

DHFL/CSD/2017-2018/ 1210

Date : September 5, 2018

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

Dear Sirs,

**Ref: Intimation under Regulation 30 of the Securities and Exchange Board of India  
(Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI  
Listing Regulations)**

We wish to inform you that the Company will be participating in Non-Deal Roadshows in Mumbai & Chennai on 6th, 7th and 10th September 2018.

A copy of investor presentation of the Company in connection with the same is enclosed herewith and is being uploaded on the Company's website under 'Investors Section'.

We request you to kindly take the same on record.

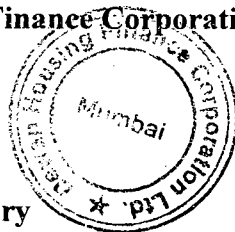
Thanking you,

Yours Faithfully,

**Dewan Housing Finance Corporation Limited**



**Niti Arya**  
**Company Secretary**  
**FCS No- 5586**



# Dewan Housing Finance Corporation Limited



Turning dreams  
into reality



September 2018

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“

I want  
every Indian  
to own a home  
of his own

Late Shri Rajesh Kumar Wadhawan  
*Founder Chairman*  
(1949-2000)

”



***Our vision is to transform the lives of Indian households  
by enabling access to home ownership.***

# Section 1

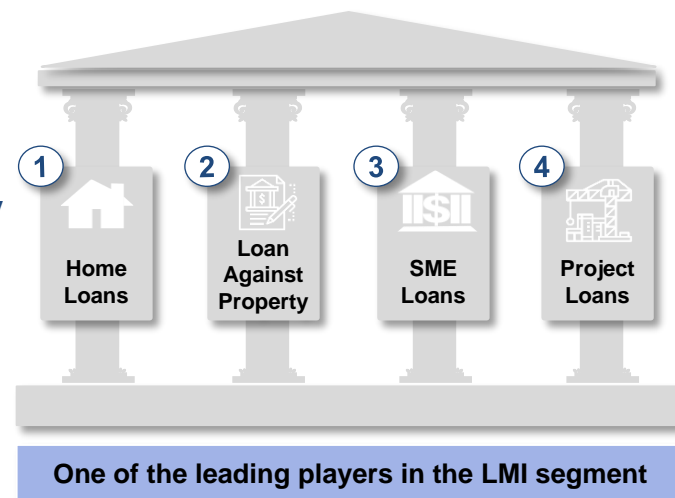
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## Overview

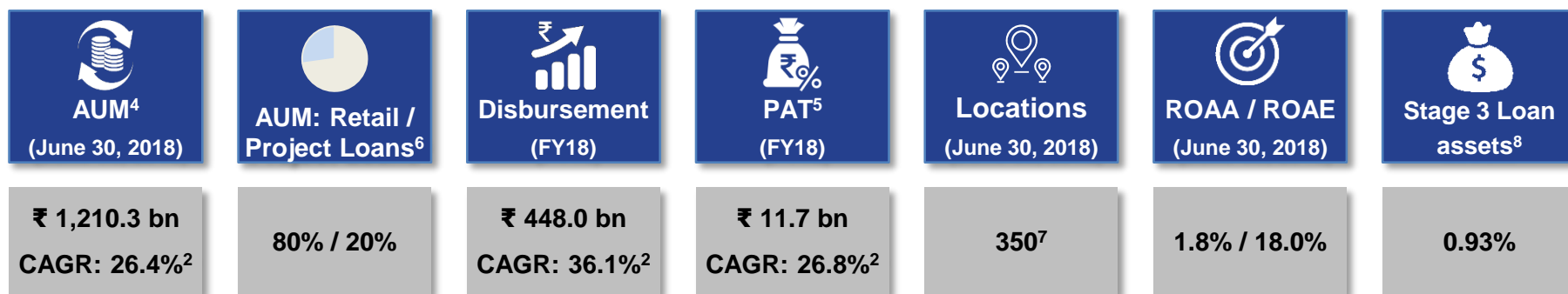
# Dewan Housing Finance Corporation Limited | Snapshot

- ✓ Over 3 decades of experience in affordable housing finance
- ✓ Pan India HFC with focus on Lower & Middle Income (“LMI”)<sup>1</sup> segment
- ✓ Presence in 350<sup>7</sup> locations, with significant penetration in tier II / III towns
- ✓ Strong AUM and disbursement growth, CAGR<sup>2</sup> of 26.4% and 36.1% respectively
- ✓ Robust PAT 2016-18 CAGR of 26.8% and an ROAE of 18.0% for June 30, 2018
- ✓ Healthy asset quality coupled with AAA credit rating<sup>3</sup>
- ✓ Strong board and management team with significant industry experience

## Key product offerings



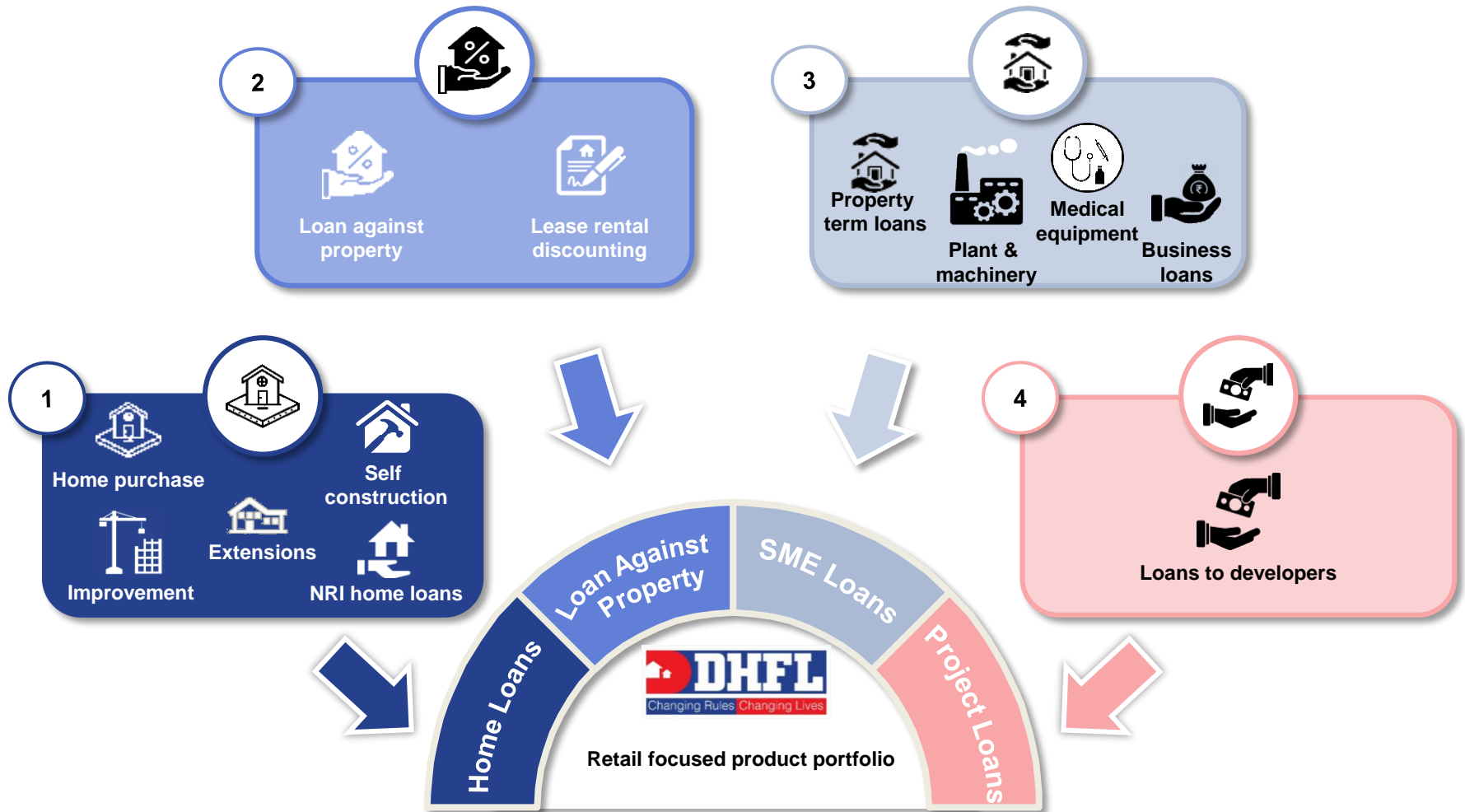
## Financial and operational snapshot



Notes: Numbers on a standalone basis. 1. LMI includes LIG (income ₹ 0.3-0.6mn pa) and MIG (income ₹ 0.6-1.8mn pa) households. 2. For FY16-18. 3. For long term bank loans and NCDs as per CARE and Brickwork. 4. Includes off B/S loan book. 5. FY18 PAT is as per IGAAP; Q1FY19 PAT amount - ₹ 4.35bn as per IndAS. 6. As of June 30, 2018. 7. Includes 209 branches, 113 micro branches, 20 regional / zonal CPUs, 4 disbursement hubs, 1 collection center, 1 corporate office, 1 national office, 1 registered office. (excludes international offices in Dubai & London). 8. As on June 30, 2018 and as per IndAS.

