company etc. It also ensures that regular updates are provided to all the Directors on the changes/revision in the Company's business model, new developments & initiatives undertaken by the Company, new processes & policies adopted/revised, amendment/introduction of applicable laws and/or regulations etc.

The familiarization programme for the new and continuing Independent Directors of the Company ensures valuable participation and inputs from them which helps in bringing forth the best practices into the organization and helps in taking informed decision(s) at the Board Level.

The details of familiarization programme imparted to the Independent Directors of the Company is available on the Company's website at URL: <https://www.dhfl.com/docs/default-source/aboutus/familiarization-program.pdf>

### Board qualifications and attributes:

The table below summarizes the list of core skills/ expertise/ competencies identified by the Board of Directors as required in the context of the Company's business and sector which are being considered at the time of appointment of Directors:

Sr. No.	Directors' Areas of Core Skills/ Expertise/ Competence	
1	Accountancy & Finance	Qualifications and experience in accounting and/or finance and the ability to: <ul style="list-style-type: none"> <li>Analyse the key financial statements of a company,</li> <li>Critically assess financial viability and performance,</li> <li>Contribute to strategic financial planning,</li> <li>Oversee the budget and monitor the efficient use of resources,</li> <li>Oversee funding arrangements and accountability.</li> </ul>
2	Business and Operational management	Experience of business administration and observing appropriate governance practices.
3	Housing Finance Industry	Ability to understand the business and sector in which the Company operates and develop appropriate strategies
4	Banking	Broad range of banking experience
5	Risk Analysis and Management	Ability to identify key risks in a wide range of areas including legal and regulatory compliance and suggest measures to mitigate the risks.
6	Economics	A significant background in economics and develop methods for optimum utilization of resources.
7	Leadership	Innate leadership skills for a significant enterprise, practical understanding of developing, implementing and assessing the operations and business strategy and ability to take responsibility for decisions and actions and appropriately represent the organisation.
8	Governance	Demonstrated strength in developing better corporate governance practices and help to drive change which would help for long term growth.

All the above required skills/ expertise/ competencies are available with the Board. The Board is satisfied that the current composition reflects an appropriate mixture of knowledge, skills, experience, expertise, diversity and independence.

### 3. COMMITTEES OF THE BOARD

The Board Committees constitute an important element of the governance process of the Company and are an integral arm of the Board to carry out its wide and diverse functions. The Board of Directors have constituted few committees namely – Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Risk Management Committee, Finance Committee and Corporate Social Responsibility Committee.

The Board at its meeting held on January 22, 2018, pursuant to NHB Circular dated December 5, 2017, has constituted a Special Committee i.e. Review Committee for declaration of Wilful Defaulters to Credit Information Companies (CICs).

The Board at its meeting held on April 30, 2018 constituted another special committee i.e. NCD Public Issue Committee for

undertaking necessary decisions in relation to the public Issue of Non-Convertible Debentures. The Board further at its meeting held on March 29, 2019 decided to dissolve the NCD Public Issue Committee since the purpose of the constitution of this committee was duly met with.

Further, the Board at its meeting held on January 31, 2019 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 Committees of the Board enable it to deal with specific areas / activities that need a closer review and to have an appropriate structure to assist in the discharge of their duties and responsibilities. The Committees of the Board meet at regular intervals and have the requisite subject expertise to handle and resolve matters expeditiously. The Board overlooks the functioning

of the Committees. The Chairman of the respective Committees briefs the Board on significant discussions and decisions taken at their respective meetings. Minutes of the Committee Meetings are circulated and placed before the Board of Directors in the subsequent Board Meeting for their noting.

The Company Secretary acts as a Secretary to all the Committees of the Board.

Detailed terms of reference, composition, meetings and other information of each of the Committees of the Board is detailed herein below:

**a. Audit Committee**

The constitution of Audit Committee of the Board is in compliance with the provisions of Section 177 of the Companies Act, 2013, Regulation 18 of the SEBI Listing Regulations and NHB CG Directions.

All the Members of the Audit Committee have the required qualification and expertise for appointment on the Committee and possess the requisite accounting and related financial management expertise.

The representatives of the statutory auditors are the permanent invitees to the meetings of the Committee wherein the financial statements/results are discussed. In addition to the representatives of the Statutory Auditors, Head (Management Assurance & Audit Function) along with the Chief Financial Officer are also invited to attend the Audit Committee meetings. Various Functional Heads and Senior Management Personnel are invited to the meetings to give presentations relating to their respective function. Periodically, presentations are also made by the Management and other external auditors to the Audit Committee Members.

The Chairman of the Audit Committee was present at the last i.e. 34th Annual General Meeting of the Company.

**Terms of Reference**

During the year 2018-19, the terms of reference of the Audit Committee were amended by the Board of Directors on January 25, 2019 and March 29, 2019.

The terms of Reference of the Audit Committee are as follows:

- To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- To recommend to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and the fixation of audit fees;
- To approve the payment to statutory auditors for any other services rendered by them;
- To review with the management, the annual financial statements before submission to the Board for approval, with particular reference to:

- a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report.
- b. Changes, if any, in accounting policies and practices and reasons for the same.
- c. Major accounting entries involving estimates based on the exercise of judgment by management.
- d. Significant adjustments made in the financial statements arising out of audit findings.
- e. Compliance with listing and other legal requirements relating to financial statements
- f. Qualifications in the draft audit report.
- g. Disclosure of Related Party Transaction(s);
- To review with the management, the financial statements/ business operations before submission to the Board;
- To review with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- To review with the management, performance of statutory and internal auditors, and monitor auditor's independence and performance and effectiveness of the audit process and adequacy of the internal control systems;
- To review the compliance of the Fair Practice Code and the functioning of the grievance redressal mechanism at various levels of management;
- To review compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively;
- To ensure that the Information System Audit of the internal systems and processes is conducted to assess the operational risks faced by the Company;
- To review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

- To review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- To discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, members (in case of non-payment of declared dividends) and creditors;
- To approve the appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
- To consider, suggest modification and/or recommend/approve, the related party transactions of the Company;
- To scrutinize inter corporate loans and investments;
- To review the Asset-Liability Management Mechanism of the Company;
- To consider valuation of assets or undertaking of the Company wherever required;
- To evaluate internal financial controls, risk management systems and fraud reporting;
- To review and formulate the scope, functioning, periodicity, methodology for conducting the internal audit, in consultation with the Internal Auditor and to discuss with the internal auditors any significant findings and follow up there on;
- To have the authority to investigate into any matter as included in its terms of reference or referred to it by the Board and for this purpose the Audit Committee to have power to obtain professional advice from external sources and have full access to information contained in the records of the Company;
- To review the Company's Vigil Mechanism as defined under the Whistle Blower Policy of the Company with regard to the process/procedure prescribed for its employees and directors to raise concerns, in confidence, about possible wrongdoing in financial reporting, accounting, auditing or other related matter. To ensure that these arrangements allow independent investigation of such matters and appropriate follow up action;
- To review the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;

- Any other function as may be stipulated by the Companies Act, 2013, SEBI, Stock Exchanges or any other regulatory authorities from time to time.

### Composition and Meetings

The Company holds minimum four pre-scheduled Audit Committee meetings annually, one in each quarter and the maximum time gap between two Audit Committee meetings is not more than one hundred and twenty days.

During the year 2018-19, Twelve (12) Audit Committee meetings were held on April 30, 2018, May 16, 2018, June 27, 2018, July 25, 2018, August 13, 2018, September 21, 2018, November 21, 2018, January 25, 2019, January 31, 2019, February 22, 2019, March 5, 2019 and March 29, 2019. In view of resignation of Mr. V. K. Chopra- Independent Director from the Board of Directors of the Company w.e.f. March 11, 2019 and the consequent vacancy created in the Audit Committee of the Board of Directors of the Company, the said Committee was reconstituted by the Board of Directors at their meeting held on March 29, 2019 to include Mr. Srinath Sridharan- Additional (Non-Executive) Director as a Member of the Committee. The composition and the attendance thereof of the members of the Committee are given herein below:

Composition	Category	Meetings attended
Mr. M. Venugopalan <sup>1</sup> (Chairman of the Committee)	Independent	12
Mr. G.P. Kohli <sup>2</sup>	Independent	11
Mr. V.K Chopra <sup>3</sup>	Independent	11
Mr. Srinath Sridharan <sup>4</sup>	Non-Executive	1

1. Ceased to be the Member of the Committee w.e.f. March 30, 2019.
2. Ceased to be the Member of the Committee w.e.f. March 29, 2019.
3. Ceased to be the Member of the Committee w.e.f. March 11, 2019.
4. Inducted as Member of the Committee w.e.f. March 29, 2019.

After the financial year 2018-19, the Audit Committee was further re-constituted by the Board vide Circular Resolution dated April 19, 2019 to include therein Mr. Alok Kumar Misra – Additional (Independent) Director as the Chairman and Mr. Sunjoy Joshi- Additional (Independent) Director as a Member of the Committee consequent upon resignation of Mr. G. P. Kohli and Mr. M. Venugopalan- Independent Director(s) from the Board of Directors of the Company w.e.f. March 29, 2019 and March 30, 2019, respectively. The current composition of the Audit Committee is as per the provisions of the Companies Act, 2013 and SEBI Listing Regulations and is as follows :

Composition	Category
Mr. Alok Kumar Misra (Chairman of the Committee)	Independent
Mr. Sunjoy Joshi	Independent
Mr. Srinath Sridharan	Non-Executive

## b. Nomination and Remuneration Committee

The constitution of Nomination and Remuneration Committee is in compliance with the requirements of provisions of Section 178 of the Companies Act, 2013, Regulation 19 of SEBI Listing Regulations and NHB CG Directions.

### Terms of Reference

During the year 2018-19, the terms of reference of the Nomination and Remuneration Committee were amended by the Board of Directors on June 27, 2018 and January 25, 2019.

The Terms of Reference of the Nomination and Remuneration Committee are as follows:

- To identify and recommend to the Board, in accordance with the criteria as laid down, appointment/re-appointment/removal of the Executive /Non – Executive Directors and the senior management of the Company;
- To formulate criteria for evaluation and specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Committee or by an independent external agency and review its implementation and compliance;
- To formulate the criteria for determining qualifications, positive attributes and independence of the Directors;
- To recommend to the Board a remuneration policy for the Directors, Key Managerial Personnel and other employees of the Company;
- To devise a Policy on Board Diversity of the Company;
- To monitor and handle any other matter relating to framing/administration of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 or any amendments thereof;
- Recommend to the Board, all remuneration, in whatever form, payable to Senior Management;
- Any other function as may be mandated by the Board or stipulated by the Companies Act, 2013, SEBI, Stock Exchanges or any other regulatory authorities from time to time.

### Composition and Meetings

The Composition of Nomination and Remuneration Committees is as per the provision of the Companies Act, 2013 and the SEBI Listing Regulations.

The Chairman of the Nomination and Remuneration Committee was present at the last i.e. 34<sup>th</sup> Annual General Meeting of the Company.

During the year 2018-19, Four (4) Nomination and Remuneration Committee meetings were held on April 30, 2018, June 27, 2018, January 25, 2019 and January 31, 2019. The composition and the

attendance thereof of the members of the Committee are given herein below:

Composition	Category	Meetings attended
Mr. V. K. Chopra <sup>1</sup> (Chairman of the Committee)	Independent	4
Mr. G.P. Kohli <sup>2</sup>	Independent	4
Ms. Vijaya Sampath <sup>3</sup>	Independent	2

1. Ceased to be the Member of the Committee w.e.f. March 11, 2019.
2. Ceased to be the Member of the Committee w.e.f. March 29, 2019.
3. Ceased to be the Member of the Committee w.e.f. February 12, 2019.

