

DHFL/CSD/2020-21/1850

21st July 2020

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

Sub: Presentation covering update on Financial Results FY 2019-20

Ref: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith a presentation covering the update on the financial results of the Company for the financial year ended on 31st March, 2020.

We are also uploading the said presentation under the investors section of the website of the Company viz., www.dhfl.com.

We request you to kindly take the same on record.

Thanking you,
Yours sincerely,
For Dewan Housing Finance Corporation Limited

S. N. Baheti
Company Secretary
ACS : 5535



Update on FY20 Results



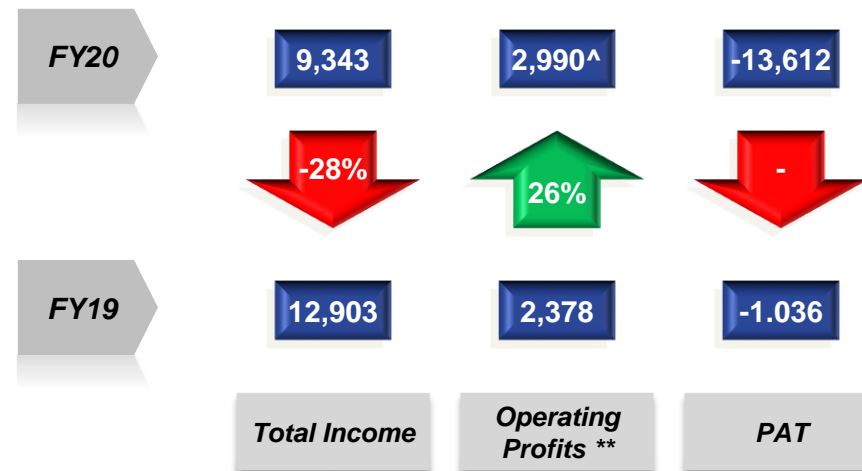
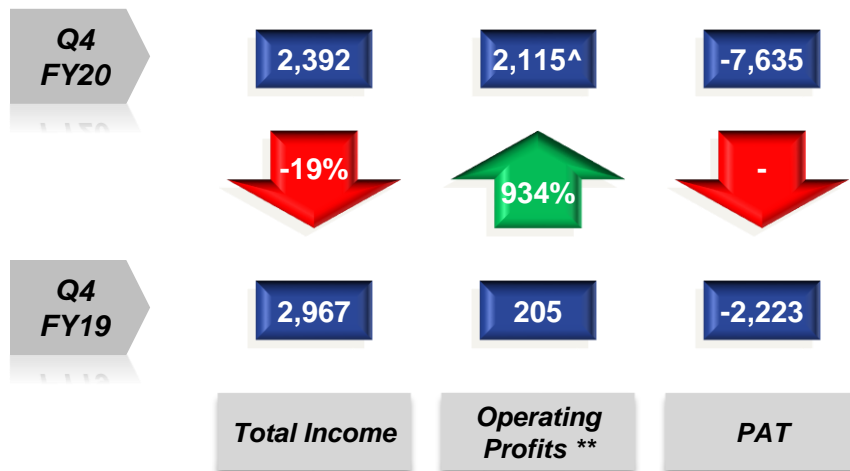
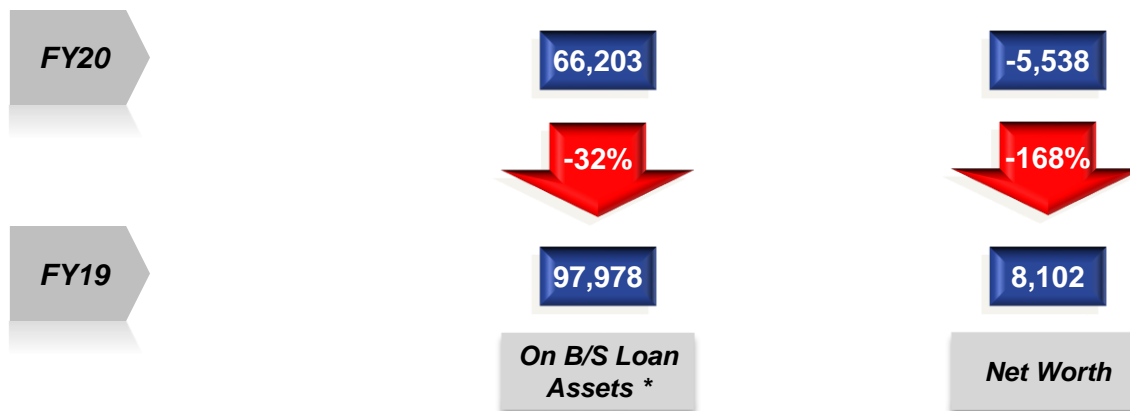
July 2020

Section 1

FY20 Earnings Update

Financial Performance – Q4 FY19-20 / FY19-20

(values in Rs crore)



Based on DHFL Standalone IndAS Accounts;

* Loans are net of provisions/fair value loss and include interest receivable on NPA and PEMI/EMI receivable

** Operating Profits is Total income net of Interest Expenses, Operating Expenses and Depreciation

[^] Impact of interest expenses not accrued under CIRP (from 3 Dec 2019) on Operating Profits: +Rs 2,361 cr for FY20 and +Rs 1,834 cr for Q4FY20

Profit and Loss Statement (Standalone)

(values in Rs crore)