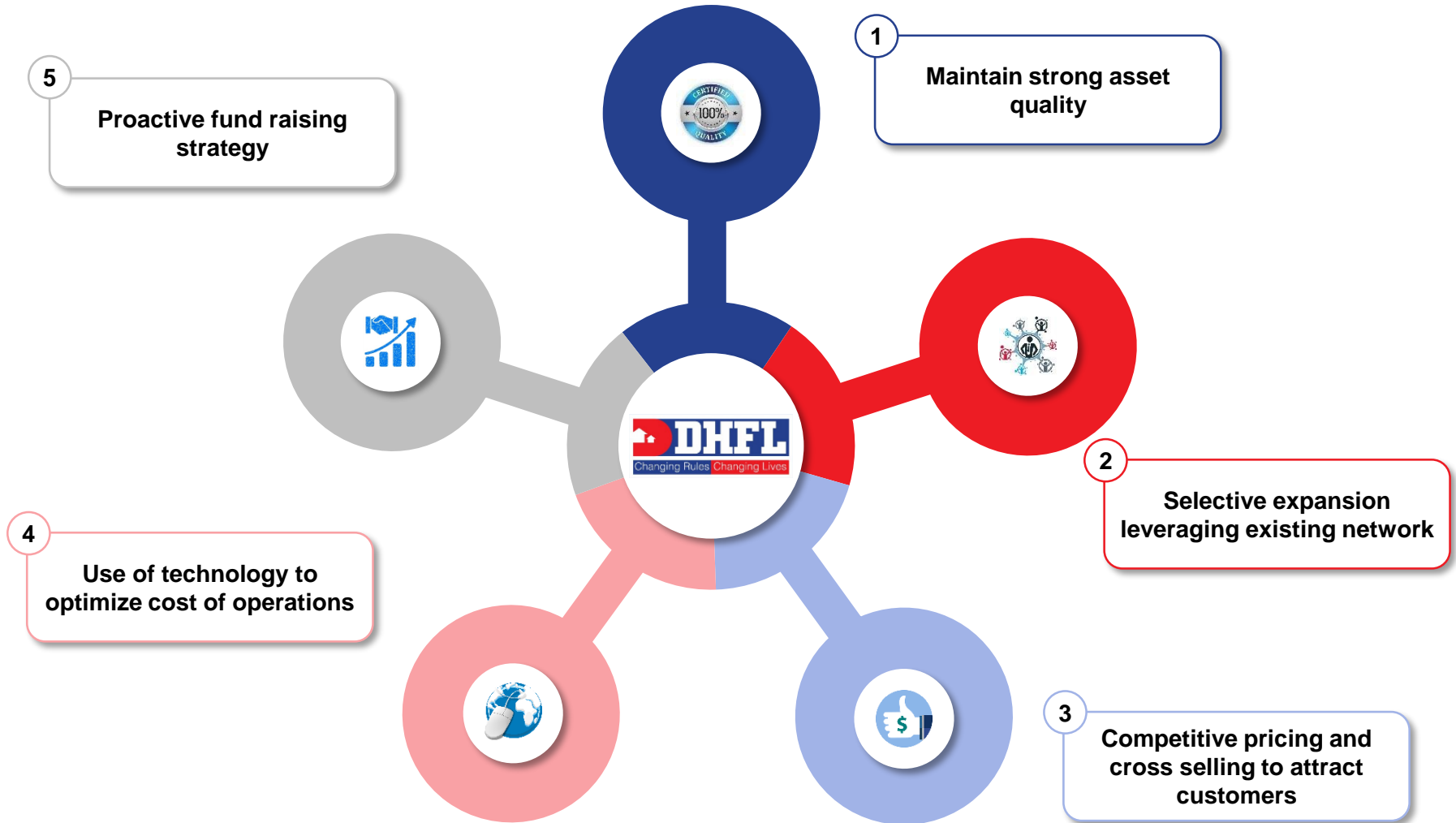
# Dewan Housing Finance Corporation Limited | Business overview

Diversified product portfolio with retail loans contributing 80% of the total loan book



# Dewan Housing Finance Corporation Limited | Strategy

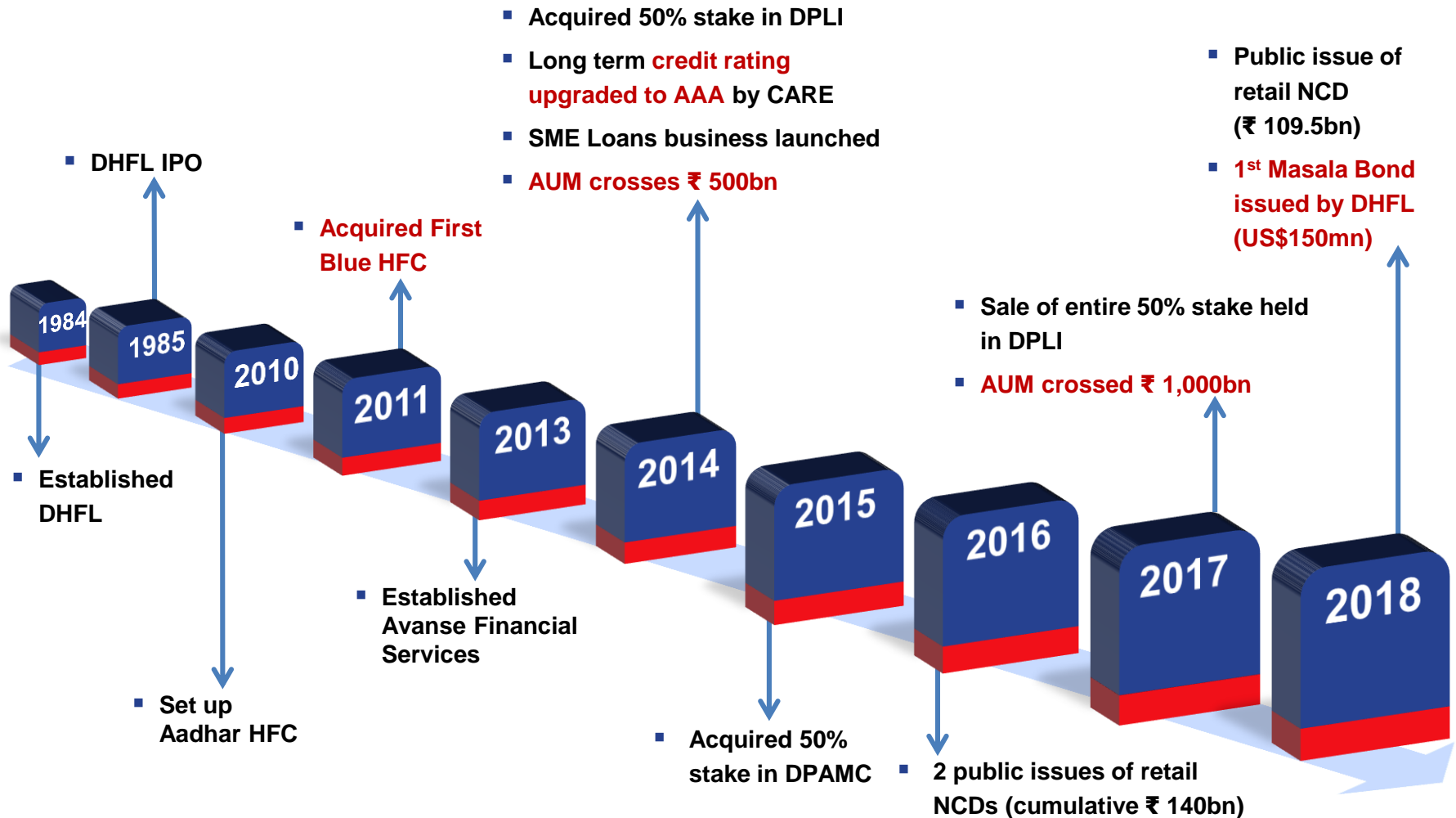
DHFL strives to continue providing a diversified product offering with a focus on the affordable housing space