After the financial year 2018-19, in view of resignation of Ms. Vijaya Sampath, Mr. V. K. Chopra and Mr. G. P. Kohli-Independent Director(s) from the Board of Directors of the Company w.e.f. February 12, 2019, March 11, 2019 and March 29, 2019, respectively, and the consequent vacancy(ies) created in the Nomination and Remuneration Committee of the Board of Directors of the Company, the said Committee was re-constituted by the Board of Directors vide Circular Resolution dated April 19, 2019 to include therein Mr. Sunjoy Joshi- Additional (Independent) Director as the Chairman of the Committee and Mr. Alok Kumar Misra – Additional (Independent) Director and Mr. Srinath Sridharan- Additional (Non-Executive) Director as Member(s) of the Committee. The current composition of the Nomination and Remuneration Committee is as per the provisions of the Companies Act, 2013 and SEBI Listing Regulations and is as follows:

Composition	Category
Mr. Sunjoy Joshi (Chairman of the Committee)	Independent
Mr. Alok Kumar Misra	Independent
Mr. Srinath Sridharan	Non-Executive

### Nomination, Remuneration and Evaluation Policy

The Company has a duly formulated Nomination (including Board Diversity), Remuneration and Evaluation Policy (NRE Policy) as per the provisions of Companies Act, 2013 and the SEBI Listing Regulations which, inter-alia, lays down the approach to diversity of the Board, the criteria for identifying the persons who are qualified to be appointed as Directors and such persons who may be appointed as Senior Management Personnel of the Company and also lays down the criteria for determining the remuneration of the Directors, Key Managerial Personnel (KMP) and other employees and the process of their evaluation. The NRE Policy was last amended on January 25, 2019 pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 as notified by SEBI vide notification dated May 9, 2018. 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](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 attributes for appointment, components of the remuneration and the process of performance evaluation relating to the Directors, Key Managerial Personnel (KMP) and employees of the Company are explained below:

**a. Appointment criteria, remuneration terms and performance evaluation of the Executive Director/ Whole Time Director:**

- The Executive Director/ Whole Time Director is appointed as per the applicable provisions of Companies Act, 2013 and rules made there under. The person to be appointed/re-appointed as Executive Director/Whole Time Director is assessed against a range of personal attributes and criteria which includes but is not limited to qualifications, skills, industry experience, fit and proper criteria, background etc.
- The remuneration being paid to the Executive Director/ Whole Time Director carries a balance between fixed and incentive pay (commission, bonus etc.) based on the performance objectives in relation to the operations of the Company. The Compensation (fixed salaries) paid to Executive Director/ Whole Time Director is competitive and reflects the individual's role, responsibility and experience in relation to performance of business operations of the Company. This includes salary, allowances and other statutory/non-statutory benefits. The remuneration paid to the Executive Director/ Whole Time Director also includes a variable component which is determined by the Committee/Board, based on the performance against pre-determined financial and non-financial parameters. The total managerial remuneration payable by the Company to the Executive Director/ Whole Time Director is within the limits prescribed under the Companies Act, 2013 and SEBI Listing Regulations.
- The Executive Director/Whole Time Director is evaluated on the basis of his present performance (financial/non-financial) and his achievements against various key performance parameters as defined by the Board of Directors of the Company. The performance evaluation of the Executive Director/ Whole Time Directors is carried out by the Nomination and Remuneration Committee, the Independent Directors in a separate meeting, and by the Board of the Company without the presence of the Executive Director/ Whole Time Director being evaluated. The re-appointment of the Executive Director/ Whole Time Director is on the basis of the report of his performance evaluation.

**b. Appointment criteria, remuneration terms and performance evaluation of the Non - Executive Director(s)/ Independent Directors:**

- The NRE policy of the Company aims at promoting diversity on the Board. The Nomination and Remuneration Committee ensures that the Board at all times represents an optimum combination of Executive and Non-Executive Directors as well as Independent Directors with at least one woman Director and not less than fifty percent of the Board comprising of Independent Directors. The selection of

suitable candidate(s) for the directorship of the Company is based on various criteria viz. educational and professional background, personal achievements, experience, skills etc.

- The Non - Executive Director is appointed as per the applicable provisions of the Companies Act, 2013 and rules made thereunder and assessed on various parameters such as qualification, relevant experience and expertise, integrity, skill sets etc. The appointment of Independent Directors is made in accordance with the provisions of Companies Act, 2013 and SEBI Listing Regulations. A formal letter of appointment is also issued to the Independent Directors upon their appointment. Independent Directors of the Company are not entitled to stock options.
  - Commission, if any, paid to the Non-Executive Directors and the Independent Directors is within the monetary limits approved by the Members of the Company, subject to the overall ceiling of 1% of the net profits of the Company computed as per the applicable provisions of Companies Act, 2013. The sitting fee is paid to the Non-Executive Directors and the Independent Directors within the limits as prescribed under the Companies Act, 2013. However, in view of the best corporate governance practices, the Board of Directors at their meeting held on January 25, 2019, unanimously approved the revision in the sitting fees and that sitting fees shall be payable only to the Independent Directors of the Company w.e.f. April 1, 2019. The Company also reimburses the expenses for attending the Board and other Committee meetings including travelling, boarding and lodging expenses to the Non-Executive Directors and the Independent Directors.
  - The performance evaluation of the Non-Executive Directors and the Independent Directors is carried out by the Nomination and Remuneration Committee and the Board of Directors excluding the director being evaluated. The performance evaluation of the Non-Executive Director is also carried out by the Independent Directors in a separate meeting. Re-appointment of a Director is based on the report of performance evaluation.
- c. Appointment criteria, remuneration terms and performance evaluation of the Senior Management Personnel and other employees:**
- The Company appoints KMP i.e. Whole Time Director, Chief Executive Officer, Chief Financial Officer, and Company Secretary of the Company as per the provisions of Section 203 of the Companies Act, 2013. The Company recruits individuals with appropriate mix of skills, experience and personal attributes. For the appointment of employees, the criteria such as qualifications, skills, regional and industry experience, background and other qualities required to operate successfully in the respective position and the extent to which the appointee is likely to contribute to the overall effectiveness of the organization, work constructively with the existing team and enhance the efficiencies of the Company is considered.

- The remuneration for the Chief Financial Officer, Company Secretary and Senior Management at the time of the appointment is approved by the Board and any subsequent increments is approved by the Chairman & Managing Director of the Company as per the HR and Nomination (including Boards' Diversity), Remuneration and Evaluation Policy of the Company and the same is placed before the Nomination and Remuneration Committee and the Board. The remuneration of the employees is determined, after considering the key factors like:
  - a. The level and composition of remuneration should be reasonable and sufficient to attract, retain and motivate directors/executives and should be in line with the industry practice aimed at promoting the short term and long term interests and performance of the company.
  - b. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
  - c. Remuneration will involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- The performance of the other employees is evaluated on annual basis as per Company's and individual employees performance and contribution to the overall goals / objectives of the Company.

#### Details of the Evaluation Process

As per the provisions of the Companies Act, 2013 and SEBI Listing Regulations, the Nomination and Remuneration Committee carried out the evaluation of the performance of each Director of the Company at its meeting held on July 13, 2019 based on the criteria for evaluation/ assessment of the Directors (including the Independent Directors) of the Company and the Board as a whole (including the Board Committees) as laid down by the Nomination and Remuneration Committee. As a part of the performance evaluation process, self –assessment was also carried out by all the Directors (including the Independent Directors).

Pursuant to the report/feedback on the evaluation as carried out by the Nomination and Remuneration Committee and the Independent Directors in a separate meeting, the Board conducted its formal annual evaluation of its own performance, its Committees and the individual directors (without the presence of the director being evaluated) at its meeting held on July 13, 2019. Basis the said evaluation, the Nomination and Remuneration Committee made recommendations for the re-appointment of Mr. Dheeraj Wadhawan.

#### Criteria for evaluation of Board and its Committees

The evaluation of the Board and its committees were based on the criteria, inter-alia, covering various assessment parameters like structure and composition, frequency & duration of meetings, its processes and procedures, effectiveness of the Board/ committees, its financial reporting process including internal controls, review of compliances under various regulations,

adequate discharge of responsibilities entrusted under various regulations and/ or terms of reference of the committees etc.

#### Criteria for evaluation of Individual Directors

The criteria for evaluation of performance of the individual Directors included various parameters viz. attendance & participation during the meetings, their active contribution & independent judgment, cohesiveness, discussions/deliberations on important matters, understanding of the Company, etc. The Chairman & Managing Director, in addition to the above, was also evaluated on his achievements against various key performance parameters (financial / non-financial) for the financial year 2018-19.

#### Details of remuneration including commission and other payments to the Directors

##### Executive Director(s)

##### 1. Mr. Kapil Wadhawan (Chairman & Managing Director)

Mr. Kapil Wadhawan was re-appointed as the Managing Director (designated as Chairman & Managing Director) of the Company for a period of five years w.e.f. October 4, 2015, vide Service Agreement executed on October 4, 2015, the appointment and terms and conditions of which were approved by the Members of the Company at the 31<sup>st</sup> Annual General Meeting held on July 23, 2015.

Considering the rich experience and contribution of Mr. Kapil Wadhawan to the growth and performance of the Company, the Members of the Company approved the revision in terms of appointment and remuneration of Mr. Kapil Wadhawan vide Postal Ballot Resolution dated November 27, 2017. The revised terms and conditions as set out in the supplemental agreement dated December 4, 2017, entered into with the Company, are listed below:

**Remuneration:** Remuneration payable to Mr. Kapil Wadhawan, Chairman & Managing Director (w.e.f. November 1, 2017) is as under:

(₹ in Lakh)

Particulars	Amount (p.a.)
Basic Salary	175
Perquisites/ Allowances	125
<b>Total</b>	<b>300</b>
Commission	As may be decided by Nomination and Remuneration Committee/ Board of Directors of the Company

**Perquisites/Allowances:** The Perquisites and allowances, as aforesaid, shall include (a) Rent-free accommodation (furnished or otherwise) or House Rent Allowance, in lieu thereof; (b) House maintenance allowance together with reimbursement of expenses and / or allowances for utilisation of gas, electricity, water, furnishing & repairs, (c) Leave Travel Concession for self

and family including dependents, (d) Fees for Club Membership, (e) Payment of Insurance Premium on policies relating to Health Insurance, Personal Accident Insurance and Others, (f) Reimbursement of Medical Expenses. The valuation of perquisites and allowances shall be as per the provisions of Income Tax Act, 1961 or any rules thereunder or any statutory modification(s) or re-enactment(s) thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost.

The Company's contribution to provident fund, superannuation or annuity fund, to the extent these, singly or together, are not taxable under the Income Tax law, gratuity payable and encashment of leave, as per the rules of the Company and to the extent not taxable under the Income Tax law, shall not be included for the purpose of computation of his overall ceiling of remuneration.

The expenses incurred by Mr. Kapil Wadhawan for travelling, boarding and lodging during business trips; provision of cars for official use and his telephone expenses shall be reimbursed at actuals and not considered as perquisites.