	Q4FY20	Q4FY19	Q4FY20 vs Q4FY19	FY20	FY19	FY20 vs FY19
TOTAL INCOME	2,392	2,967	-19%	9,343	12,903	-28%
EXPENSES:						
Finance Costs *	133	2,349	-94%	5,725	9,393	-39%
Net Loss on Fair Value Changes	12,403	2,383	421%	14,996	2,458	510%
Impairment on Financial Instruments	9	729	-99%	6,241	1,085	475%
Operating Expenses	104	395	-74%	549	1,080	-49%
Depreciation and Amortisation	40	18	127%	79	51	55%
Total Expenses	12,689	5,874	116%	27,591	14,068	96%
Profit Loss Before Tax	(10,297)	(2,908)	-	(18,248)	(1,165)	-
Profit Loss After Tax	(7,635)	(2,223)	-	(13,612)	(1,036)	-
Total Comprehensive Income	(7,486)	(2,243)	-	(13,575)	(1,017)	-
Earnings per share						
Basic (in ₹)	(243.29)	(70.86)		(433.76)	(33.02)	
Diluted (in ₹)	(243.29)	(70.86)		(433.76)	(33.02)	

Based on DHFL Standalone IndAS Accounts

* Impact of interest expenses not accrued under CIRP (from 3 Dec 190 in Q3FY20: Rs 527.62 cr (Gross)/ Rs 392.39 cr (Net); and in Q4FY20: Rs 1,833.71 cr (Gross)/ Rs 1,363.73 cr (Net)

Key Financial Metrics

(values in Rs crore)

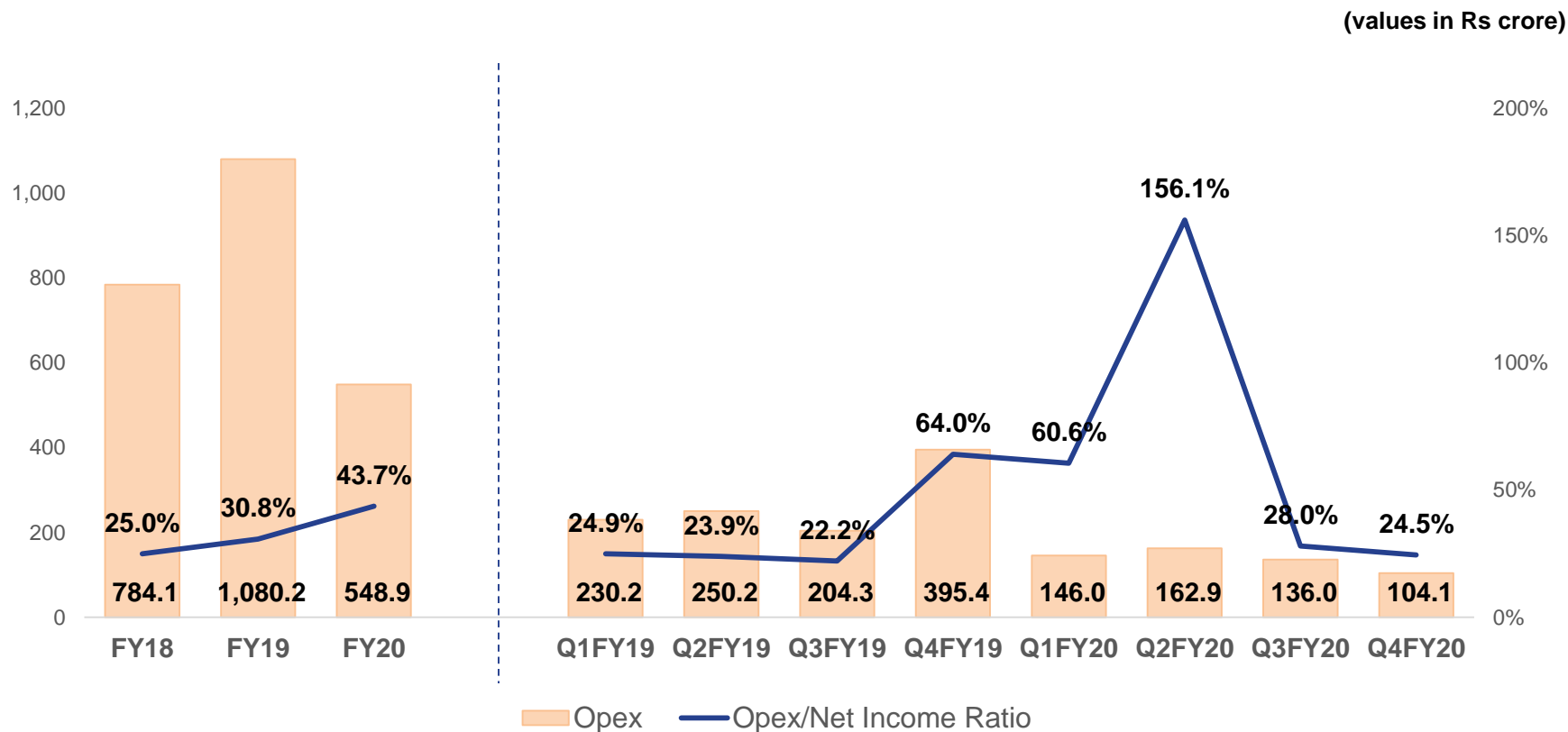
	Q4FY20	Q3FY20	Q4FY19		FY20	FY19
Net Worth - Closing	(5,538)	1,959	8,102		(5,538)	8,102
Loan Assets – Closing *	66,203	79,330	97,978		66,203	97,978
Total Assets - Closing	85,838	94,808	106,475		85,838	106,475
RATIOS BASED ON REPORTED FINANCIALS						
Net Interest Margin (NIM)	12.31%	4.93%	2.62%		4.30%	3.27%
Opex/Net Income Ratio	4.6%	13.4%	64.0%		15.2%	30.8%
Return on Loan Assets (RoA)	-42.0%	4.7%	-8.9%		-16.6%	-1.1%
Return on Equity (RoE)	-	246.0%	-94.3%		-1061.8%	-12.0%
RATIOS BASED ON NORMALISED INTEREST EXPENSES **						
Net Interest Margin (NIM)	2.23%	2.30%	2.62%		1.42%	3.27%
Cost/Net Income Ratio	24.5%	28.0%	64.0%		43.7%	30.8%
Return on assets (RoA)	-49.5%	2.7%	-8.9%		-18.7%	-1.1%
Return on equity (RoE)	-	163.9%	-94.3%		-3804.1%	-12.0%