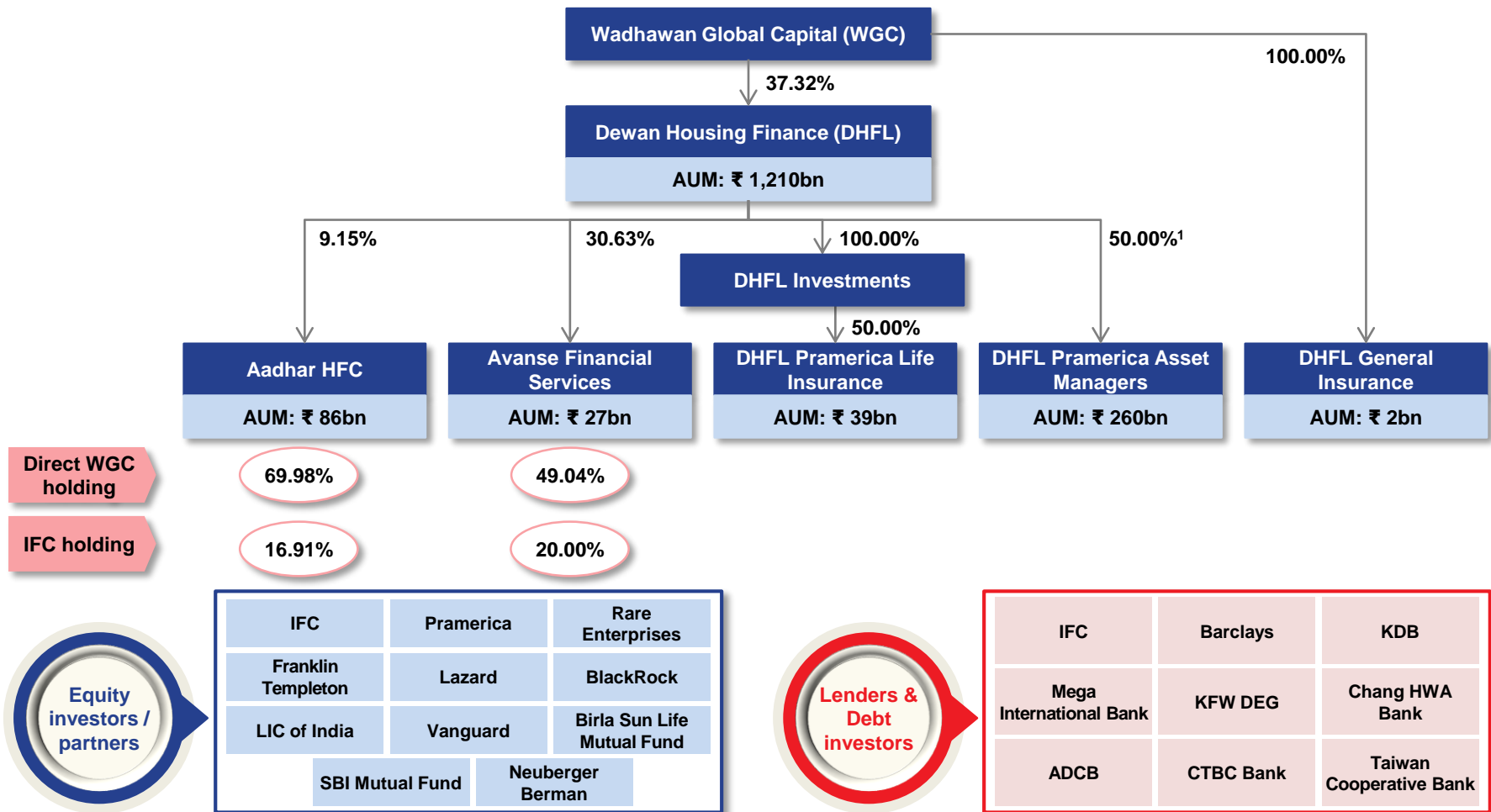


# Dewan Housing Finance Corporation Limited | Key milestones

Established in 1984, DHFL has evolved into one of the leading player in the affordable housing finance space



# Dewan Housing Finance Corporation Limited | Group structure



- **LMI focused** financial services group
- Group companies with **potential for significant value unlocking**
- Partners with marquee organisations like **IFC, Prudential Financial Inc. (Pramerica)**

# Section 2

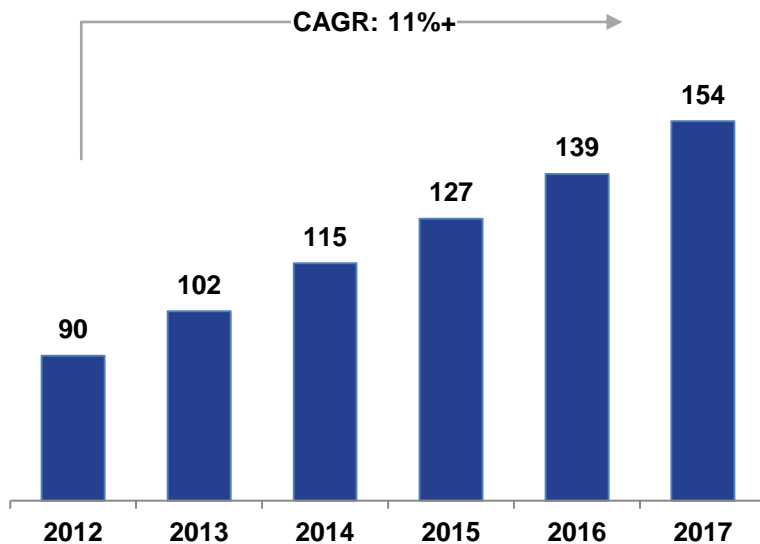
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## Industry Overview

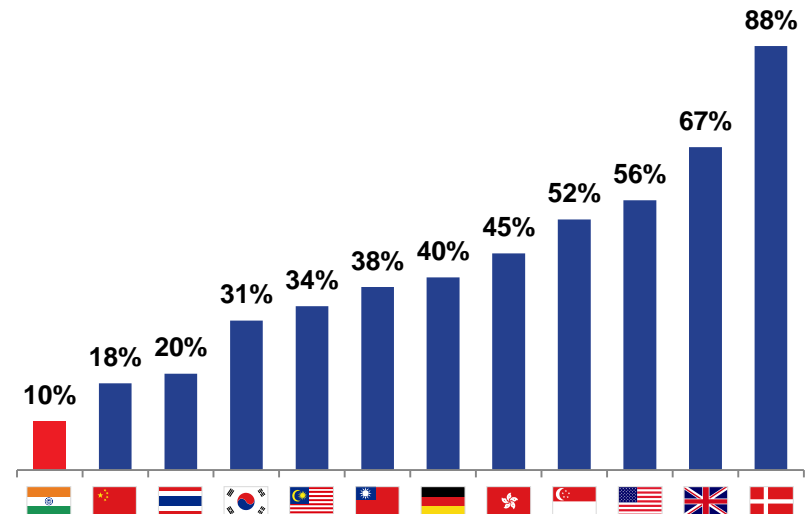
# Housing Demand Growth Drivers

- ✓ Increasing disposable income and rising emergence of nuclear families driving the housing demand
- ✓ Favourable growth environment due to low penetration of mortgages in India

India Gross National Disposable Income (₹ trillion)



Mortgage Penetration (% of GDP)<sup>1</sup>

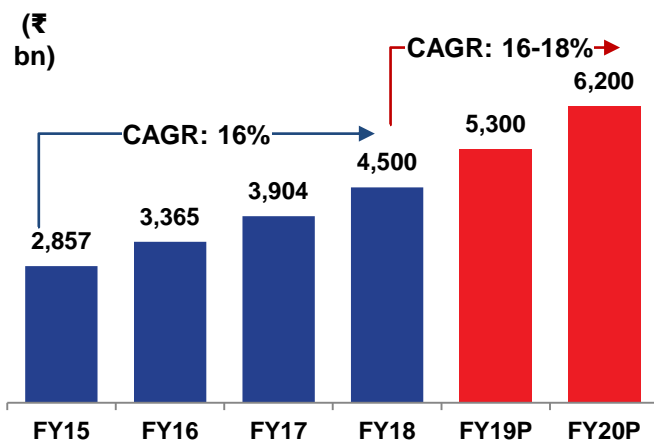


# Significant Presence of HFCs

Housing loan disbursements to grow led by strong pick up in demand from tier II / III towns

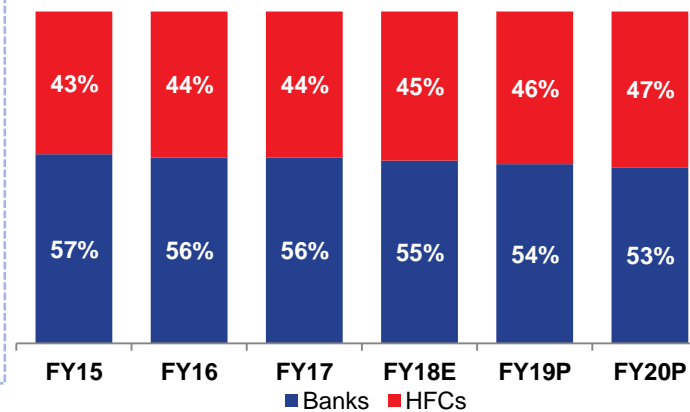
## Housing Loan Disbursement

## Increasing share of HFCs



### Growth Drivers

- Increasing mortgage penetration
- Improving affordability
- Urbanization
- Demand/Incentives for affordable housing
- Greater transparency driven by regulations



## Key Trends in Housing Finance

- ✓ HFCs have established strong presence in tier II / III towns
- ✓ Credit appraisal process aligned to customer requirements
- ✓ Superior customer servicing and effective recovery mechanisms
- ✓ HFCs expected to continue to witness rapid growth
- ✓ Driven by demand for underlying assets, increasing financial penetration and steady property prices

# Government Push for Affordable Housing

Government emphasis on providing 'Housing for all' by 2022 to fuel affordable housing finance growth

## Incentives for customers

|       |  |
|-------|--|
| 25% ↑ | Increase in housing loan limits for PSL up to ₹ 3.5mn            |
| 33% ↑ | Increase in carpet area under CLSS for MIG (up to 2,153 sq. ft.) |
| 90%   | Up to 90% of EPF can be <b>withdrawn</b> to purchase a house     |
| RERA  | Enhanced <b>transparency &amp; accountability</b>                |
| CLSS  | Interest subsidy under CLSS for EWS, LIG and MIG segments        |