**Commission:** Commission per annum shall be equivalent to such sum as may be fixed by the Board of Directors / Nomination and Remuneration Committee, in conformity with the applicable provisions of Companies Act, 2013 and rules made thereunder. The said commission shall be payable based on the set goals and performance criteria/ parameters as defined by Nomination and Remuneration Committee and/ or the Board of Directors of the Company.

**Other terms:** The overall remuneration payable every year to Mr. Kapil Wadhawan – Chairman & Managing Director by way of basic salary, perquisites/ allowances and commission shall not exceed in aggregate, 1% (one percent) of the net profits of the Company as computed in the manner laid down in Section 198 of the Companies Act, 2013 and the rules made thereunder or any statutory modification(s) or re-enactment(s) thereof. In the event of any loss, or absence or inadequacy of profits in any financial year, during the term of office of Mr. Kapil Wadhawan, the remuneration payable to him by way of salary, allowances, commission and perquisites shall not be paid in excess of the limits prescribed in Schedule V of the Companies Act, 2013 or with the approval of the Central Government. The office of Mr. Kapil Wadhawan shall not be liable to retire by rotation.

**Notice period/severance fee:** The office of the Chairman & Managing Director may be terminated either by the Company or by him, by way of giving 3 (three) months' prior notice in writing. Further, the Chairman & Managing Director shall not be entitled to any sitting fees for attending the meetings of the Board or of the Committee(s) of which he is a Member. There is no provision for payment of any severance fee to the Chairman & Managing Director.

The compensation paid to Mr. Kapil Wadhawan - Chairman & Managing Director for the year ended March 31, 2019 is as follows:-

(Amount in ₹)

Name	Salary	Contribution to Provident fund
Mr. Kapil Wadhawan (Chairman & Managing Director)	3,00,00,000	21,00,000

In view of loss incurred by the Company for the financial year 2018-19 and also in accordance with the provisions of Section 197 of the Companies Act, 2013 and rules made thereunder no commission is paid / payable to Mr. Kapil Wadhawan for the financial year 2018-19.

**a. Mr. Harshil Mehta (Joint Managing Director & Chief Executive Officer) (Resigned w.e.f. February 13, 2019)**

Mr. Harshil Mehta was appointed as the Chief Executive Officer (CEO) and Whole Time Key Managerial Personnel of the Company pursuant to the provisions of the Companies Act, 2013 by the Board w.e.f. January 17, 2015.

The Board of Directors of the Company appointed him as the Whole Time Director of the Company (designated as Joint Managing Director & Chief Executive Officer) for a period of five years with effect from September 1, 2017. The Members of the Company approved the same vide Postal Ballot resolution dated November 27, 2017. The brief terms and conditions of appointment of Mr. Harshil Mehta as the Joint Managing Director & Chief Executive Officer as mentioned in his Appointment Letter, are listed below:

**Basic Salary:** Basic Salary shall be ₹ 1,35,00,000 p.a., with an annual increment not exceeding 15% of the basic salary, as may be decided by the Nomination and Remuneration Committee of the Board of Directors of the Company..

**Perquisites:** Perquisites shall be ₹ 1,22,30,650 p.a. which shall include (a) House Rent allowance, (b) Medical Reimbursement, (c) leave travel allowance, as per the policy of the Company and as may be approved by the Nomination and Remuneration Committee of the Board of Directors of the Company

**Other Perquisites:** Other perquisites shall include (a) chauffeur driven Company's car for both business and personal use. Fuel cost, repairs, maintenance and operating and running expenses of the car (on actual basis), (b) travelling expenses: as per the policy of the Company (c) leave encashment: as per the policy of the Company, (d) club membership of two clubs [annual membership fee]- one time entrance/admission fee to be in Company's name/ cost. [up to an amount of ₹ 5,00,000 p.a.], (e) medical expenses through medical insurance covering compressively all facilities including Dental and ophthalmic for self and family [premium amount to be capped at ₹ 1,00,000 p.a.], (f) maintenance cost of own residence including taxes, Gas and electricity, telephone and broad band charges or rent free furnished accommodation maintained by Company [upto an amount of ₹ 2,50,000 per annum], (g) Soft furnishing once a year if in own accommodation, Furniture and Fixtures upto an amount of ₹ 15,00,000.

One-time expenses shall be amortised over the life of the contract to arrive at annual perquisite value or as per the Income Tax Act,

as is relevant. Mr. Harshil Mehta shall be given other allowance and reimbursement of expenses including expenses incurred for business of the Company and such other perquisites and allowance in accordance with the rules and policy of the Company and as may be approved by the Nomination and Remuneration Committee of the Board of Directors of the Company.

**Contribution to Provident Fund:** The contribution to provident fund, superannuation or annuity fund, to the extent these, singly or together, are not taxable under the Income Tax Law, gratuity payable and encashment of leave, as per the rules of the Company and to the extent not taxable under the Income Tax law, shall not be included for the purpose of computation of his overall ceiling of remuneration.

**Annual Performance Bonus:** Mr. Harshil Mehta shall be given an annual performance bonus up to a maximum of 100% of the basic salary subject to the Company's policy, as applicable from time to time. The performance criteria and the amount of performance bonus shall be decided by the Nomination and Remuneration Committee of the Board of Directors.

**Grant of ESARs under Dewan Housing Finance Corporation Limited –Employee Stock Appreciation Rights Plan 2015:** Up to a maximum of 200% of basic salary subject to the Company's policy as applicable from time to time. The criteria and the grant size shall be decided by the Nomination and Remuneration Committee of the Board of Directors. The value of pay out at the time of vesting would be linked to the then prevailing price of the Company's share and hence may be different.

**Retirals:** (a) Provident Fund (employers' contribution) shall be paid at the rate of 12% of basic salary. (b) Gratuity shall be paid as per the Payment of Gratuity Act.

**Other Terms:** No sitting fees shall be paid to the Joint Managing Director & CEO for attending meetings of the Board of Directors or any committee thereof of which he is a member. The Joint Managing Director & Chief Executive Officer shall be subject to all other service conditions and employee benefit schemes, as applicable to any other employee of the Company. There is no provision for payment of any severance fee to the Joint Managing Director & Chief Executive Officer the office of Mr. Harshil Mehta shall be liable to retire by rotation.

**Notice period:** The office of the Joint Managing Director & Chief Executive Officer may be terminated either by the Company or by him, by way of giving 3 (three) months' prior notice in writing.

However, Mr. Harshil Mehta resigned from the position of Whole Time Director (designated as Joint Managing Director & CEO) from the Board of Directors of the Company w.e.f. February 13, 2019 but he continued to be associated with the Company as Executive President- Retail Business till June 25, 2019.

Therefore, the compensation paid to Mr. Harshil Mehta- Joint Managing Director & Chief Executive Officer for the period from April 1, 2018 to February 13, 2019 is as follows:-

Name	Salary (in ₹)	Contribution to funds (in ₹)	Other Perquisites (in ₹)	Stock Options (No. of options)
Mr. Harshil Mehta (Erstwhile Joint Managing Director & Chief Executive Officer)	2,65,99,963	15,53,946	4,65,79,480	-

Note: Excess Remuneration of ₹ 6.45 crore paid to Mr. Harshil Mehta for the financial year 2018-19, has already been recovered. The total remuneration paid to him for the financial year 2018-19 as mentioned above does not include the said excess remuneration recovered from him.

### Non-Executive and Independent Directors

None of the Non-Executive and Independent Directors of the Company have any pecuniary relationship with the Company except as mentioned herein below. The Non-Executive and Independent Directors are paid sitting fees and other expenses on actual basis (travelling, boarding and lodging) incurred for attending the Board/Committee meetings. However, in view of the best corporate governance practices, the Board of Directors at their meeting held on January 25, 2019, unanimously approved that sitting fees shall be payable only to the Independent Directors of the Company w.e.f. April 1, 2019. In view of the provisions of Companies Act, 2013, which provides for higher ceiling of sitting fees payable to the Board of Directors, the sitting fees payable to Non-Executive and Independent Directors for attending each meeting held during Financial Year 2018-19 was fixed at ₹45,000 for Board Meetings and ₹35,000 for Audit Committee Meeting. The sitting fees for other committee meetings namely Nomination and Remuneration Committee Meeting, Finance Committee Meeting, Risk Management Committee and Corporate Social

Responsibility Committee Meeting was ₹18,000 per meeting, respectively and ₹10,000 per meeting for attending Stakeholders' Relationship Committee Meeting.

The Board of Directors at their meeting held on January 25, 2019, unanimously approved the revision in sitting fees payable to all the Independent Directors of the Company w.e.f. April 1, 2019 and increased it to ₹50,000 for Board Meeting, ₹50,000 for Audit Committee Meeting, ₹20,000 for Nomination and Remuneration Committee Meeting, Corporate Social Responsibility Committee Meeting, Risk Management Committee Meeting and Finance Committee Meeting and ₹12,000 for Stakeholders' Relationship Committee Meeting and Review Committee Meeting for declaration of Wilful Defaulters to Credit Information Companies (CICs).

During the year, no stock options were granted to the Non-Executive Directors and Independent Directors of the Company.

## Dewan Housing Finance Corporation Limited

The compensation paid / payable by the Company to the Non-Executive and Independent Directors as at March 31, 2019 is as given below:

(Amount in ₹)

Name	Sittings Fees
Mr. Dheeraj Wadhawan	5,49,000
Ms. Vijaya Sampath <sup>1</sup>	2,61,000
Mr. V. K. Chopra <sup>1</sup>	8,26,000
Mr. G. P. Kohli <sup>1</sup>	13,61,000
Mr. Mannil Venugopalan <sup>1</sup>	7,98,000
Mr. Srinath Sridharan <sup>2</sup>	80,000
Mr. Alok Kumar Misra <sup>2</sup>	-
Mr. Sunjoy Joshi <sup>2</sup>	-

1. Mrs. Vijaya Sampath, Mr. V. K. Chopra, Mr. G. P. Kohli and Mr. M. Venugopalan, resigned from the position of Independent Directors of the Company w.e.f. February 12, 2019, March 11, 2019, March 29, 2019 and March, 30, 2019, respectively.

2. Mr. Sunjoy Joshi and Mr. Alok Kumar Misra were appointed with effect from March 26, 2019 as Additional Directors, in the category of Non-Executive Independent Directors of the Company. Further, Mr. Srinath Sridharan was appointed with effect from March 26, 2019 as Additional Director, in the category of Non-Executive Director of the Company.

In view of the loss incurred by the Company as at March 31, 2019 and also in accordance with the provisions of Section 197 of the Companies Act, 2013 and the rules made thereunder, the Board of Directors had decided that no commission would be payable to the Non-Executive and Independent Directors of the Company for the financial year 2018-19.

### c. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee of the Board is constituted in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations.

#### Terms of Reference

During the year 2018-19, the terms of reference of the Stakeholders' Relationship Committee were amended by the Board of Directors on January 25, 2019.

The Terms of Reference of the Stakeholders' Relationship Committee is as follows:

- Resolving the grievances of the security holders (i.e. members, Fixed Depositors or Debenture Holders or Commercial Paper Investors or any other Investors of the security/ies) of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;
- To review the certificates and reports submitted by the Company to the Stock exchanges under the SEBI Listing Regulations;

- To observe the quarterly status of the number of shares in physical as well as dematerialised form;
- To review the periodicity and effectiveness of the share transfer process, statutory certifications, depository related issues and activities of the Registrar and Share transfer agent;
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent and to recommend measures for overall improvement in the quality of investors services;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of the Company;
- To oversee and ensure the compliances under the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016;
- Any other function as may be stipulated by the Companies Act, 2013, SEBI, Stock Exchanges or any other regulatory authorities from time to time.