Ratios based on DHFL Standalone IndAS Accounts

* Loans are net of provisions/fair value loss and include interest receivable on NPA and PEMI/EMI receivable

** Interest expenses (normalised) adds back interest expenses not accrued under CIRP process (in Q3FY20: Gross Rs 527.62 cr / Net Rs 392.39 cr; and in Q4FY20: Gross Rs 1,833.71 cr/ Net Rs 1,363.73 cr)

Operating Expenses Trend



Ratios based on DHFL Standalone IndAS Accounts

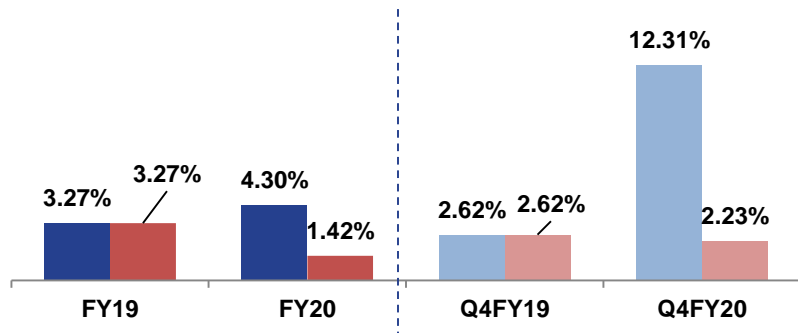
Opex includes Salary Expense and Other Expenses (excludes Depreciation)

Net Income is Total Income less Interest expenses (normalised)

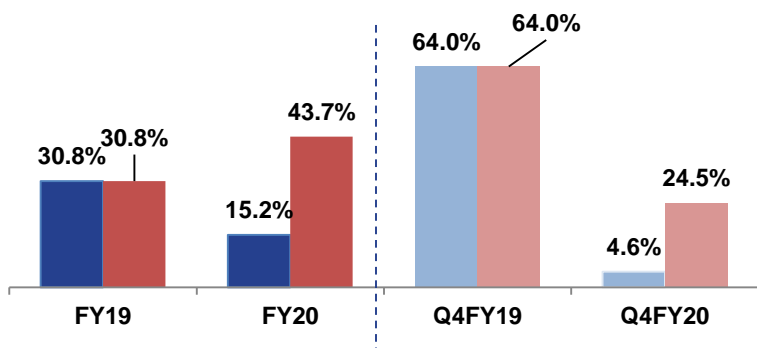
Interest expenses (normalised) adds back the interest expenses not accrued under CIRP process (in Q3FY20: Rs 527.62 cr and Q4FY20: Rs 1,833.71 cr)

Key Financial Metrics

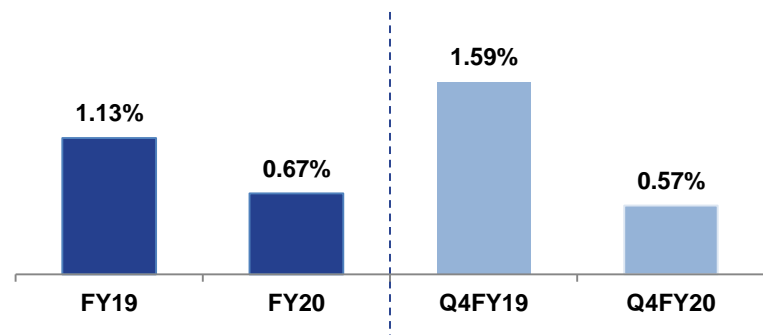
Net Interest Margin (NIM)



Opex / Net Income Ratio



Opex / Loan Book Ratio



Ratios based on DHFL Standalone IndAS Accounts

Interest expenses (normalised) adds back the interest expenses not accrued under CIRP process (in Q3FY20: Rs 527.62 cr and Q4FY20: Rs 1,833.71 cr)

■ Full Year (actuals)

■ Quarterly (actuals)

■ Full Year (based on normalized interest expenses)