## Incentives for developers

|        |   |
|--------|---|
| Infra  | <b>Infra status</b> to affordable housing to reduce finance costs   |
| 8% GST | Discounted rate of 8% GST to under construction houses <sup>1</sup> |
| 100%   | Tax exemption on profits from affordable housing construction       |

## Incentives for financiers

|       |   |
|-------|---|
| IRDA  | Exempted investments in AAA rated HFCs from sectoral cap          |
| 75%   | Increase in <b>interest spread cap</b> <sup>2</sup> : 2.0% → 3.5% |
| 80% ↓ | Decrease in risk rates for bank lending to AAA rated HFCs         |

## Pradhan Mantri Awas Yojana

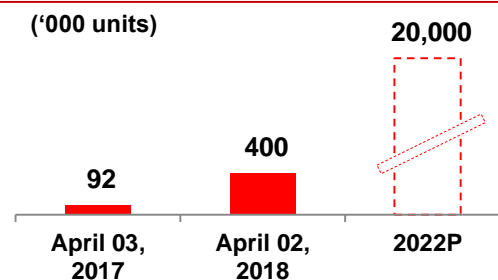
### Objectives

- Launched in 2015, aims to construct 20mn houses by 2022
- Focus on EWS and LIG sections in urban areas
- Benefits extended to MIG segment (annual income <₹ 1.8mn) from Jan 1, 2017

### Key Features

- Central government grant of ₹ 0.1mn/house under slum rehabilitation program
- Interest subsidy of 6.5% for EWS/LIG<sup>3</sup>, 4% for MIG1 and 3% for MIG2 customers<sup>4</sup>

### Houses completed under PMAY



Source: CRISIL Retail Finance (Housing) Report, Jun 2018. Notes: 1. Funded through PMAY CLSS. 2. Under RHF (Rural Housing Fund). 3. EWS customers (annual income up to ₹0.3mn and area of house up to 30 sq. mt.); LIG customers (annual income up to ₹0.6mn and house area up to 60 sq. mt.) 4. MIG1 customers (annual income up to ₹1.2mn and area of house up to 160 sq. mt.); MIG2 customers (annual income up to ₹1.8mn and house area up to 200 sq. mt.) EPF stands for Employees' Provident Fund, EWS – Economically Weaker Sections, LIG – Low Income Group, MIG – Middle Income Group, RERA – Real Estate Regulatory Authority, CLSS – Credit Linked Subsidy Scheme.

# Section 3

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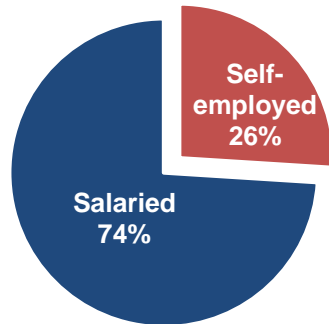
## About the Company

# DHFL – Leading player in the LMI segment

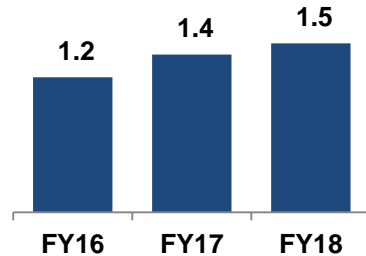
DHFL has developed a core competency in serving the housing needs of the LMI segment

## Focus on LMI segments

Home Loan Customer Profile<sup>1</sup>



ATS of Total Portfolio (₹ mn)



## With customized product offerings

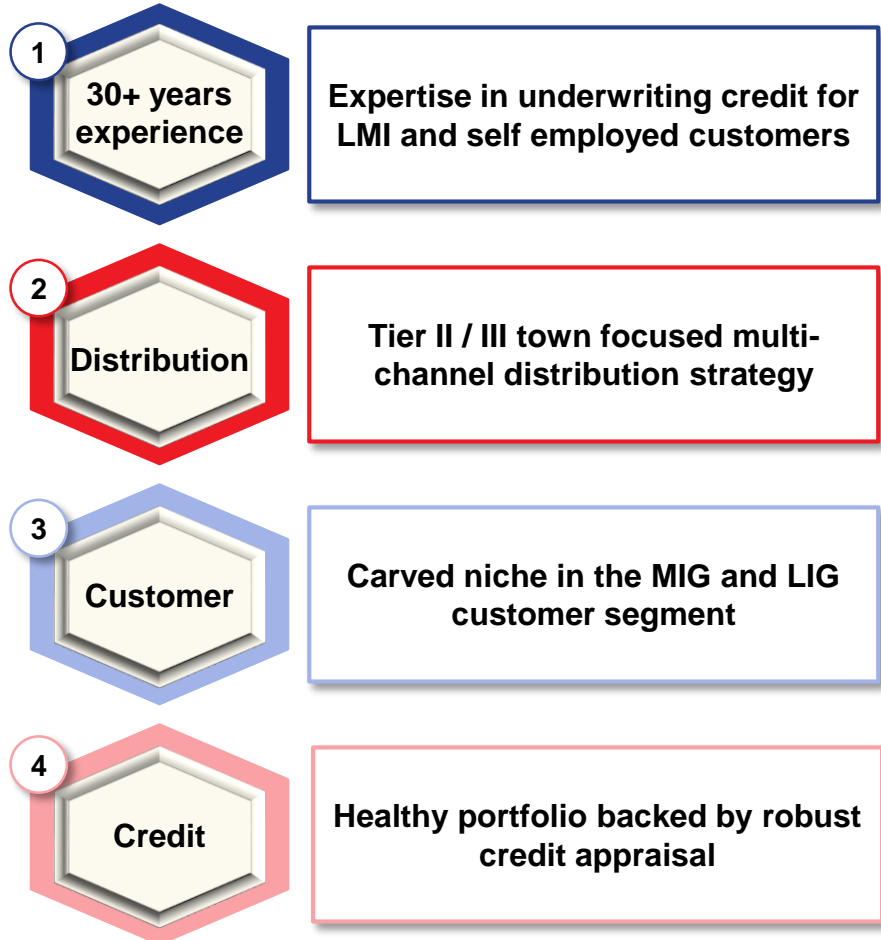
### Housing loans

- ✓ House Purchase
- ✓ Home extension and improvement
- ✓ Resale property
- ✓ Construction

### Non-housing loans

- ✓ Loan Against Property
- ✓ Lease Rental Financing
- ✓ Purchase of Commercial Premises
- ✓ SME Loans
- ✓ Project Loans