### Composition and Meetings

The Chairman of the Stakeholders' Relationship Committee was present at the last i.e. 34<sup>th</sup> Annual General Meeting of the Company.

Ms. Niti Arya - Company Secretary acted as the Secretary to the Committee and acted the Compliance Officer of the Company. However, she resigned from the position of Company Secretary & Compliance Officer of the Company w.e.f. the end of working hours on March 15, 2019.

During the year 2018-19, four (4) Stakeholders' Relationship Committee meetings were held on April 27, 2018, August 13, 2018, November 21, 2018 and January 25, 2019. The composition and the attendance thereof of the members of the Committee are given herein below:

Composition	Category	Meetings attended
Mr. G. P. Kohli <sup>1</sup> (Chairman of the Committee)	Independent	4
Mr. Harshil Mehta <sup>2</sup>	Executive	4
Mr. Kapil Wadhawan <sup>3</sup>	Executive	4

- Ceased to be the Member of the Committee w.e.f. March 29, 2019
- Ceased to be the Member of the Committee w.e.f. February 13, 2019
- Ceased to be the Member of the Committee w.e.f. w.e.f. April 19, 2019

After the financial year 2018-19, in view of resignation of Mr. Harshil Mehta- Joint Managing Director & CEO and Mr. G. P. Kohli- Independent Director from the Board of Directors of the Company w.e.f. February 13, 2019 and March 29, 2019, respectively, and the consequent vacancies created in the Stakeholders' Relationship Committee of the Board of Directors of the Company, the said Committee was re-constituted by the Board of Directors vide Circular Resolution dated April 19, 2019 to include therein Mr. Srinath Sridharan- Additional (Non-Executive) Director as the Chairman of the Committee, Mr. Alok Kumar Misra - Additional (Independent) Director and Mr. Sunjoy Joshi - Additional (Independent) Director as Member(s) of the Committee. The current composition of the Stakeholders' Relationship Committee is as per the provisions of the Companies Act, 2013 and SEBI Listing Regulations and is as follows:

Composition	Category
Mr. Srinath Sridharan (Chairman of the Committee)	Non-Executive
Mr. Alok Kumar Misra	Independent
Mr. Sunjoy Joshi	Independent

#### Details of shareholders complaints/grievances received

During the year, the Company has received 29 complaints from its shareholders relating to non-receipt of share transfer/bonus certificate, non-receipt of dividend, non-receipt of annual report etc. All the Complaints were redressed to the satisfaction of the shareholders except five which were received in the month of March, 2019 and remained unresolved at the end of the financial year.

The Company received 18 complaints from the fixed deposit holders of the Company and all the complaints stand resolved as at the financial year ended March 31, 2019. During the year 2018-19, Company received 1674 complaints relating to non-receipt of securities, electronic credit, refund order, etc. from its debenture holders and all the complaints stand resolved as at the end of the financial year.

#### d. Risk Management Committee

The Risk Management Committee of the Board is constituted in compliance with the provisions of Regulation 21 of the SEBI Listing Regulations and the same is in line with the provisions of NHB CG Directions.

#### Terms of Reference

During the year 2018-19, the terms of reference of the Risk Management Committee were amended by the Board of Directors on January 25, 2019.

The Terms of Reference of the Risk Management Committee are as follows:

- To review and monitor the Risk Management Policies and Procedures;

- To ensure that the Credit Exposure of the Company to any single/group borrowers does not exceed, the internally set limits and the prescribed exposure ceilings by the Regulator;
- To review the Risk Monitoring System;
- To review and verify adherence to various risk parameters set-up for various Operations/Functions and such function specifically covering Cyber Security.
- To review the Asset-Liability Management Mechanism of the Company.
- To undertake such other function as may be mandated by the Board or stipulated by the Companies Act, 2013, SEBI, Stock Exchanges or any other regulatory authorities from time to time.

#### Composition and Meetings

The Risk Management Committee of the Board is constituted in Compliance with the Provisions of Regulation 21 of the SEBI Listing Regulations and the same is in line with provisions of NHB CG Directions. The Head of Risk Department is a permanent invitee to the committee meeting.

During the year 2018-19, one (1) Risk Management Committee meeting was held on November 21, 2018. The composition and the attendance thereof of the members of the Committee are given herein below:

Composition	Category	Meetings attended
Mr. Kapil Wadhawan <sup>1</sup> (Chairman of the Committee)	Executive	1
Mr. V.K. Chopra <sup>2</sup>	Independent	1
Mr. Mannil Venugopalan <sup>3</sup>	Independent	1
Mr. Harshil Mehta <sup>4</sup>	Executive	1

1. Ceased to be the Chairman of the Committee w.e.f. April 19, 2019
2. Ceased to be the Member of the Committee w.e.f. March 11, 2019
3. Ceased to be the Member of the Committee w.e.f. March 30, 2019
4. Ceased to be the Member of the Committee w.e.f. February 13, 2019

After the financial year 2018-19, in view of resignation of Mr. Harshil Mehta- Joint Managing Director & CEO, Mr. V. K. Chopra and Mr. Mannil Venugopalan- Independent Director(s) from the Board of Directors of the Company w.e.f. February 13, 2019, March 11, 2019 and March 30, 2019, respectively and the consequent vacancies created in the Risk Management Committee of the Board of Directors of the Company, the said Committee was re-constituted by the Board of Directors vide Circular Resolution dated April 19, 2019 to include therein Mr. Sunjoy Joshi- Additional (Independent) Director as the Chairman of the Committee, Mr. Srinath Sridharan- Additional (Non-Executive) Director as Member of the Committee and Mr. Kapil Wadhawan- Chairman & Managing Director as Member

of the Committee instead of Chairman of the Committee. The current composition of the Risk Management Committee is as per the requirements of the SEBI Listing Regulations and is as follows:

Composition	Category
Mr. Sunjoy Joshi (Chairman of the Committee)	Independent
Mr. Kapil Wadhawan	Executive
Mr. Srinath Sridharan	Non-Executive

### e. Finance Committee

The terms of reference of the Finance Committee was last amended on April 30, 2018 by the Board of Directors of the Company.

#### Terms of Reference

The terms of Reference of the Finance Committee are as follows:

- To borrow moneys for the purpose of the Company's Business in accordance with the Companies Act, and any modification and enactment thereof, if any and but not exceeding the overall limit up to which the Board of Directors of the Company are authorized/to be authorized under the Companies Act, and any modification and enactment thereof;
- To consider and approve/accept the letters of sanction by the term lending institutions/banks/NHB and other bodies corporate, opening and/or closing of the current accounts/cash credit/overdraft/fixed deposits or other account(s) with any bank and authorize the Directors/officers of the Company for the purpose;
- To authorize operation of such accounts of the Company with its bankers and to vary the existing authorization to operate the same and granting of general /specific power of attorney to the officers at the branches for routine matters and any such matters pertaining to the routine functions;
- To approve the change/s of rates of interest of all loan products and on public deposits or on debentures, debts or any other instruments/ financial products issued by the Company;
- To consider and approve the allotment of any issue of securities by the Company, be it by way of preference shares of all types, public issue of equity shares including Rights Offer, preferential issue of equity shares including firm allotment, employees stock option plan/schemes, bonds, debentures and any other financial instrument of like nature;
- To grant approval of loans above ₹200 crore upto prudential exposure norms as per NHB guidelines to any person, firm or body corporate at any time or from time to time and to grant approval for issuance of Corporate Guarantee(s) by the Company in favour of the body corporates as per the provisions of Companies Act, 2013 and NHB Guidelines;
- To open and close the current account(s) with any banks at any place outside the territory of India and to finalize/vary the authorization (s) to operate the same;
- To open and close the securities/demat/custodian accounts(s) with any depository /participant at any place in India and abroad and to finalize/vary the authorization(s) to operate the same;
- To consider and approve the buyout and sell down of pool of loan portfolio by way of securitization and/or assignment and the matters relating thereto and to authorize Director(s) or the official(s) of the Company for the purpose.
- To approve the terms and execution of the agreements, documents, undertakings, contracts, deeds with respect to the transactions approved by the Board or any Committee thereof.

#### Composition and Meetings

During the year 2018-19, the Committee met twenty seven [27] times on April 18, 2018, May 16, 2018, May 23, 2018, June 14, 2018, June 25, 2018, July 4, 2018, July 26, 2018, August 28, 2018, August 31, 2018, September 6, 2018, September 19, 2018, September 27, 2018, September 28, 2018, October, 10, 2018, October, 24, 2018, October 29, 2018, November 2, 2018, November 16, 2018, November 19, 2018, November 29, 2018, December 24, 2018, December 28, 2018, January 18, 2019, February 8, 2019, March 13, 2019, March 20, 2019 and March 29, 2019.

The composition and the attendance thereof of the members of the Committee are given herein below:

Composition	Category	Meetings attended
Mr. Kapil Wadhawan (Chairman of the Committee)	Executive	23
Mr. G.P. Kohli <sup>1</sup>	Independent	26
Mr. Dheeraj Wadhawan <sup>2</sup>	Non - Executive	23

1. Ceased to be the Member of the Committee w.e.f. March 29, 2019;

2. Ceased to be the Member of the Committee w.e.f. April 19, 2019;

After the financial year 2018-19, in view of resignation of Mr. G. P. Kohli- Independent Director from the Board of Directors of the Company w.e.f. March 29, 2019 and the consequent vacancy created in the Finance Committee of the Board of Directors of the Company, the said Committee was re-constituted by the Board of Directors vide Circular Resolution dated April 19, 2019 to include therein Mr. Alok Kumar Misra - Additional (Independent) Director and Mr. Sunjoy Joshi - Additional (Independent) Director as Member(s) of the Committee. Further, Mr. Dheeraj Wadhwan, Non-Executive Director ceased to be the Member of the Finance Committee w.e.f. April 19, 2019. The said Committee was again re-constituted by the Board of Directors vide Circular Resolution dated June 26, 2019 to include therein Mr. Srinath Sridharan - Additional (Non-Executive) Director as Member of the Committee. The current composition of the Finance Committee is as follows:

Composition	Category
Mr. Kapil Wadhawan (Chairman of the Committee)	Executive
Mr. Alok Kumar Misra	Independent
Mr. Sunjoy Joshi	Independent
Mr. Srinath Sridharan	Non-Executive

#### f. Corporate Social Responsibility (CSR) Committee

The Corporate Social Responsibility Committee is constituted in line with the requirements of Section 135 of the Companies Act, 2013.