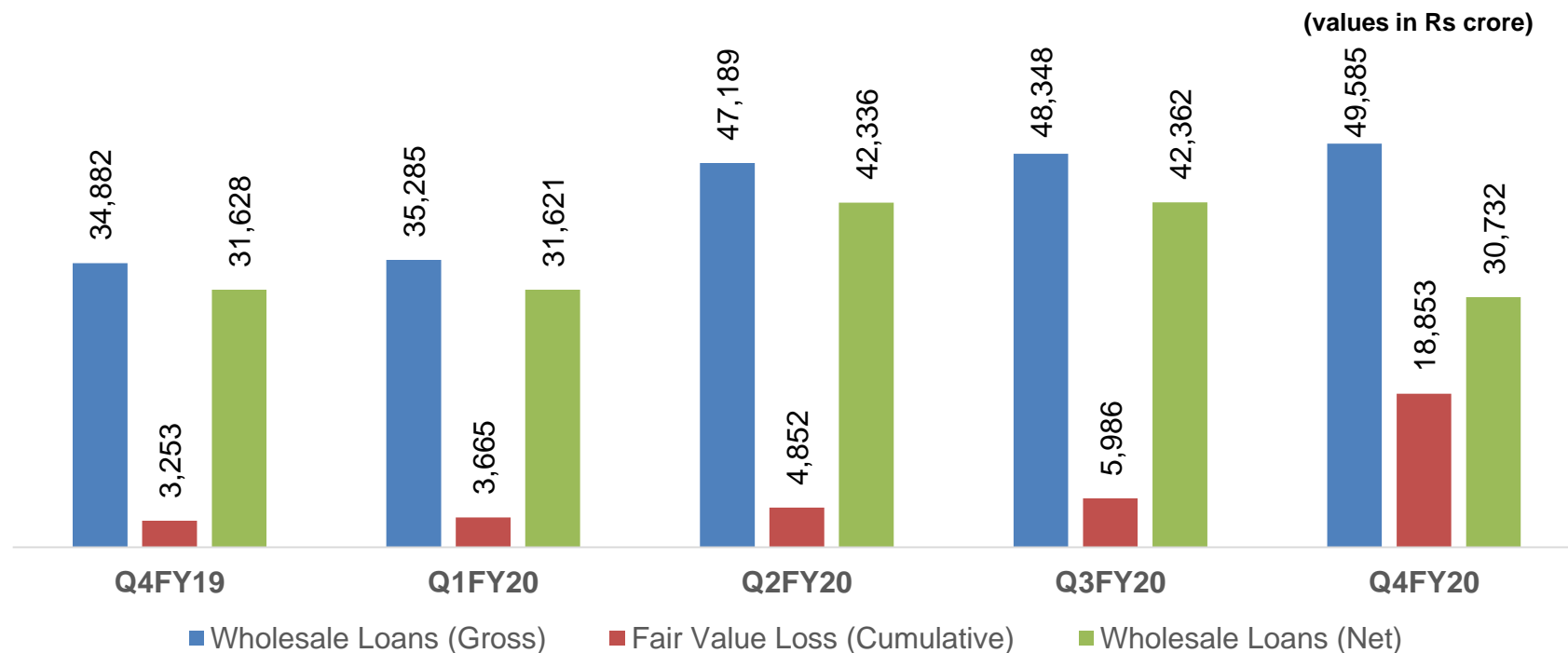
■ Quarterly (based on normalized interest expenses)

Fair Valuation of Wholesale Loans

Fair valuation methodology

Wholesale loans (Gross) of Rs 49,585 cr held for sale and fair valued

Basis for fair valuation changed from DCF based on contractual cash flow to DCF based on cash flow assessed by external registered valuer




Section 2


Key Developments since Nov '19

Appointment of New Management Team


RBI superseded the Board of Directors of DHFL and appointed Mr. R. Subramaniakumar as the Administrator of the Company wef. 20 Nov '19




Administrator took charge of affairs; RBI appointed 3 member Advisory Committee to assist the Administrator



Hon'ble NCLT Mumbai bench initiated the CIRP in respect of DHFL on 03 Dec '19



Administrator appointed KMPs and advisors to assist him and ensure the company operates as a going concern



Regular Advisory Committee Meetings being conducted

Strength of the Retail Loan Franchise

2



Pan India network of more than 250 branches with deep penetration in Tier 2 / 3 / 4 towns

3



Strong presence in affordable housing space (one of largest financiers availing PMAY CLSS scheme)

1

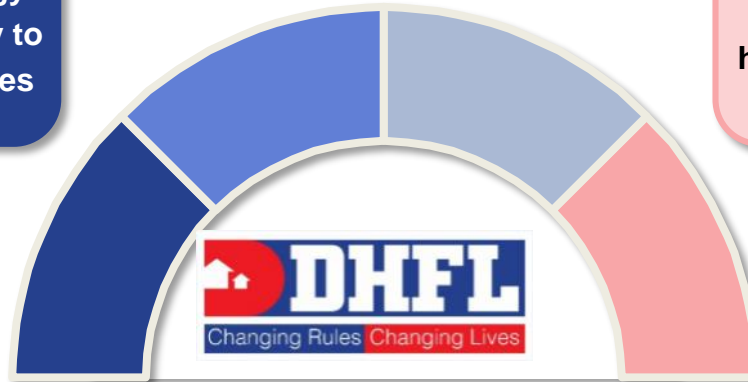


Existing credit and technology platform with tested capability to manage high business volumes