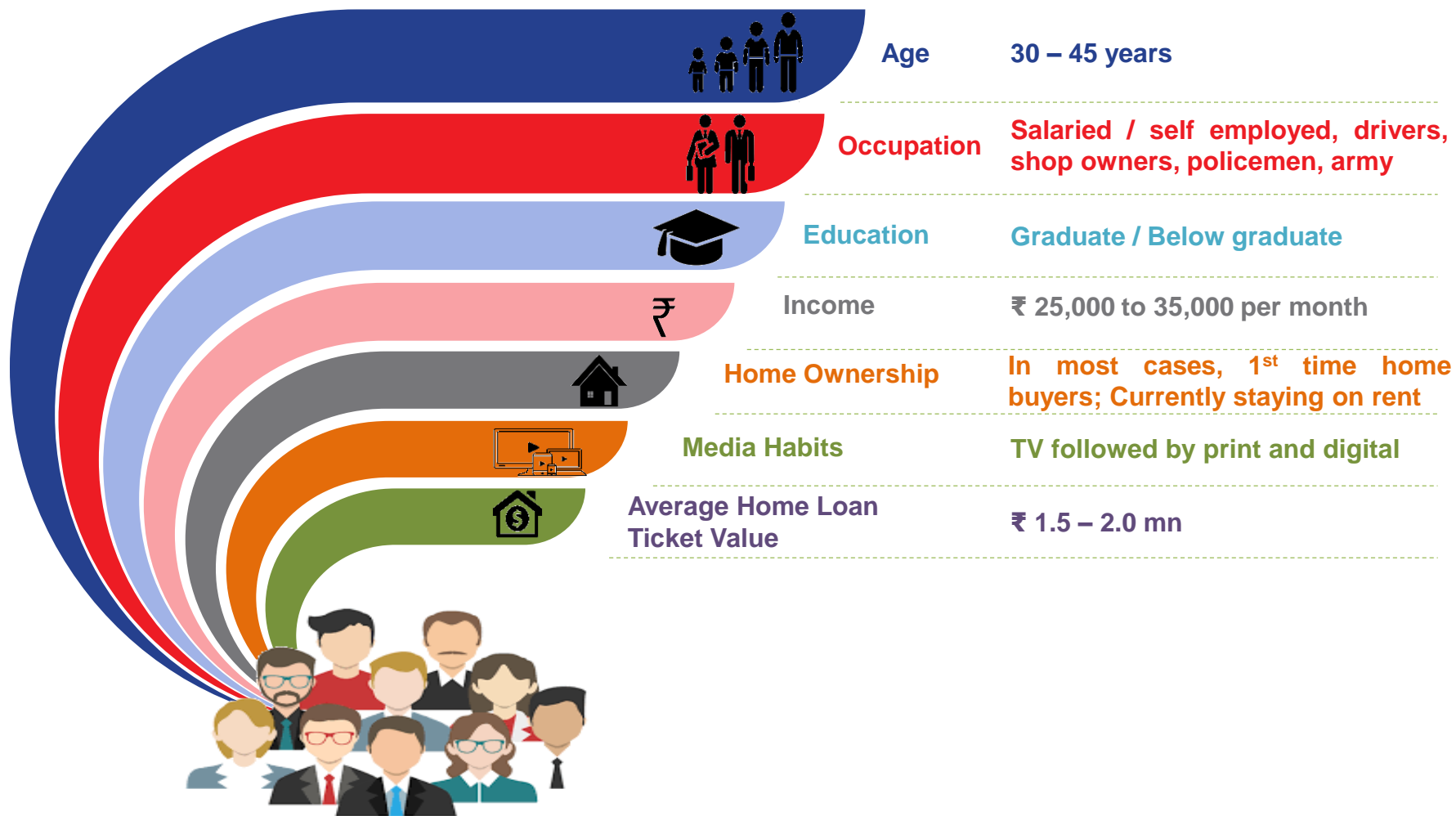
## Key differentiators of DHFL





# Who is our Customer?

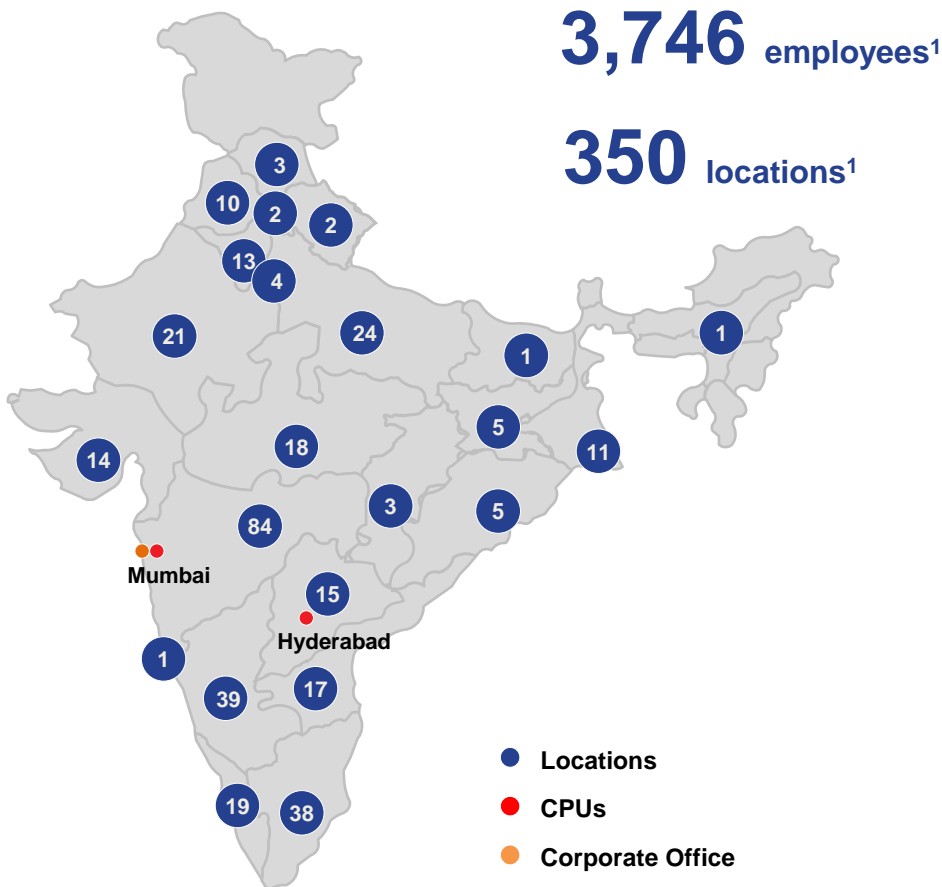
Good understanding of customer to ensure strong business momentum while maintaining portfolio quality



# Pan-India distribution network, with high tier II / III town penetration

Strong distribution network with 350 locations primarily spread across tier II / III towns and outskirts of metros

## Pan – India geographic presence

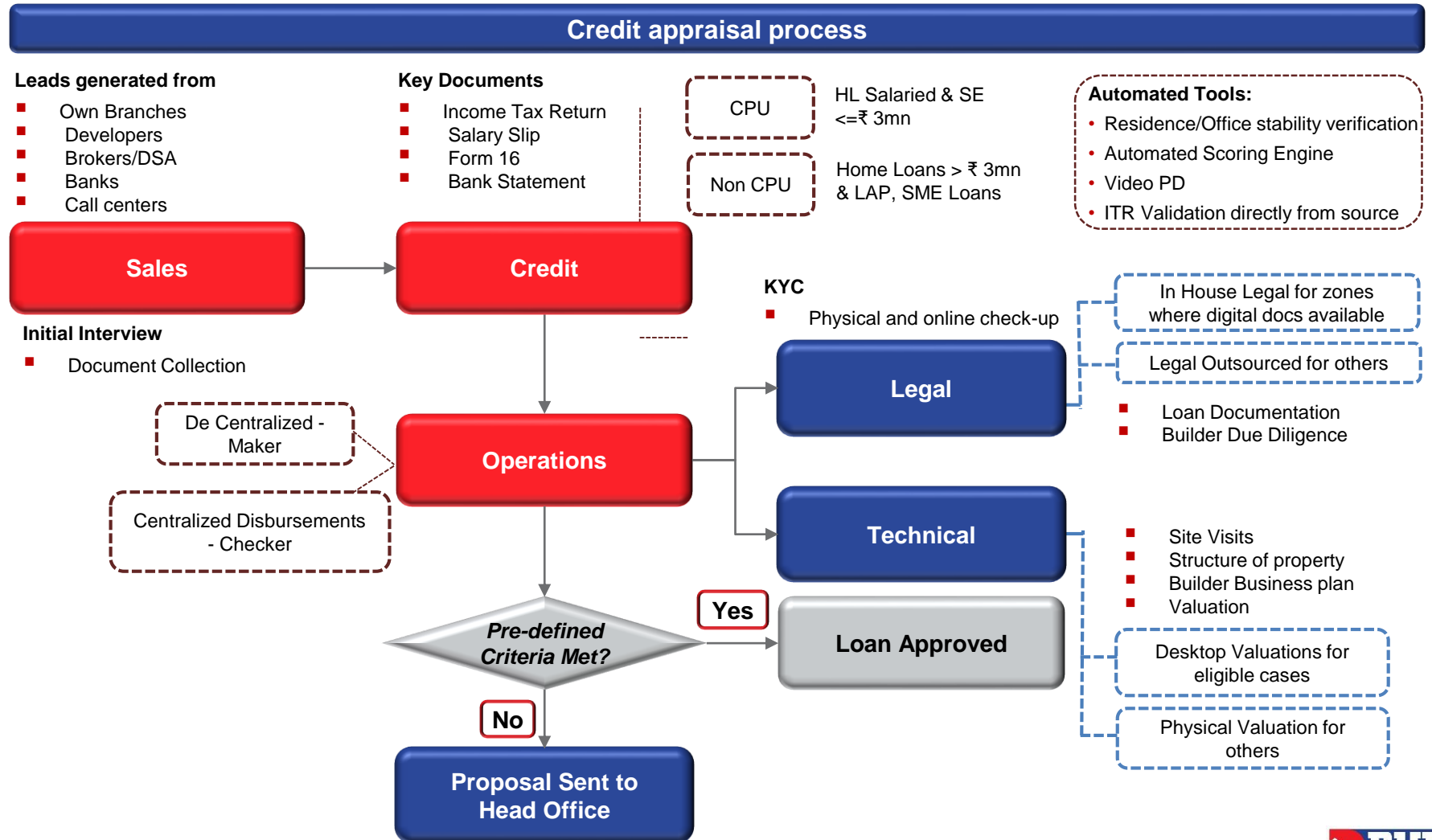


Designed to tap the growing potential of the LMI segment

Grouped in zones and regions spread across tier II / III towns and outskirts of metros

# Business Enablers: Robust Credit Appraisal Process

- Centralised processing centres using automated tools for greater efficiency and risk management
- In-house legal and technical team appraise applications and in-house civil engineers conduct technical evaluation