##### Terms of Reference

The Terms of Reference of the CSR Committee are as follows:

- To establish and review of corporate social responsibility policies;
- To identify, segment and recommend the CSR projects/ programs/activities to the Board of Directors;
- To recommend the amount of expenditure to be incurred on the activities as identified for CSR by the Company;
- To oversight the implementation of corporate social responsibility projects/ programs/ activities;
- To review the annual budgets/expenditure with respect to corporate social responsibility programs/projects/activities;
- To work with management to establish and develop the Company's strategic framework and objectives with respect to corporate social responsibility matters;
- To receive reports on the Company's Corporate Social Responsibility programs/ projects/ activities;
- To establish and review the implementation mechanism for the CSR programs/ projects/activities undertaken by the Company;
- To establish and review the monitoring mechanism of CSR projects/programs/activities;
- To review the CSR initiatives and programs/projects/ activities undertaken by the Company;
- To review the Company's disclosure relating to corporate social responsibility matters in accordance with the requirements of the regulatory provisions;
- To obtain legal or other independent professional advice/ assistance;
- To form and delegate authority to any sub-committee or employee(s) of the Company or one or more members of the committee

- Any other function as may be stipulated by the Companies Act, 2013, SEBI, Stock Exchanges or any other regulatory authorities from time to time.

#### Composition and Meetings

During the year 2018-19, the Committee met two (2) times on April 30, 2018 and September 21, 2018. The composition and the attendance thereof of the members of the Committee are given herein below:

Composition	Category	Meetings attended
Mr. G.P. Kohli <sup>1</sup> (Chairman of the Committee)	Independent	2
Mr. V. K. Chopra <sup>2</sup>	Independent	2
Mr. Kapil Wadhawan	Executive	2
Mr. Harshil Mehta <sup>3</sup>	Executive	2

1. Ceased to be the Member of the Committee w.e.f. March 29, 2019;
2. Ceased to be the Member of the Committee w.e.f. March 11, 2019;
3. Ceased to be the Member of the Committee w.e.f. February 13, 2019;

After the Financial Year 2018-19, in view of resignation of Mr. Harshil Mehta- Joint Managing Director & CEO, Mr. V.K. Chopra and Mr. G. P. Kohli- Independent Director(s) from the Board of Directors of the Company w.e.f. February 13, 2019, March 11, 2019 and March 29, 2019, respectively, and the consequent vacancy(ies) created in the Corporate Social Responsibility Committee of the Board of Directors of the Company, the said Committee was re-constituted by the Board of Directors vide Circular Resolution dated April 19, 2019 to include therein Mr. Alok Kumar Misra- Additional (Independent) Director as the Chairman of the Committee and Mr. Srinath Sridharan- Additional (Non-Executive) Director as Member of the Committee. The current composition of the Corporate Social Responsibility Committee is as follows:

Composition	Category
Mr. Alok Kumar Misra (Chairman of the Committee)	Independent
Mr. Srinath Sridharan	Non-Executive
Mr. Kapil Wadhawan	Executive

#### g. SPECIAL COMMITTEES OF THE BOARD

##### (i) Review Committee

The Board of Directors of the Company at their meeting held on January 22, 2018, constituted the Review Committee pursuant to NHB Circular No. NHB (ND)/DRS/Policy Circular No. 83/2017-18 dated December 5, 2017. During the year 2018-19, the Committee met one (1) time on November 21, 2018. The composition and the attendance there at of the members of the Committee are given herein below:



Composition	Category	Meetings attended
Mr. Harshil Mehta <sup>1</sup> (Chairman of the Committee)	Executive	1
Mr. Mannil Venugopalan <sup>2</sup>	Independent	1
Mr. V. K. Chopra <sup>3</sup>	Independent	1

Any 2 Members from Identification Committee (comprising of Joint Managing Director & CEO, Chief Operating Officer, Head – Risk, Collections & Recoveries, Head – Project Finance and Head – Management Assurance & Audit Function)

1. Ceased to be the Member of the Committee w.e.f. February 13, 2019;

2. Ceased to be the Member of the Committee w.e.f. March 30, 2019;

3. Ceased to be the Member of the Committee w.e.f. March 11, 2019;

After the Financial Year 2018-19, in view of resignation of Mr. Harshil Mehta- Joint Managing Director & CEO, Mr. V.K. Chopra and Mr. Mannil Venugopalan - Independent Director(s) from the Board of Directors of the Company w.e.f. February 13, 2019, March 11, 2019 and March 30, 2019, respectively, and the consequent vacancy(ies) created in the Review Committee of the Board of Directors of the Company, the said Committee was re-constituted by the Board of Directors vide Circular Resolution dated April 19, 2019 to include therein Mr. Kapil Wadhawan - Chairman & Managing Director as the Chairman of the Committee, Mr. Alok Kumar Misra and Mr. Sunjoy Joshi - Additional (Independent) Director(s) as Member(s) of the Committee. The current composition of the Review Committee is as follows:

Composition	Category
Mr. Kapil Wadhawan (Chairman of the Committee)	Executive
Mr. Alok Kumar Misra	Independent
Mr. Sunjoy Joshi	Independent

#### (ii) NCD Public Issue Committee

The Board of Directors at their meeting held on April 30, 2018 constituted a NCD Public Issue Committee to undertake necessary decisions in relation to the proposed Public Issue, inter- alia (i) to approve the Shelf Prospectus (Draft/ Final) (ii) deciding from time to time the tenure of the NCDs; (iii) coupon/interest offered; (iv) schedule of payment of interest/coupon and the principal; (v) details of the security/charge to be created in favour of the NCD holders; (vi) details of redemption of the NCDs; (vii) approval of Tranche I Prospectus and (viii) allied matters in relation to the issue of NCDs, at the time of the issue of the relevant tranche prospectus(es). During the year 2018-19, four (4) NCD Public Issue Committee Meeting(s) were held on May 4, 2018, May 14, 2018, May 23, 2018 and June 4, 2018. The composition and the attendance there at of the members of the Committee are given herein below:

Composition	Category	Meetings attended
Mr. Kapil Wadhawan (Chairman of the Committee)	Executive	3
Mr. G.P. Kohli <sup>1</sup>	Independent	4
Mr. V. K. Chopra <sup>2</sup>	Independent	4

1. Ceased to be the Member of the Committee w.e.f. March 29, 2019;

2. Ceased to be the Member of the Committee w.e.f. March 11, 2019;

The Board of Directors 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.

#### (iii) Special Committee for Sale of Strategic Investments

The Board of Directors at their meeting held on January 31, 2019, constituted a Special Committee for Sale of Strategic Investments to identify, determine and approve the strategic sale of investments by the Company. The said Committee was authorized to (i) enter into discussions, negotiate and finalise the terms and conditions of the Transaction with the Prospective Buyer(s); (ii) sign all documents and make all applications as they may be deemed fit, and represent the Company before any regulatory authority for obtaining approval(s) / clearances statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and/or incidental or ancillary thereto; (iii) enter into discussions with Prospective Buyer(s), in connection with the Transaction and execute all such documents and deeds, as they may deem fit, pursuant to the said discussions and (iv) further delegate any of its authority to any of the Directors or officers of the Company, on behalf of the Company, and generally to do all act(s), matters, deed(s) and thing(s) and execute all documents, as may be necessary, proper, expedient or incidental for the aforesaid purpose. During the year 2018-19, the Committee met two (2) times on February 2, 2019 and March 16, 2019. The composition and the attendance thereof of the members of the Committee are given herein below:

Composition	Category	Meetings attended
Mr. Kapil Wadhawan (Chairman of the Committee)	Executive	2
Mr. G.P. Kohli <sup>1</sup>	Independent	2
Mr. V. K. Chopra <sup>2</sup>	Independent	1

1. Ceased to be the Member of the Committee w.e.f. March 29, 2019;

2. Ceased to be the Member of the Committee w.e.f. March 11, 2019;

After the financial year 2018-19, in view of resignation of Mr. V. K. Chopra and Mr. G. P. Kohli - Independent Director(s) from the Board of Directors of the Company w.e.f. March 11, 2019 and March 29, 2019, respectively, and the consequent vacancy(ies) created in the Special Committee for Sale of Strategic Investments of the Board of Directors of the Company, the said Committee was re-constituted by the Board of Directors vide Circular Resolution dated April 19, 2019 to include therein Mr. Srinath Sridharan- Additional (Non-Executive) Director and Mr. Alok Kumar Misra - Additional (Independent) Director as Member(s) of the Committee. The current composition of the Special Committee for Sale of Strategic Investments is as follows:

Composition	Category
Mr. Kapil Wadhawan (Chairman of the Committee)	Executive
Mr. Srinath Sridharan	Non-Executive
Mr. Alok Kumar Misra	Independent

## 4. GENERAL BODY MEETINGS

### i. Details of past three Annual General Meetings held by the Company

Meeting	Date and Time	Location	Details of Special Resolution passed
34 <sup>th</sup> AGM	June 27, 2018 at 11.00 a.m.	M. C. Ghia Hall, Bhogilal Hargovindas Building, 4 <sup>th</sup> Floor, 18/20 K. Dubash Marg, Kala Ghoda, Mumbai 400 001.	Issuance of Non-Convertible Debentures on Private Placement Basis
33 <sup>rd</sup> AGM	July 21, 2017 at 12.00 Noon	M. C. Ghia Hall, Bhogilal Hargovindas Building, 4 <sup>th</sup> Floor, 18/20 K. Dubash Marg, Kala Ghoda, Mumbai 400 001.	<ol style="list-style-type: none"> <li>Increase in borrowing powers of the Board of Directors of the Company.</li> <li>Authority to create charge and/or mortgages on the assets of the Company.</li> <li>Issuance of Non-Convertible Debentures on Private Placement Basis.</li> </ol>
32 <sup>nd</sup> AGM	July 20, 2016 at 12.00 Noon	Exchange Plaza, National Stock Exchange Auditorium, NSE Building, Ground Floor, Bandra Kurla Complex, Bandra (East) Mumbai – 400 051.	Issuance of Non-Convertible Debentures and/or Other Hybrid Instruments on Private Placement Basis.

### ii. Details of Postal Ballots conducted by the Company

During the year 2018-19, the Company conducted two (2) Postal Ballots in accordance with Section 110 of the Companies Act, 2013, read with Rule 22 of the Companies (Management and Administration) Rules, 2014.

The Company sent the Postal Ballot Notice(s) together with Postal Ballot Form to the Members of the Company for seeking their approval to the businesses listed therein. The Company also provided its Members with an e-voting facility through National Securities Depository Limited (NSDL), in accordance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI Listing Regulations, in order to enable them to exercise their voting rights by way of electronic means on the resolution(s) proposed through Postal Ballot(s).

The Company complied with the procedure for Postal Ballot in terms of the provision of Section 110 of the Companies Act,

2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014.

Mrs. Jayshree S. Joshi, Proprietress of M/s Jayshree Dagli & Associates, Practicing Company Secretaries, Mumbai, was appointed as a scrutinizer for scrutinizing voting (both physical and e-voting) in a fair and transparent manner for both the postal ballots conducted by the Company during the year.

The details of the resolutions passed by way of postal ballots along with the voting pattern in respect of the Special Resolutions passed are mentioned below:

- I. The Board of Directors approved the Postal Ballot Notice dated August 13, 2018, containing the below mentioned resolutions for the approval of the Members, which was passed with the requisite majority on September 15, 2018.

#### a. Details of Resolution:

Item No. 1: To approve issue of Securities for an aggregate amount upto ₹ 4,000 crore or equivalent thereof. (Special resolution)

### b. Details of voting pattern of the Special Resolutions passed:

Details of Special Resolution	No. of Votes Polled	Votes cast in favour		Votes cast against	
		No. of Votes	%	No. of Votes	%
To approve the issue of Securities for an aggregate amount upto ₹ 4,000 crore or equivalent thereof.	21,30,79,909	19,27,96,674	90.48%	2,02,83,235	9.52%

- II. The Board of Directors further, approved the Postal Ballot Notice dated January 25, 2019, containing the below mentioned resolutions for the approval of the Members, which was passed with the requisite majority on March 4, 2019.