4

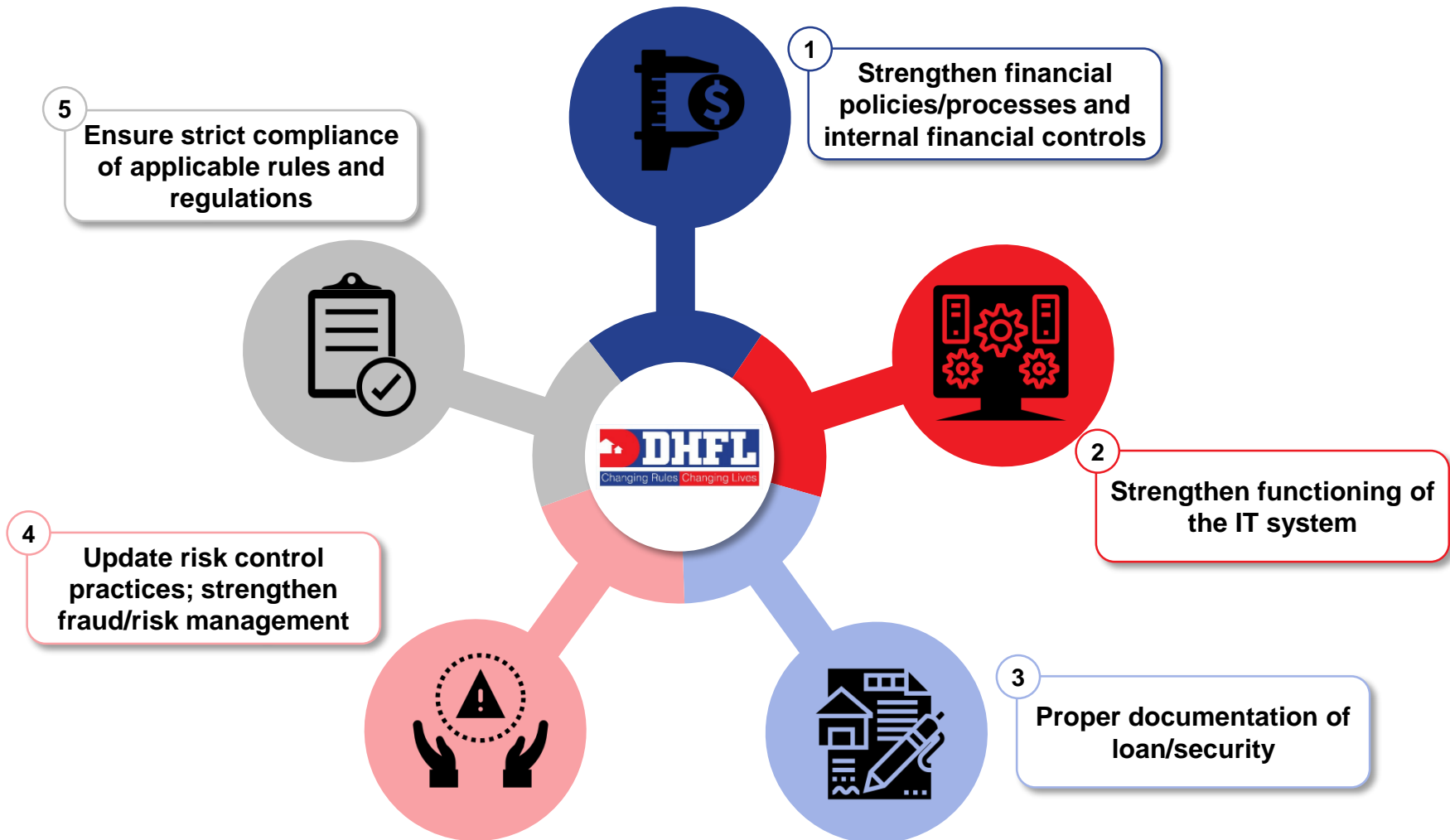


Granular retail loan book with high potential for securitisation



Strategy to operate as a 'Going Concern'

Pursue various initiatives to enhance enterprise value, increase transparency, improve corporate governance, control costs and increase interaction with stakeholders



Key Developments: Improvement in internal policies and processes



Retail lending policies reviewed so as to ensure booking of quality business and disbursements restarted based on revised policies.



Financial matrix reviewed and modified. Steps taken to reduce unproductive expenses, vendor rates renegotiated, and expenditure maintained within budget limits



Significant improvement in reconciliation of finances/ assets/ securitisation payouts/ receivables, documentation process and document storage



Additional measures introduced in Synergy software (eg LTV validation) to ensure strict compliance of regulatory guidelines

Key Developments: Improvement in corporate governance and stakeholder involvement



Increased transparency and improved governance by forming internal committees (eg ALCo, ORMC, CRMC, IT Steering Committee) for discussions/decision making



OTS Policy, Refund Policy, etc reviewed to ensure transparent decisions. Committee approach introduced for OTS.