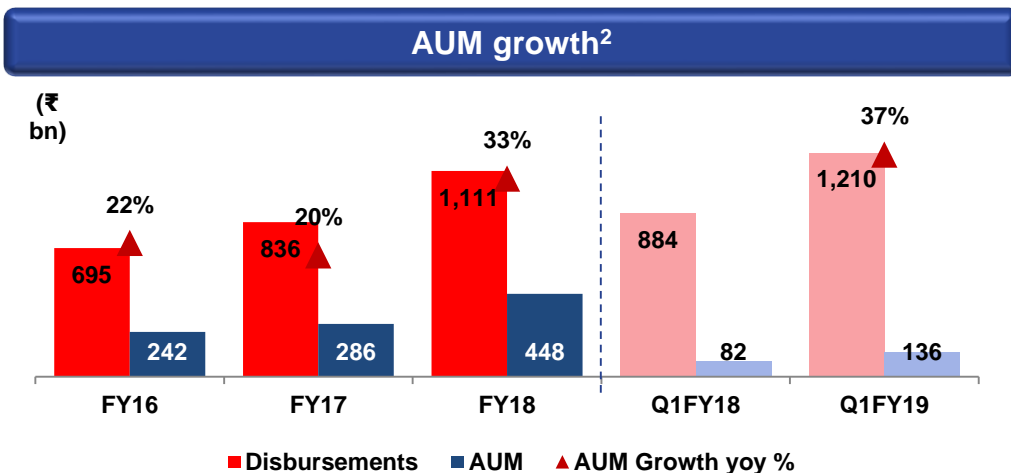
# Section 4

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## Business and Financial Performance

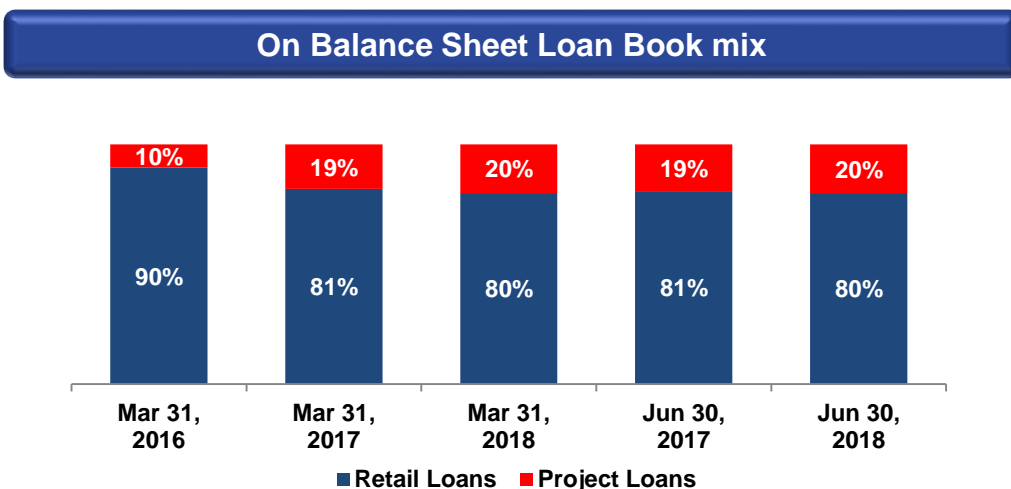
# Robust AUM Growth

Strong growth in AUM and disbursement, CAGR<sup>1</sup> of 26.4% and 36.1% respectively



Healthy portfolio growth driven by focus on LMI customer segment

Retail loans to maintain dominant share of DHFL's product offerings



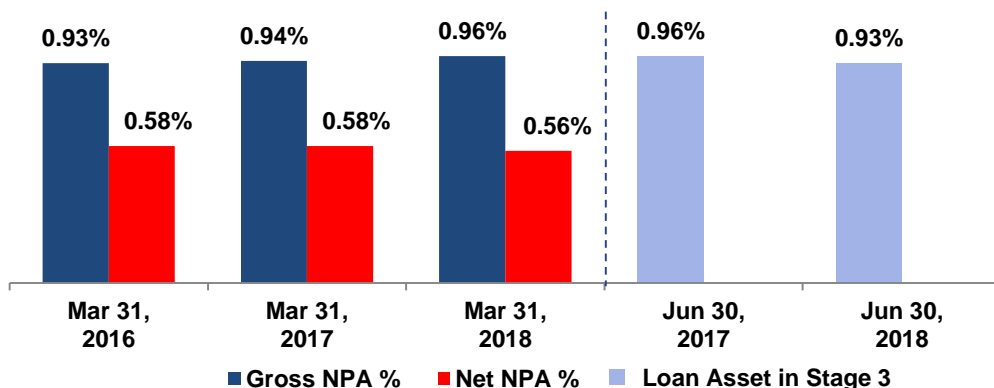
Affordable housing to lead growth, spurred by government focus

Tech initiatives to increase penetration with the existing physical infrastructure

# Healthy Asset Quality

Healthy and resilient asset quality on the back of the comprehensive underwriting processes in place

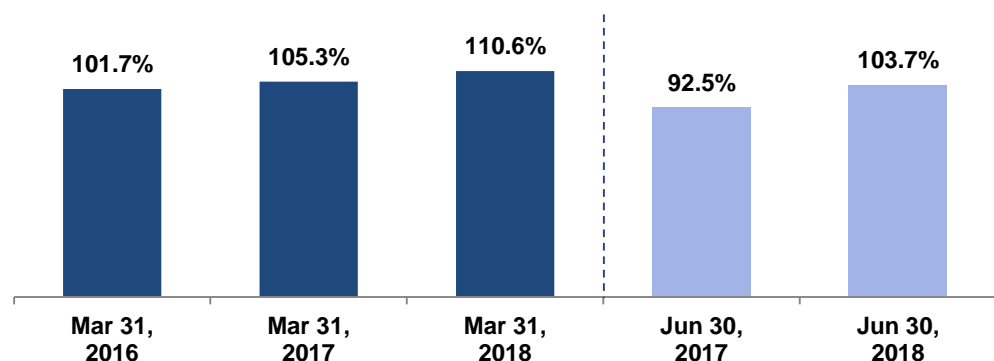
## Asset quality<sup>1</sup>



Technology-led robust credit appraisal maintaining healthy asset quality

CPUs and centralized disbursements reducing TAT and enabling better controls

## Currently 100% + Provisioning<sup>2</sup>



Advanced collection processes with close monitoring of accounts

Utilizes effective risk management tools to mitigate fraud risks

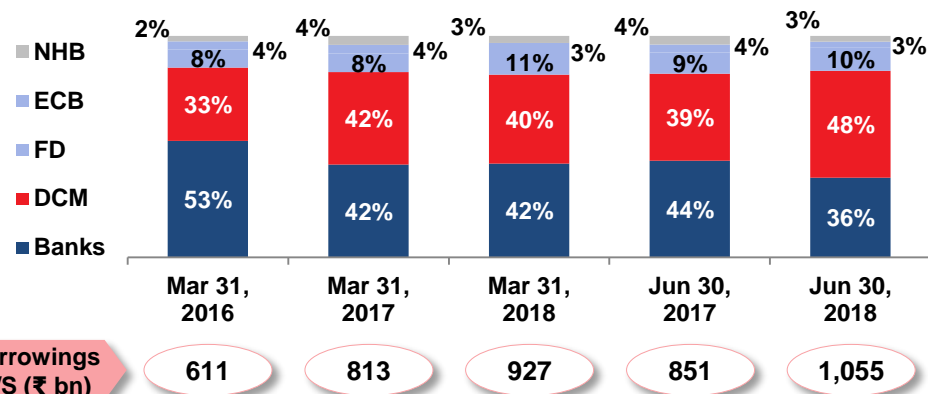
Notes: All values based on DHFL standalone accounts. FY16, FY17 and FY18 as per IGAAP; Q1FY18 and Q1FY19 as per IndAS.

TAT stands for Turn Around Time, CPU – Centralized Processing Units. 1. Loan assets in stage 3 for quarter data as per IndAS classification. 2. Provisions for Q1 FY18 and Q1 FY19 are as per IndAS: (Stage 1 + Stage 2 + Stage 3 Provisions) / Loan assets in Stage 3 (GNPA).

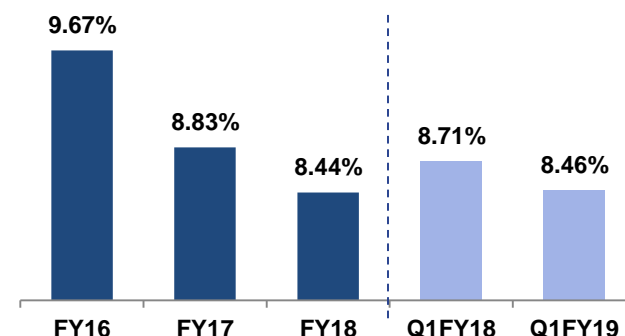
# Well Diversified Sources of Borrowings

Well diversified sources of funds and strong credit ratings resulting in a gradual decline in cost of borrowings

## Liability Mix



## Cost of funds<sup>1</sup> (On B/S)



## Credit Rating

| Nature of borrowing      | Rating / outlook |           |          |          |
|--------------------------|------------------|-----------|----------|----------|
|                          | Care             | Brickwork | ICRA     | CRISIL   |
| Commercial Paper         | A1+              | –         | A1+      | A1+      |
| Public FDs / ST Deposits | AAA (FD)         | FAAA      | –        | A1+      |
| Subordinated debt        | AA+              | AAA       | –        | –        |
| NCDs                     | AAA              | AAA       | –        | –        |
| IPDIs                    | AA               | AA+       | –        | –        |
| Long-term bank loans     | AAA              | –         | –        | –        |
| Structured Obligations   | AAA (SO)         | –         | AAA (SO) | AAA (SO) |