#### a. Details of Resolution:

Item No. 1: To approve re-appointment of Mr. Vijay Kumar Chopra as an Independent Director of the Company. (Special resolution)

Item No. 2: To approve re-appointment of Mr. Mannil Venugopalan as an Independent Director of the Company. (Special Resolution)

Item No. 3: To approve re-appointment of Mr. Guru Prasad Kohli as an Independent Director of the Company. (Special Resolution)

Item No. 4: To approve keeping the Register and Index of Members and Debenture holders along with the copies of Annual Return as per the Companies Act, 2013, at a place other than the Registered office of the Company. (Special Resolution)

**b. Details of voting pattern of the Special Resolution passed:**

Name of the Resolution	No. of Votes Polled	Votes cast in favour		Votes cast against	
		No. of Votes	%	No. of Votes	%
To approve re-appointment of Mr. Vijay Kumar Chopra as an Independent Director of the Company.	18,96,03,109	17,62,18,006	92.94%	1,33,85,103	7.06%
To approve re-appointment of Mr. Mannil Venugopalan as an Independent Director of the Company.	18,96,04,096	18,95,26,102	99.96%	77,994	0.04%
To approve re-appointment of Mr. Guru Prasad Kohli as an Independent Director of the Company.	18,96,04,068	17,66,14,068	93.15%	1,29,90,000	6.85%
To approve keeping the Register and Index of Members and Debenture holders along with the copies Annual Return as per the Companies Act, 2013, at a place other than the Registered office of the Company.	18,96,05,879	18,95,72,183	99.98%	33,696	0.02%

**iii. Details of Proposed Postal Ballots**

No special resolution through Postal Ballot is proposed to be conducted on or before the ensuing Annual General Meeting.

Company at URL: [https://www.dhfl.com/docs/default-source/investors/policy-on-determining-material-subsiadiary/policy-on-determining-of-material-subsidiaries\\_27-06-2018.pdf](https://www.dhfl.com/docs/default-source/investors/policy-on-determining-material-subsiadiary/policy-on-determining-of-material-subsidiaries_27-06-2018.pdf)

**5. SUBSIDIARY COMPANIES**

As at March 31, 2019, the Company has four (4) unlisted wholly owned subsidiaries, namely DHFL Advisory & Investments Private Limited, DHFL Investments Limited, DHFL Changing Lives Foundation (Section 8 Company) and DHFL Holdings Limited.

**6. OTHER POLICIES AND CODES ADOPTED BY THE COMPANY**

**a. Policy on Disclosure of Material Events and Information**

During the year 2018-19, the Company incorporated DHFL Holdings Limited on September 20, 2018. The main objective of DHFL Holdings Limited is to carry on the business or businesses 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.

The Company has in place Board approved Policy on Disclosure of Material Events and Information, formulated in accordance with SEBI Listing Regulations, to determine the events and information which are material in nature and are required to be disclosed to the Stock Exchanges and was also amended on June 27, 2019 in line with the amendments made to the relevant provisions of the Companies Act, 2013 and the rules thereunder pursuant to notification dated May 7, 2018 issued by the Ministry of Corporate Affairs (MCA) and the same is available on the website of the Company at the URL: <https://www.dhfl.com/docs/default-source/investors/policy-on-disclosure-of-material-events-and-information/policy-on-disclosure-of-material-events-and-information1.pdf>

The Company ensures compliance with the requirements as listed out under Regulation 24 of SEBI Listing Regulations in respect of its unlisted subsidiary companies including review of financial statements, in particular, the investments made by the subsidiaries, by the Audit Committee/Board of Directors of the Company. The minutes of the Board Meetings of the unlisted subsidiary companies and statement of all significant transactions and arrangements entered into by the unlisted subsidiary companies, if any, are placed before the Board of Directors on quarterly basis.

**b. Code of Conduct for Prohibition of Insider Trading**

As per the provisions of Regulation 16 (c) of the SEBI Listing Regulations, none of the Company's subsidiaries are material subsidiaries. The Board has approved a Policy on determining material subsidiary(ies) in terms of the SEBI Listing Regulations which was last amended on January 25, 2019 pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 as notified by SEBI vide notification dated May 9, 2018 and the same is available on the website of the

The Company has in place a Code of Conduct for Prohibition of Insider Trading formulated in accordance with SEBI Listing Regulations, which lays down the process of dealing with unpublished price sensitive information, trading in securities of the Company by the employees and the connected persons and to regulate, monitor and report trading by the employees and the connected persons of the Company either on his/her own behalf or on behalf of any other person. The said policy was amended on April 30, 2018 pursuant to Ministry of Corporate Affairs (MCA) Notification No. S.O. 630(E) dated February 9, 2018 regarding notification of few Sections of the Companies (Amendment) Act, 2017. Further, the said policy was last amended on March 29, 2019 pursuant to SEBI (Prohibition of Insider Trading) (Amendment), Regulations 2018 as notified by SEBI vide notification(s) dated December 31, 2018 and January 21, 2019.

### c. Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information

The Company has in place Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information formulated in accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, which lays down the practices and procedures for Fair Disclosure of Unpublished Price Sensitive Information that could impact price discovery in market for its securities. The said code was last amended on March 29, 2019 pursuant to SEBI (Prohibition of Insider Trading) (Amendment), Regulations 2018 as notified by SEBI vide notification(s) dated December 31, 2018 and January 21, 2019. The said code is available on the website of the Company at the URL : <https://www.dhfl.com/docs/default-source/investors/dhfl-code-of-practices-procedures-for-fair-disclosure-of-unpublished-price-sensitive-information/dhfl-code-of-practices-procedures-for-fair-disclosure-of-upsi.pdf>

### d. Policy on Fit and Proper Criteria for the Directors

The Company has formulated and adopted a Policy on Fit and Proper Criteria for the Directors, in accordance with Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016 which inter-alia, lays down the fit and proper criteria of the Directors at the time for their appointment/reappointment and on a continuing basis.

### e. Internal Guidelines on Corporate Governance

The Company has formulated and adopted the Internal Guidelines on Corporate Governance in accordance with Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016, which inter-alia, defines the legal, contractual and social responsibilities of the Company towards its various stakeholders and lays down the Corporate Governance practices of the Company. The said Guidelines were last amended on January 25, 2019 pursuant to amended SEBI Listing Regulations, as notified by SEBI vide notification dated May 9, 2018 and the same is available on the website of the Company at the URL:[https://www.dhfl.com/docs/default-source/investors/internal-guidelines-on-corporate-governance/internal-guidelines-on-corporate-governance\\_27-06-2018.pdf](https://www.dhfl.com/docs/default-source/investors/internal-guidelines-on-corporate-governance/internal-guidelines-on-corporate-governance_27-06-2018.pdf)

### f. Policy on Know Your Customer (KYC) & Anti Money Laundering Measures

The Company has in place a Policy on Know Your Customer [KYC] and Anti Money Laundering [AML] Measures based on Guidelines of National Housing Bank which enables the Company to know/ understand its customers and their financial dealings better which in turn will help it to carry out its lending / credit operations and manage its risks, prudently and prevent the Company from being used, intentionally or unintentionally, by criminal elements for money laundering activities. The said policy was last amended on July 13, 2019 pursuant to the National Housing Bank circular No. NHB/ND/DRS/Policy Circular No. 94/2018-19 dated March 11, 2019 on the guidelines on 'Know Your Customer' & 'Anti-Money Laundering Measures' for Housing Finance Companies.

### g. Other Policies

Further in order to strengthen the internal procedures and systems and for better governance, your Company also has in place various other policies and manuals such as Information Security Policies, Investment Policy, Policy for Private Placement of Non-Convertible Debentures (NCDs), Model Code of Conduct for Distributors, Brokers and Intermediaries, Comprehensive Outsourcing Policy, Staff Accountability, Policy on Utilization of Share/Debenture related stationery by the Registrar and Share Transfer Agent for ensuring the orderly and efficient conduct of Company's business.

## 7. MEANS OF COMMUNICATION

The primary source of information to the shareholders, customers, analysts and to the public at large is through the website of the Company i.e. [www.dhfl.com](http://www.dhfl.com). The Company maintains a functional website and disseminates, inter-alia, the following information:

- details of its business;
- terms and conditions of appointment of independent directors;
- composition of various committees of board of directors;
- the email address for grievance redressal and other relevant details;
- contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances;
- financial information including notice of Board Meetings, financial results, annual report. etc.
- shareholding pattern;
- schedule of analyst or institutional investors meet and/or presentations made by the Company to analyst or institutional investors and such other required information in terms of Regulation 46 of SEBI Listing Regulations.

The Company regularly updates any change in the content of the website within two working days of such change.

The Annual Report, annually/half yearly/ quarterly results, shareholding pattern, corporate governance report, investor's presentation, information on material events etc. are periodically filed in accordance with the SEBI Listing Regulations on BSE Listing and NSE electronic application processing system (NEAPS) portals. The financial results of the Company (quarterly and annually) are published in leading newspapers namely Financial Express, Navshakti and other leading newspapers.

Half yearly communications as required under Regulation 52(4) and 52(5) of SEBI Listing Regulations are sent to the debenture holders by the Company which inter-alia, includes half yearly/ annual financial results, annual reports etc.

Various investor relation activities such as analyst briefings, conference calls, global investor road shows, presentation on financials, discussion on Company strategy and development etc. are undertaken by the senior management team and the Chief Investor Relations Officer.

**8. GENERAL SHAREHOLDERS INFORMATION**

<b>i. Date, Time and Venue of the 35<sup>th</sup> Annual General Meeting</b>	The 35 <sup>th</sup> Annual General Meeting of the Company will be held on Saturday, September 28, 2019, at 2.30 p.m. at M.C. Ghia Hall, Bhogilal Hargovindas Building, 4 <sup>th</sup> Floor, 18/20, K. Dubash Marg, Kala Goda, Mumbai- 400 001.	
<b>ii. Financial Year</b>	The financial year of the Company is April to March.	
<b>iii. Name and address of the Stock Exchanges on which the securities i.e. Equity and Debentures of the Company are listed</b>	<b>National Stock Exchange of India Ltd. (NSE)</b>	<b>BSE Limited (BSE)</b>
	Exchange Plaza, Bandra – Kurla Complex, Bandra (East), Mumbai 400 051.	Phiroze Jeejeebhoy Towers Dalal Street, Fort, Mumbai 400 001
	Stock Code – DHFL	Stock Code – 511072
	The Annual Listing fees have been paid to both the Stock Exchanges for the Financial Year 2019-20.	
<b>iv. ISIN Number for Equity Shares in NSDL &amp; CDSL :</b>	INE 202B01012	
<b>v. Date of Book Closure</b>	Sunday, September 22, 2019 to Saturday, September 28, 2019 (both days inclusive)	