Internal audit coverage and compliance improved significantly



Regular meetings held with Advisory Committee to update them and seek suggestions for improvement



Continuous dialogue maintained with Committee of Creditors (CoC) to take approval for IBC process

Key Developments: Engagement with external agencies to turnaround organisation



EY appointed as IBC process advisor. Deep involvement of EY across functions to increase transparency and improve processes



IT audit conducted by KPMG and gaps identified currently being resolved/implemented by the Company team



Risk Control Mechanism (RCM) preparation done by EY to improve operational and financial controls



AZB appointed legal advisor for legal advice on operational issues as well as IBC process



Grant Thornton appointed to conduct transaction audit in terms of the provisions of the IBC Code and regulations thereunder. In addition, KPMG appointed by creditors to conduct special audit

Thank You

Annexure 1

8 Quarter Financial Results and Ratio Calculations

8 Qtrs P&L Statement (Standalone)

(values in Rs crore)

	Q4FY20	Q3FY20	Q2FY20	Q1FY20	Q4FY19	Q3FY19	Q2FY19	Q1FY19	FY20	FY19	FY18
Interest Income	2,373.2	2,412.4	2,092.0	2,378.6	2,999.4	3,257.7	3,286.32	2,970.25	9,256.2	12,513.7	9,817.3
Interest Expenses	133.1	1,423.3	2,009.8	2,159.0	2,349.3	2,410.3	2,440.2	2,193.1	5,725.2	9,392.9	7,722.0
Net Interest Income (NII)	2,240.1	989.1	82.2	219.7	650.19	847.38	846.11	777.14	3,531.0	3,120.8	2,095.3
Non Interest Income	19.0	24.5	22.2	21.3	(32.7)	74.3	200.6	146.7	86.9	388.9	1,047.2
Total Income	2,392.2	2,436.9	2,114.2	2,399.9	2,966.8	3,331.9	3,486.9	3,116.9	9,343.1	12,902.5	10,864.4
Non Interest Expenses	144.1	148.3	173.3	162.6	413.0	217.4	262.1	238.8	628.3	1,131.3	811.8
:Salary Expenses	61.7	67.3	69.1	85.2	103.8	122.8	127.8	131.0	283.3	485.3	370.3
:Other Expenses	42.4	68.6	93.8	60.8	291.6	81.6	122.5	99.2	265.6	594.8	413.9
:Depreciation and Amortisation	39.9	12.4	10.5	16.7	17.6	13.1	11.9	8.6	79.4	51.2	27.6
Total Expenses	277.2	1,571.6	2,183.1	2,321.6	2,762.3	2,627.7	2,702.3	2,431.9	6,353.5	10,524.2	8,533.7
Pre Provisioning Profit (PPP) or Operating Profit	2,115.0	865.3	(69.0)	78.3	204.5	704.2	784.6	685.1	2,989.6	2,378.4	2,330.7
Provisions and Write Off	12,411.9	1,033.1	7,515.5	277.1	3,112.1	232.7	151.7	46.8	21,237.6	3,543.4	629.7
:Impairment on financial instruments	8.7	(134.8)	6,326.6	40.7	729.5	132.2	19.0	204.3	6,241.1	1,085.0	629.7
: Net loss on fair value changes	12,403.3	1,167.9	1,188.9	236.4	2,382.6	100.5	132.74	(157.5)	14,996.5	2,458.4	-
Pre tax Profit	(10,296.9)	(167.8)	(7,584.4)	(198.9)	(2,907.6)	471.5	632.9	638.2	(18,248.0)	(1,165.0)	1,701.0
Tax	(2,662.0)	(1,102.2)	(879.1)	7.6	(684.2)	157.9	194.1	203.2	(4,635.7)	(128.9)	461.0
Net Profit	(7,634.9)	934.4	(6,705.4)	(206.4)	(2,223.4)	313.6	438.7	435.0	(13,612.3)	(1,036.1)	1,240.0
Total Comprehensive Income	(7,486.0)	894.6	(6,759.7)	(224.0)	(2,243.5)	286.9	467.6	471.9	(13,575.2)	(1,017.1)	1,238.7

* Interest expenses not accrued under CIRP norms from insolvency commencement date (3 Dec 2019); Company has not provided for interest amount Rs 527.62 cr (Gross)/ Rs 392.39 cr (Net) in Q3FY20 and Rs 1,833.71 cr (Gross)/ Rs 1,363.73 cr (Net) in Q4FY20

8 Qtrs Ratio Analysis

	Q4FY20	Q3FY20	Q2FY20	Q1FY20	Q4FY19	Q3FY19	Q2FY19	Q1FY19		FY20	FY19
KEY RATIOS REPORTED											
NIM % (annualised)	12.31%	4.93%	0.38%	0.93%	2.62%	3.19%	3.18%	3.20%		4.30%	3.27%
Opex/ Net Income Ratio * ^	4.61%	13.41%	156.07%	60.59%	64.03%	22.17%	23.91%	24.92%		15.17%	30.78%
RoE	N/A	246.03%	-598.7%	-10.33%	-94.33%	11.86%	17.35%	18.25%		-1061.8%	-11.95%
RoA	-41.97%	4.66%	-31.30%	-0.88%	-8.95%	1.18%	1.65%	1.79%		-16.58%	-1.08%
Interest income to loan assets (annualised)	13.05%	12.02%	9.77%	10.12%	12.07%	12.25%	12.35%	12.24%		11.28%	13.10%
KEY OPERATING RATIOS *											
Opex/Interest Income	4.39%	5.64%	7.78%	6.14%	13.18%	6.27%	7.61%	7.75%		5.93%	8.63%
Opex/Net Interest Income	4.65%	13.75%	198.18%	66.45%	60.81%	24.11%	29.57%	29.62%		15.55%	34.61%
Opex/Total Income	4.35%	5.58%	7.70%	6.08%	13.33%	6.13%	7.18%	7.39%		5.88%	8.37%
Interest Expense/Interest Income	5.61%	59.00%	96.07%	90.77%	78.32%	73.99%	74.25%	73.84%		61.85%	75.06%
Other Income/Total Income	0.79%	1.01%	1.05%	0.89%	-1.10%	2.23%	5.75%	4.71%		0.93%	3.01%
Employee Expense as % of Total Opex	59.26%	49.53%	42.40%	58.37%	26.25%	60.09%	51.06%	56.91%		51.61%	44.93%
Employee Expense as % of Total Income	2.58%	2.76%	3.27%	3.55%	3.50%	3.68%	3.66%	4.20%		3.03%	3.76%