Raised ₹ 109.5bn through 3<sup>rd</sup> retail NCD issue in Q1FY19

Raised US\$150mn through 1<sup>st</sup> Masala medium term note issue

Optimize COF by continuous diversification of liabilities and proactive fund management

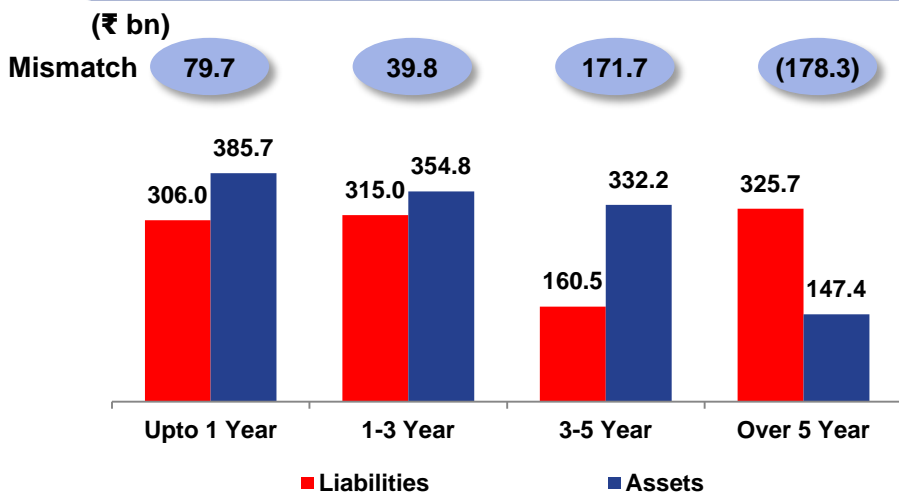
Notes: All values based on DHFL standalone accounts. FY16, FY17 and FY18 as per IGAAP; Q1FY18 and Q1FY19 as per IndAS.

FD stands - Fixed Deposits, NCD - Non Convertible Debentures, IPDI - Innovative Perpetual Debt Instruments. SO - Structured Obligations. ECB - External Commercial Borrowing, NHB - National Housing Bank, DCM - Debt Capital Markets, COF – Cost of Funds. 1. COF in % p.a. as on closing day of the period.

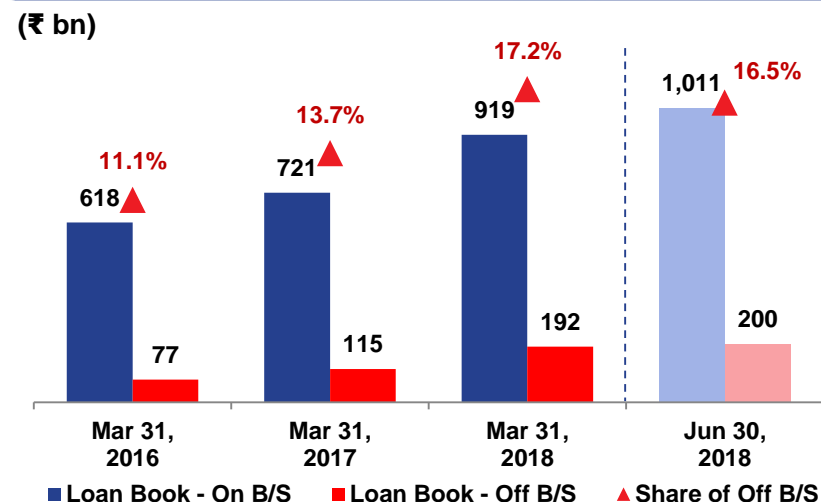
# Superior Risk Management via Asset Liability Matching

Strong risk management processes leading to no asset liability mismatch in the short and medium term

## No Asset Liability Mismatch under 5 years<sup>1</sup>



## On / Off B-S Loan Book<sup>2</sup>



No Asset Liability Mismatch in short and medium term buckets (under 5 years)

Gross amount of securitised assets total ₹ 26.3bn in Q1FY19; share of Off B/S loan assets at 16.5% of total AUM

Focus on maximizing capital efficiency and increasing profitability via securitisation / assignment of loans

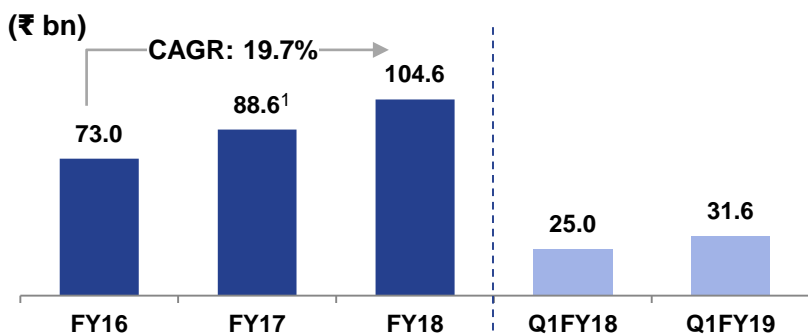


# Financial Statements (Summary)

Strong business performance y-o-y has led to an increased profitability and build up of shareholders' wealth

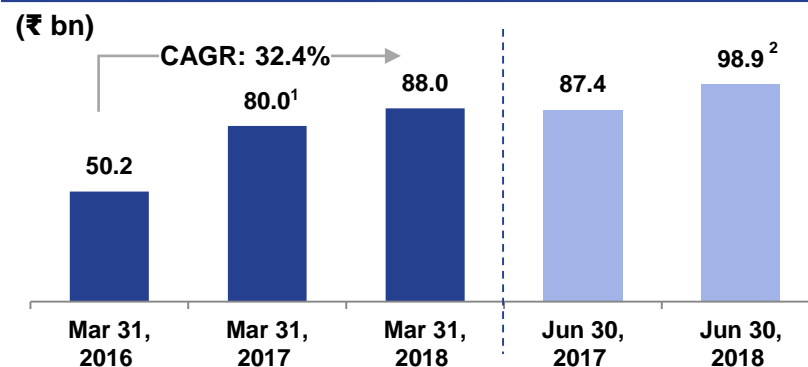
## Total Income

Total income growing at c.20% CAGR



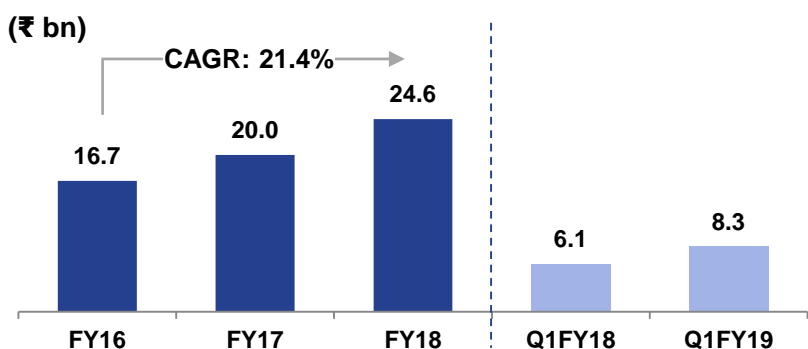
## Net Worth

Net worth rising at a CAGR of 32.4%



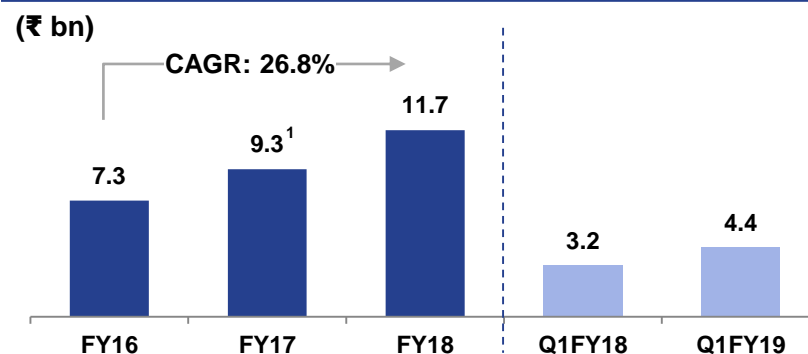
## Net Interest Income (NII)

Net interest income growing y-o-y



## Profit After Tax

PAT growing at a healthy CAGR of 26.8%

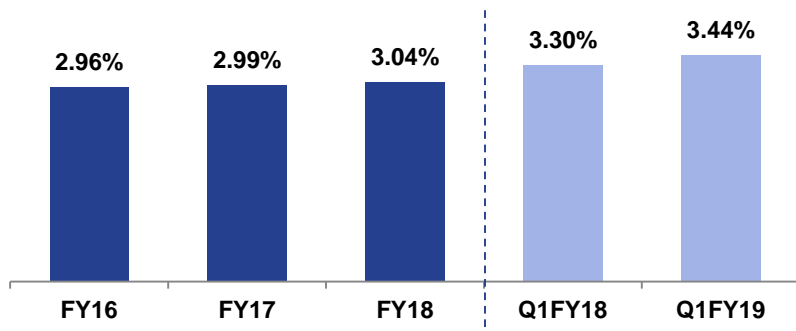


# Key Financial Metrics

Improving margins coupled with declining costs have resulted in increasing returns