**vi. Market Price Data**

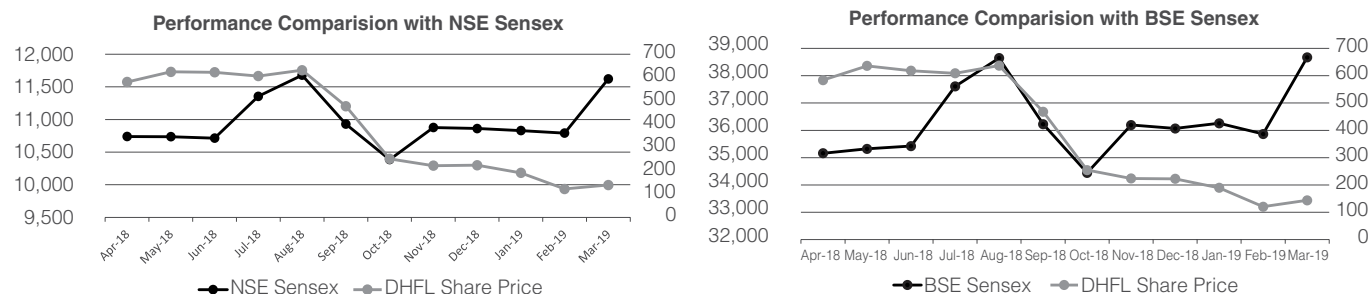
The monthly high and low closing prices during the Financial Year 2018-19 along with the volume of shares traded at BSE and NSE are as follows :-

(Price in ₹)

Month	BSE-Price				NSE-Price			
	High	Low	Average Price	Quantity Traded	High	Low	Average Price	Quantity Traded
Apr-18	657.70	510.00	583.85	83,52,853	641.00	521.35	581.18	13,48,25,884
May-18	680.00	592.30	636.15	53,07,361	648.45	601.00	624.73	9,75,97,246
Jun-18	655.00	582.00	618.50	59,85,802	643.65	601.60	622.63	11,33,36,587
Jul-18	642.90	575.05	608.98	64,04,371	624.55	588.65	606.60	9,75,77,204
Aug-18	685.00	588.75	636.88	54,10,073	671.95	590.90	631.43	8,87,67,456
Sep-18	690.00	246.25	468.13	4,85,53,703	679.25	274.95	477.10	52,53,67,080
Oct-18	333.05	176.05	254.55	8,05,32,963	318.50	183.85	251.18	77,29,70,906
Nov-18	249.70	198.00	223.85	4,15,39,672	244.35	199.95	222.15	34,91,45,992
Dec-18	252.20	193.00	222.60	2,96,23,484	249.40	198.20	223.80	22,61,99,395
Jan-19	249.90	129.60	189.75	4,00,78,455	246.35	135.90	191.13	34,12,35,628
Feb-19	143.80	97.00	120.40	6,51,23,712	139.20	104.85	122.03	59,51,02,357
Mar-19	160.80	126.85	143.83	4,08,43,109	150.25	127.90	139.08	39,35,17,798

(Sources: www.bseindia.com and www.nseindia.com)

**vii. Performance in comparison to broad-based indices**



**viii. Medium Term Notes (MTN) programme (Masala Bonds)**

The Company had during the Financial Year 2017-18, 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, the Company had successfully raised an amount of ₹ 989.72 crore by issue of INR denominated USD settled Notes having a tenure of 5 years on April 18, 2018. These bonds are listed on London Stock Exchange (LSE – International Securities Market (ISM) Segment).

**ix. Fund raising by way of Public Issue of Non-Convertible Debentures (NCDs)**

The Board of Directors of the Company at their meeting held on April 30, 2018, approved the raising of funds by way of public issue of Secured Redeemable Non-Convertible Debentures of face value

₹ 1,000 each, subject to the receipt of necessary approvals, for an amount upto ₹ 15,000 crore (Rupees Fifteen Thousand Crore only) (including the green shoe option), in one or more tranches, in terms of the provisions of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, the Companies Act, 2013 and other applicable laws.

During the financial year 2018-19, the 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 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 high cost borrowings. The outstanding balance of these Debentures as on March 31, 2019 amounts to ₹ 10,944.79 crore.

**x. Registrar and Share Transfer Agents**

**For Equity Shares and Debentures (Private Placement)**

**Link Intime India Private Ltd.**

C-101, 247 Park, L B S Marg, Vikhroli (West), Mumbai 400 083  
Tel: 022- 49186000; Fax: 022-49186060  
email- rnt.helpdesk@linkintime.co.in  
website :www.linkintime.co.in

**For Debentures (Public Issue)**

**Karvy Fintech Private Limited**

Karvy Selenium Tower B, Plot 31 & 32, Financial District, Nanakramguda, Gachibowli, Hyderabad – 500 032  
Tel : +91 40- 67162222; Fax: +91 40- 23420814  
email – einward.ris@karvy.com; website: www.karvy.com

**xi. Secretarial Audit for Financial Year 2018-19**

Mrs. Jayshree S. Joshi, Proprietress of M/s Jayshree Dagli & Associates, Practicing Company Secretaries, Mumbai, was appointed as a Secretarial Auditor to conduct Secretarial Audit of the Company for the financial year ended March 31, 2019 as per the provisions of Companies Act, 2013 who has carried out an independent assessment of the compliance of SEBI Listing Regulations as a part of the secretarial audit. The Secretarial Audit Report addressed to the Members of the Company forms part of this Annual Report as an annexure to the Board's report.

**xii. Secretarial Compliance Report for Financial Year 2018-19**

Pursuant to SEBI Circular No. CIR/CFD/CMD1/27/2019 dated February 8, 2019, the listed entity shall require a check by the Practicing Company Secretaries (PCS) on the compliance of all applicable SEBI Regulations and circulars/ guidelines issued thereunder, consequent to which, the PCS shall submit the Annual Secretarial Compliance Report to the listed entity in the prescribed format. The said Annual Secretarial Compliance Report is required to be submitted by the listed entity to the stock exchanges within 60 days of the end of the financial year. Accordingly, Ms. Prachi P. Sawant of M/s. Sawant & Associates, Practicing Company Secretary (PCS) had carried out the Secretarial Compliance Audit of the Company for the financial year 2018-19 and the report of the same was submitted to Stock Exchange(s) by the Company.

**xiii. Share Transfer System**

All activities in relation to both physical share transfer facility (includes transmission/ splitting and consolidation of share certificates/dematerialization /rematerialization) is processed periodically by the Registrar & Share Transfer Agent (RTA) of the Company. The Stakeholders' Relationship Committee is updated on quarterly basis on the details of shares transferred/transmitted etc. as received from the RTA. In case of shares held in electronic form, the transfers are processed by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through their respective Depository Participants.

In terms of Regulation 40(2) of SEBI Listing Regulations, the Board of Directors have delegated the power to attend all the formalities relating to transfer of securities to the RTA pursuant to which the RTA reports on transfer of securities to the Board of Directors in every Board Meeting.

The Company also obtains a certificate of compliance certifying that all certificates have been issued within thirty days of the date of lodgment for transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies and other related formalities, from a Practicing Company Secretary, as required under Regulation 40(9) of the SEBI Listing Regulations and files a copy of the same with the Stock Exchanges on half yearly basis.

**xiv. Distribution of Shareholding as on March 31, 2019**

Shareholding of nominal Value of In ₹	Shareholders		Share Amount	
	Number	% to Total	In ₹	% to Total
1	2	3	4	5
Upto 5,000	2,88,154	91.13	28,59,65,510	9.11
5,001 to 10,000	15,233	4.82	11,78,07,600	3.76
10,001 to 20,000	6,988	2.21	10,45,91,980	3.33
20,001 to 30,000	2,103	0.67	5,36,03,390	1.71
30,001 to 40,000	958	0.30	3,43,40,660	1.09
40,001 to 50,000	697	0.22	3,25,13,880	1.04
50,001 to 1,00,000	1,121	0.35	8,10,35,780	2.58
1,00,001 and above	952	0.30	2,42,83,71,440	77.38
<b>Total</b>	<b>3,16,206</b>	<b>100.00</b>	<b>3,13,82,30,240</b>	<b>100.00</b>

**xv. Shareholding Pattern of the Company as on March 31, 2019**

Category	No of Shares	% of Shareholding
Promoters and Persons acting in concert with promoters	12,30,49,714	39.21
Bodies Corporate	1,70,04,330	5.42
Government Companies	1,76,411	0.06
Mutual Funds	34,12,468	1.09
FII's	18,30,296	0.58
Foreign Portfolio Investor (Corporate)	5,35,70,596	17.07
Alternate Investment Fund	42,000	0.01
NRI	38,07,479	1.21
Financial Institutions / Banks	1,14,97,181	3.66
Individual	8,72,32,528	27.80
Trusts	932	0.00
Others- Clearing Members	97,98,015	3.12
Hindu Undivided Family	23,14,054	0.74
NBFCs registered with RBI	87,020	0.03
<b>Total</b>	<b>31,38,23,024</b>	<b>100.00</b>

Note : None of the shares of the promoters/person acting in concert with promoters are pledged or encumbered with any of the banks or financial institutions. However, 2,12,30,070 equity shares of ₹ 10 each issued pursuant to conversion of warrants are locked in for a period upto November 2, 2019 as per SEBI Regulations.

**xvi. Dematerialization of Shares and Liquidity**

The Company's equity shares are in the list of compulsory demat settlement by all the investors. As on March 31, 2019, 99.72% of the total issued share capital of the Company representing 31,29,53,985 equity shares were held in dematerialized form and the balance 0.28% representing 8,69,039 equity shares were held in physical form by the shareholders of the Company.

The shares of the Company are frequently traded on both the Stock Exchanges.

**xvii. Outstanding GDR or ADR or warrants or Convertible instruments, conversion date and likely impact on equity.**

As at March 31, 2019, the Company does not have any outstanding GDR or ADR.

**xviii. Commodity price risk or foreign exchange risk and hedging activities**

The Company is not exposed to any commodity price risk. However, the Company has made borrowings in the form of External Commercial Borrowings (ECBs) and has managed its

associated foreign exchange risk and hedged the same to the extent necessary. It entered into Principal/Interest rate Swap transactions for hedging foreign exchange risk. The details of the foreign currency exposure are disclosed at Note No. 44 of the audited (standalone) financial statements.

**xix. Listing of Debt Securities**

The secured debentures issued by the Company (includes those issued by amalgamated Company viz. First Blue Home Finance Ltd.) on private placement basis and those issued by way of public issue are listed on National Stock Exchange of India Limited and BSE Limited. Catalyst Trusteeship Limited (formerly GDA Trusteeship Limited) and IDBI Trusteeship Services Limited act as the debenture trustees for the Non – Convertible Debentures issued by the Company on private placement basis. Catalyst Trusteeship Limited (formerly GDA Trusteeship Limited) also acts as a debenture trustee for Non-Convertible Debentures issued by the Company by way of Public Issue. The Company is in compliance with the regulations as set out in Chapter V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## xx. Redressal of Investor Grievances through SEBI Complaints Redress System (SCORES)

SCORES is a web based centralized grievance redressal system of SEBI that enables the investors to lodge, follow up and track the status of redressal of complaints online. The investor complaints are processed in a centralized web based complaints redressal system. The Company is registered with SEBI Complaints Redress System (SCORES) and ensures to file Action Taken Report under SCORES well within the prescribed timeframe.

During the financial year 2017-18, SEBI vide its Circular No. SEBI/HO/OIAE/IGRD/CIR/P/2018/58 dated March 26, 2018, inter alia suggested that the complainant may also use SCORES to submit the grievance directly to companies/intermediaries and the complaint will be forwarded to the concerned entity for resolution. The complainant will be able to file the complaint on the SCORES within 3 years from the date of cause of complaint in case of rejection of the complaint or non-receipt of any communication from the concerned entity or if the complainant is not satisfied with the reply. The same had become effective from August 1, 2018.