* Opex includes Salary Expense and Other Expenses; and excludes Depreciation

^ Net Income is Total Income – Interest Expenses (normalised)

Interest expenses not accrued under CIRP norms in Q3FY20: Rs 527.62 cr (Gross)/ Rs 392.39 cr (Net) and in Q4FY20: Rs 1,833.71 cr (Gross)/ Rs 1,363.73 cr (Net)

8 Qtrs P&L Statement – with Normalised Interest Expenses

(values in Rs crore)

	Q4FY20	Q3FY20	Q2FY20	Q1FY20	Q4FY19	Q3FY19	Q2FY19	Q1FY19		FY20	FY19	FY18
Interest Income	2,373.2	2,412.4	2,092.0	2,378.6	2,999.4	3,257.7	3,286.32	2,970.25		9,256.2	12,513.7	9,817.3
Interest Expenses (normalized) *	1,966.8	1,950.9	2,009.8	2,159.0	2,349.3	2,410.3	2,440.2	2,193.1		8,086.5	9,392.9	7,722.0
Net Interest Income (NII)	406.4	461.5	82.2	219.7	650.19	847.38	846.11	777.14		1,169.7	3,120.8	2,095.3
Non Interest Income	19.0	24.5	22.2	21.3	(32.7)	74.3	200.6	146.7		86.9	388.9	1,047.2
Total Income	2,392.2	2,436.9	2,114.2	2,399.9	2,966.8	3,331.9	3,486.9	3,116.9		9,343.1	12,902.5	10,864.4
Non Interest Expenses	144.1	148.3	173.3	162.6	413.0	217.4	262.1	238.8		628.3	1,131.3	811.8
:Salary Expenses	61.7	67.3	69.1	85.2	103.8	122.8	127.8	131.0		283.3	485.3	370.3
:Other Expenses	42.4	68.6	93.8	60.8	291.6	81.6	122.5	99.2		265.6	594.8	413.9
:Depreciation and Amortisation	39.9	12.4	10.5	16.7	17.6	13.1	11.9	8.6		79.4	51.2	27.6
Total Expenses	2,110.9	2,099.3	2,183.1	2,321.6	2,762.3	2,627.7	2,702.3	2,431.9		8,714.8	10,524.2	8,533.7
Pre Provisioning Profit (PPP) or Operating Profit	281.3	337.7	(69.0)	78.3	204.5	704.2	784.6	685.1		628.3	2,378.4	2,330.7
Provisions and Write Off	12,411.9	1,033.1	7,515.5	277.1	3,112.1	232.7	151.7	46.8		21,237.6	3,543.4	629.7
:Impairment on financial instruments	8.7	(134.8)	6,326.6	40.7	729.5	132.2	19.0	204.3		6,241.1	1,085.0	629.7
: Net loss on fair value changes	12,403.3	1,167.9	1,188.9	236.4	2,382.6	100.5	132.74	(157.5)		14,996.5	2,458.4	-
Pre tax Profit	(12,130.6)	(695.4)	(7,584.4)	(198.9)	(2,907.6)	471.5	632.9	638.2		(20,609.3)	(1,165.0)	1,701.0
Tax	(3,132.0)	(1,237.4)	(879.1)	7.6	(684.2)	157.9	194.1	203.2		(5,240.9)	(128.9)	461.0
Net Profit	(8,998.6)	542.0	(6,705.4)	(206.4)	(2,223.4)	313.6	438.7	435.0		(15,368.4)	(1,036.1)	1,240.0
Total Comprehensive Income	(8,849.8)	502.2	(6,759.7)	(224.0)	(2,243.5)	286.9	467.6	471.9		(15,331.3)	(1,017.1)	1,238.7

* Interest expenses not accrued under CIRP norms in reported financials have been added back. Interest expenses accrued added back in Q3FY20: Rs 527.62 cr (Gross)/ Rs 392.39 cr (Net); Interest accrued added back in Q4FY20: Rs 1,833.71 cr (Gross)/ Rs 1,363.73 cr (Net)