## xxi. Address for Correspondence

Correspondence relating to grievances in relation to non-receipt of annual report, dividend and share certificates sent for transfer etc. should be addressed to [secretarial@dhfl.com](mailto:secretarial@dhfl.com). Further any requests/intimation regarding change in address, issue of duplicate share certificates, change in nomination etc. may also be sent to the same email address for its quick redressal or you may write to the Secretarial team at the below correspondence.

<p><b>Mr. P. K. Kumar</b> Sr. Chief Manager - Secretarial, Ground &amp; 6<sup>th</sup> Floor, HDIL Towers, Anant Kanekar Marg, Station Road, Bandra (East), Mumbai- 400 051. Tel: 91-22- 7158 3333 email: <a href="mailto:pkkumar@dhfl.com">pkkumar@dhfl.com</a></p>	<p><b>Mr. Vijay Tambe</b> Chief Manager - Secretarial, Ground &amp; 6<sup>th</sup> Floor, HDIL Towers, Anant Kanekar Marg, Station Road, Bandra (East), Mumbai- 400 051. Tel: 91-22- 7158 3333 email: <a href="mailto:vijay.tambe@dhfl.com">vijay.tambe@dhfl.com</a></p>
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Members holding shares in electronic form may please note that instructions regarding change of address, bank details, nomination, email address and power of attorney should be given directly to their respective Depository Participant. Members holding shares in physical form may please note that instructions regarding change of address, bank details, nomination, email address and power of attorney should be given to the Company's RTA viz. Link Intime India Private Limited.

The investors have the facility to post any query to a dedicated email id for investors i.e. [investor.relations@dhfl.com](mailto:investor.relations@dhfl.com), which are acted upon within 24 hours of receipt of query.

Correspondence address of Debenture Trustees are as below:

<p><b>Catalyst Trusteeship Limited</b> (formerly GDA Trusteeship Limited) GDA House, 94/95, Plot No. 85, Bhusari Colony(Right), Paud Road, Pune – 411 038 Telephone No. +91 20-25280081 Fax No. +91 20- 25280275 Email id : <a href="mailto:dt@ctltrustee.com">dt@ctltrustee.com</a> Website : <a href="http://www.catalysttrustee.com">www.catalysttrustee.com</a></p>	<p><b>IDBI Trusteeship Services Limited</b> Asian Building, Ground Floor, 17, R Kamani Marg, Ballard Estate Mumbai – 400 001. Telephone No – 022 4080 7000 Fax No. – 022 66311776 Email id : <a href="mailto:itsl@idbitrustee.com">itsl@idbitrustee.com</a> Website : <a href="http://www.idbitrustee.com">www.idbitrustee.com</a></p>
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## xxii. List of Credit Ratings obtained by the Company during the Financial Year 2018-19 and any revisions thereof

The list of Credit Ratings as obtained by the Company during the Financial Year 2018-19 and any revisions thereof as at March 31, 2019 are as mentioned herein below:

Nature of borrowing	Rating / Outlook as on April 1, 2018				Rating / Outlook as on March 31, 2019			
	CARE	Brickworks	ICRA	CRISIL	CARE	Brickworks	ICRA	CRISIL
Short-Term Debt / Commercial Paper	CARE A1+	-	ICRA A1+	CRISIL A1+	-	-	ICRA A2+ (under watch with negative implications)	CRISIL A2+ (under rating watch with negative implications)
Public (fixed) deposits/ Short Term Deposits	CARE AAA (FD); Stable	BWR FAAA; Stable	-	CRISIL A1+	CARE A (FD); (under credit watch with developing implications)	BWR FAA (under credit watch with negative implications)	-	-



Nature of borrowing	Rating / Outlook as on April 1, 2018				Rating / Outlook as on March 31, 2019			
	CARE	Brickworks	ICRA	CRISIL	CARE	Brickworks	ICRA	CRISIL
Subordinated debt	CARE AA+; Stable	BWR AAA; Stable	-	-	CARE A-; (under credit watch with developing implications)	BWR AA (under credit watch with negative implications)	-	-
NCDs	CARE AAA; Stable	BWR AAA; Stable	-	-	CARE A; (under credit watch with developing implications)	BWR AA (under credit watch with negative implications)	-	-
Innovative Perpetual Debt Instruments (IPDIs)	CARE AA; Stable	BWR AA+; Stable	-	-	CARE BBB+; (under credit watch with developing implications)	BWR AA (under credit watch with negative implications)	-	-
Long-term bank loans	CARE AAA; Stable	-	-	-	CARE A; (under credit watch with developing implications)	-	-	-
Structured obligations	CARE AAA(SO)	-	ICRA AAA(SO)	CRISIL AAA(SO)	CARE AAA(SO); (under credit watch with developing implications)	-	ICRA AAA(SO) (under credit watch with developing implications)	CRISIL AAA(SO)

## 9. OTHER DISCLOSURES

### i. Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large.

There were no materially significant related party transactions i.e. transactions of material nature, with all the related parties including the promoters, directors or senior management, or their relatives etc., that may have potential conflict with the interest of the Company at large.

Transactions entered with related parties as defined under the Companies Act, 2013 and SEBI Listing Regulations during the financial year were largely in the ordinary course of business and on an arm's length pricing basis. The disclosure as per the requirements of IND-AS and SEBI Listing Regulations are disclosed at Note No. 48 of the Notes forming part of the audited (standalone) financial statements forming part of this Annual Report.

The approval of the Board of Directors, as applicable, is obtained by the Company before entering into any related party transaction. However, prior approval of the Audit Committee is obtained for entering into all related party transactions. A quarterly update is also given to the Audit Committee and the Board of Directors on the related party transactions undertaken by the Company with their respective approvals, for their review and consideration.

Pursuant to the Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016, Related Party Transaction Policy is being made part of this Annual Report as an Annexure to the Board's Report. The Policy was last amended on January 25, 2019 pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 as notified by SEBI vide notification dated May 9, 2018 and has also been uploaded on the Company's website and is available on URL: [https://www.dhfl.com/docs/default-source/investors/related-party-transaction-policy-of-the-company/related-party-transaction-policy\\_27-06-2018.pdf](https://www.dhfl.com/docs/default-source/investors/related-party-transaction-policy-of-the-company/related-party-transaction-policy_27-06-2018.pdf)

### ii. Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

The Company has complied with all the applicable requirements of Capital Markets and no strictures or penalties were imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority, on any matter relating to capital market, during the last three years.

### iii. Details of establishment of Vigil Mechanism, Whistle Blower Policy and affirmation that no personnel has been denied access to the Audit Committee.

The Company has a duly adopted Whistle Blower Policy and established a vigil mechanism in line with the provisions of SEBI Listing Regulations and Companies Act, 2013, which aims to provide a mechanism to the employees and directors of the Company to report instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. It also provides for adequate safeguards against victimization of Directors and employees who avail the mechanism and provides for direct access to the Chairman of the Audit Committee, in exceptional cases. The said policy is available on the website and is available on URL: <https://www.dhfl.com/docs/default-source/investors/whistle-blower-policy/whistle-blower-policy-revised.pdf>

It is affirmed that no personnel has been denied access to the Chairman of the Audit Committee during the financial year 2018-19.

### iv. Details of non-acceptance of any recommendation given by committee of the Board, wherever mandatory, during the Financial Year 2018-19.

During the Financial Year 2018-19, the Board of Directors of the Company have accepted all the recommendations, wherever mandatory, as given by any Committee of the Board.

**v. Total Fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the Jt. Statutory Auditors and all entities in the network firm/ network entity of which the Jt. Statutory auditors are a part**

The total fees incurred by the Company and its subsidiaries on a consolidated basis, for services rendered by the Jt. Statutory auditors and its affiliates entities, is given below:

(₹ in Crore)

Particulars	M/s. Chaturvedi & Shah LLP and their network entities	Deloitte Haskins & Sells LLP and their network entities
Fees for audit and related services	125.00	125.00
Other fees	263.00	61.00
<b>Total</b>	<b>388.00</b>	<b>186.00</b>

**vi. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

Particulars	Number(s)
Number of Complaints filed during the financial year	N.A
Number of Complaints disposed of during the financial year	N.A
Number of Complaints pending as on end of the financial year	N.A

**vii. Code of Conduct for the Board of Directors and the Senior Management**

The Company has a duly approved Code of Conduct for the Board of Directors and Senior Management ["Code"] of the Company in place in terms of the requirements of SEBI Listing Regulations. The subject Code identifies and lists out various elements of commitment, duties and responsibilities that serves as a basis for taking ethical decision-making in the conduct of day to day professional work. The Code requires the Directors and employees to act honestly, ethically and with integrity and in a professional and respectful manner.

The said code was last amended on January 25, 2019 pursuant to notification issued by SEBI vide notification dated May 9, 2018.

The Board of Directors and Senior management personnel have provided their affirmation to the compliance with this code. A declaration regarding compliance by the Board of Directors and the Senior Management Personnel with the said Code of Conduct duly signed by the Chairman and Managing Director forms part of this Annual Report.

The said code has been posted on the Company's website and is available at URL: <https://www.dhfl.com/docs/default-source/investors/code-of-conduct-for-board-and-senior-management-personnel/code-of-conduct-for-the-board-and-the-senior-mgmt-personnel.pdf>

**viii. Certificate of Non-Disqualification of Directors**

Certificate from Mrs. Jayshree S. Joshi, Proprietress of M/s. Jayshree Dagli & Associates, Practicing Company Secretaries, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate

Affairs, or any such other Statutory Authority, as stipulated under Regulation 34 of the Listing Regulations, is attached to this Report.

**ix. Compliance with Corporate Governance Requirements**

Your Company is in compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46.

**x. CEO /CFO Certification**

The Chief Executive Officer (CEO) and Chief Financial Officer (CFO) provide a certification on quarterly/annual basis to the Audit Committee and Board of Directors in terms of Regulation 17(8) and Regulation 33(2) (a) of the SEBI Listing Regulations.

During the financial year 2018-19, the Joint Managing Director & Chief Executive Officer and Chief Financial Officer of the Company had resigned w.e.f. February 13, 2019 and March 15, 2019, respectively and the Company is in the process of filling the said vacancies. Thus for the fourth quarter/year ended 2018-19, the Chairman & Managing Director has provided a certification to the Audit Committee and Board of Directors in terms of Regulation 17(8) and Regulation 33(2) (a) of the SEBI Listing Regulations.

**xi. Auditors Certificate on Corporate Governance**

Ms. Prachi P. Sawant of M/s. Sawant & Associates, Practicing Company Secretary, have certified that the Company has complied with the conditions of Corporate Governance as stipulated under SEBI Listing Regulations. The said certificate forms part of the Annual Report as an Annexure to the Board's Report.

**xii. Details of compliance with Mandatory requirements and adoption of non-mandatory requirements**

During the year 2018-19, the Company has complied with all mandatory requirements as specified in the SEBI Listing Regulations. The Company has adopted the below specified non-mandatory requirements in terms of Regulation 27(1) of SEBI Listing Regulations:

**Reporting of Internal Auditor**

The Company has an internal audit department, which is headed by a Senior Management Personnel, a qualified Chartered Accountant, who is responsible for conducting independent internal audit of branches/ clusters/ circles & other offices and head office functions of the Company. The Chief Audit Executive – Audit & Management Assurance reports directly to the Audit Committee of the Board.