8 Qtrs Ratio Analysis – with Normalised Interest Expenses

	Q4FY20 **	Q3FY20 **	Q2FY20	Q1FY20	Q4FY19	Q3FY19	Q2FY19	Q1FY19		FY20 **	FY19
KEY RATIOS REPORTED											
NIM % (annualised)	2.23%	2.30%	0.38%	0.93%	2.62%	3.19%	3.18%	3.20%		1.42%	3.27%
Opex / Net Income Ratio * ^	24.48%	27.98%	156.07%	60.59%	64.03%	22.17%	23.91%	24.92%		43.68%	30.78%
RoE	N/A	163.87%	-598.7%	-10.33%	-94.33%	11.86%	17.35%	18.25%		-3804.1%	-11.95%
RoA	-49.47%	2.70%	-31.30%	-0.88%	-8.95%	1.18%	1.65%	1.79%		-18.72%	-1.08%
Interest income to loan assets (annualised)	13.05%	12.02%	9.77%	10.12%	12.07%	12.25%	12.35%	12.24%		11.28%	13.10%
KEY OPERATING RATIOS *											
Opex/Interest Income	4.39%	5.64%	7.78%	6.14%	13.18%	6.27%	7.61%	7.75%		5.93%	8.63%
Opex/Net Interest Income	25.62%	29.46%	198.18%	66.45%	60.81%	24.11%	29.57%	29.62%		46.93%	34.61%
Opex/Total Income	4.35%	5.58%	7.70%	6.08%	13.33%	6.13%	7.18%	7.39%		5.88%	8.37%
Interest Expense/Interest Income	82.88%	80.87%	96.07%	90.77%	78.32%	73.99%	74.25%	73.84%		87.36%	75.06%
Other Income/Total Income	0.79%	1.01%	1.05%	0.89%	-1.10%	2.23%	5.75%	4.71%		0.93%	3.01%
Employee Expense as % of Total Opex	59.26%	49.53%	42.40%	58.37%	26.25%	60.09%	51.06%	56.91%		51.61%	44.93%
Employee Expense as % of Total Income	2.58%	2.76%	3.27%	3.55%	3.50%	3.68%	3.66%	4.20%		3.03%	3.76%

* Opex includes Salary Expense and Other Expenses; and excludes Depreciation

^ Net Income is Total Income – Interest Expenses (normalised)

** Interest expenses not accrued under CIRP norms for reporting purposes have been added back for ratio calculations. Interest expenses accrued added back in Q3FY20: Rs 527.62 cr (Gross)/ Rs 392.39 cr (Net); Interest accrued added back in Q4FY20: Rs 1,833.71 cr (Gross)/ Rs 1,363.73 cr (Net)

Annexure 2

Reported Financial Results

Profit and Loss Statement (Standalone)

(values in Rs crore)

	Q4FY20	Q3FY20	Q4FY19	Q4FY20 vs Q4FY19	FY20	FY19	FY20 vs FY19
TOTAL INCOME	2,392.2	2,436.9	2,966.8	-19%	9,343.1	12,902.5	-28%
EXPENSES:							
Finance Costs	133.1	1,423.3	2,349.3	-94%	5,725.2	9,392.9	-39%
Net Loss on Fair Value Changes	12,403.3	1,167.9	2,382.6	421%	14,996.5	2,458.4	510%
Impairment on Financial Instruments	8.7	(134.8)	729.5	-99%	6,241.1	1,085.0	475%
Operating Expenses	104.1	136.0	395.4	-74%	548.9	1,080.2	-49%
Depreciation and Amortisation	39.9	12.4	17.6	127%	79.4	51.2	55%
Total Expenses	12,689.1	2,604.7	5,874.3	116%	27,591.1	14,067.5	96%
Profit/Loss Before Tax	(10,296.9)	(167.8)	(2,907.6)	-	(18,248.0)	(1,165.0)	-
Profit/Loss After Tax	(7,634.9)	934.4	(2,223.4)	-	(13,612.3)	(1,036.1)	-
Total Comprehensive Income	(7,486.0)	894.6	(2,243.5)	-	(13,575.2)	(1,017.1)	-
Earnings per share							
Basic (in ₹)	(243.29)	29.77	(70.86)		(433.76)	(33.02)	
Diluted (in ₹)	(243.29)	29.77	(70.86)		(433.76)	(33.02)	

Profit and Loss Statement (Consolidated)

(values in Rs crore)

	Q4FY20	Q3FY20	Q4FY19	Q4FY20 vs Q4FY19	FY20	FY19	FY20 vs FY19
TOTAL INCOME	2,161.0	2,436.9	2,975.9	-27%	9,578.9	12,911.7	-26%
EXPENSES:							
Finance Costs	133.2	1,423.3	2,355.3	-94%	5,736.2	9,416.9	-39%
Net Loss on Fair Value Changes	12,045.6	1,167.9	2,382.6	406%	15,034.7	2,458.4	512%
Impairment on Financial Instruments	7.2	(134.8)	653.5	-99%	6,242.1	1,009.0	519%
Operating Expenses	104.0	136.0	395.5	-74%	548.9	1,080.3	-49%
Depreciation and Amortisation	39.9	12.4	17.6	127%	79.4	51.2	55%
Total Expenses	12,330.0	2,604.7	5,804.4	112%	27,641.4	14,015.7	97%
Profit/Loss Before Tax	(10,169.0)	(167.8)	(2,828.5)	-	(18,062.5)	(1,104.0)	-
PAT Before share of Ass./JV	(7,507.0)	934.3	(2,153.2)	-	(13,426.9)	(983.9)	-
Profit/Loss After Tax (Consolidated)	(7,507.0)	934.3	(2,150.9)	-	(13,455.8)	(965.9)	-
Total Comprehensive Income	(7,358.1)	894.5	(2,170.6)	-	(13,418.6)	(947.0)	-
Earnings per share							
Basic (in ₹)	(239.21)	29.77	(68.54)		(428.77)	(30.78)	
Diluted (in ₹)	(239.21)	29.77	(68.47)		(428.77)	(30.78)	

Based on DHFL Consolidated IndAS Accounts

Includes DHFL (Parent), DHFL Holdings (Sub), DHFL Advisory and Investments (Sub), Aadhar (Associate till sale),

Slide 24 Avanse (Associate till sale), DHFL Pramerica AMC (JV till sale), DHFL Pramerica Trustees (JV till sale)