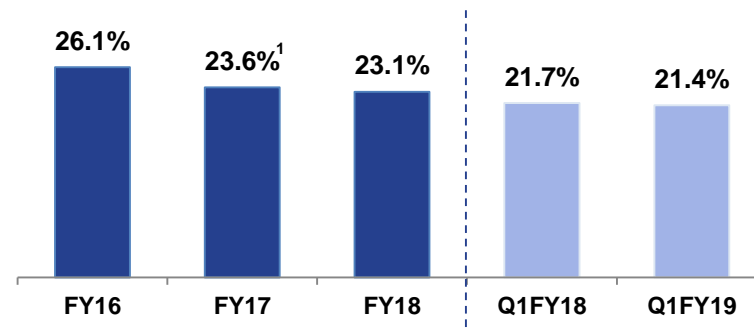
## Net Interest Margin (NIM)

Strong uptick in NIM in Q1FY19



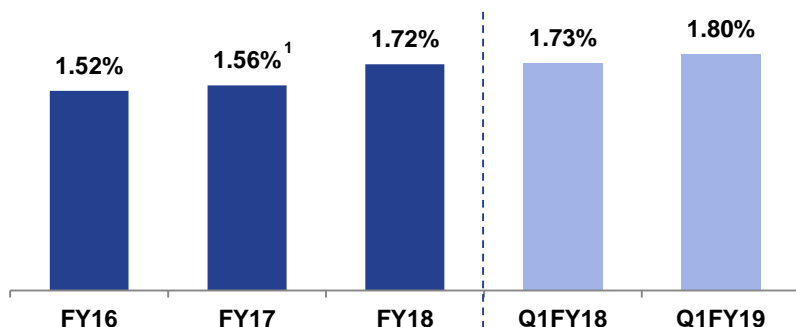
## Cost / Income Ratio<sup>2</sup>

Consistently declining cost to income ratio



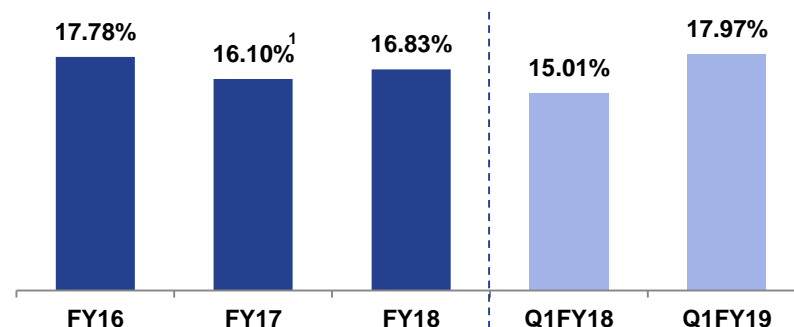
## Return on Average Assets (RoAA)<sup>3</sup>

Return on assets improving gradually



## Return on Average Equity (RoAE)<sup>4</sup>

Strong improvement in RoE in Q1FY19



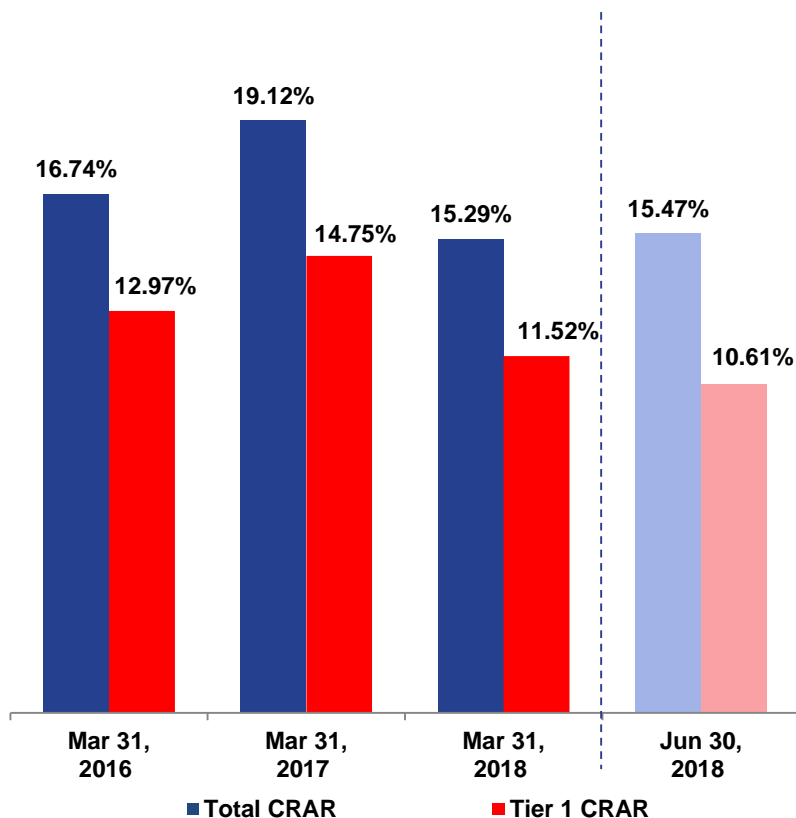
Notes: All values based on DHFL Standalone Accounts. Numbers for FY16, FY17 and FY18 as per IGAAP; Q1FY18 and Q1FY19 as per IndAS. 1. Impact of stake sale of DPLI by DHFL (₹19.69 bn) in FY17 included in net worth but excluded from PAT/Income in calculation of ratios. 2. Ratio of operating expenses to total income, adjusted for fee income. 3. Ratio of Net Profit before Provisioning and average On B/S Loan Assets for the period FY16, FY17 and FY18 and ratio of PAT and average on B/S Loan Assets for period Q1FY18 and Q1FY19. 4. Ratio of Net Profit before Provisioning and Average Net Worth for the period FY16, FY17 and FY18 and Ratio of PAT and Average On Net Worth for period Q1FY18 and Q1FY19

# Key Financial Metrics

Capital adequacy ratio above minimum thresholds and Debt/Equity ratio has declined from FY16 levels

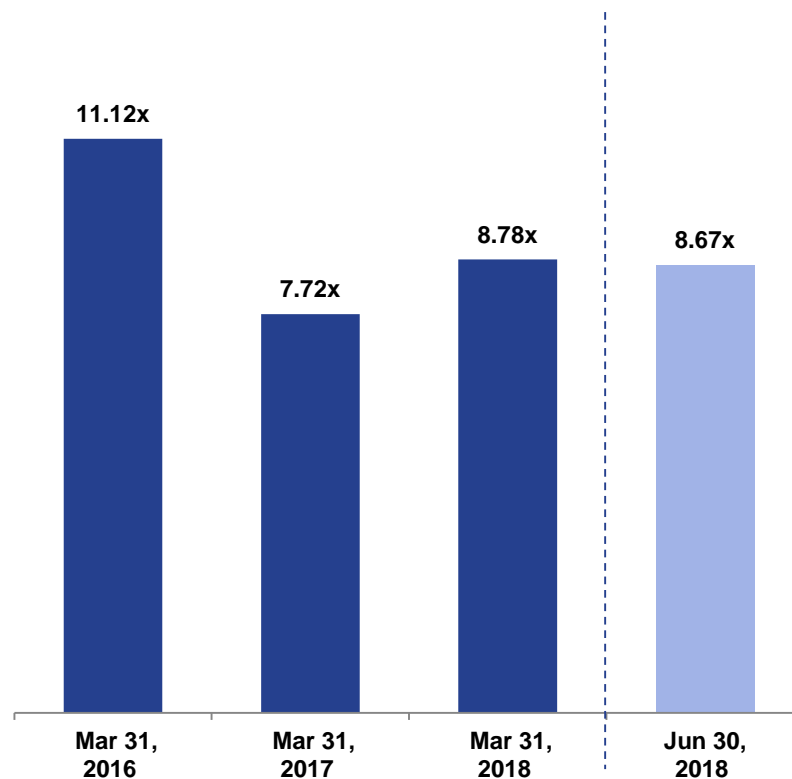
## Capital Adequacy Ratio (CRAR)

Capital adequacy ratios over minimum thresholds



## Net Debt Equity Ratio<sup>1</sup>

Net debt / equity ratio declined by c.20% from the 2016 levels

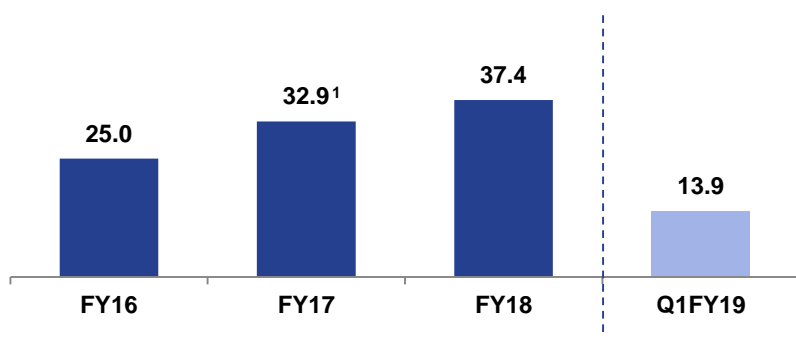


# Key Valuation Metrics

Strong results y-o-y resulting in an increase in the wealth of DHFL's shareholders

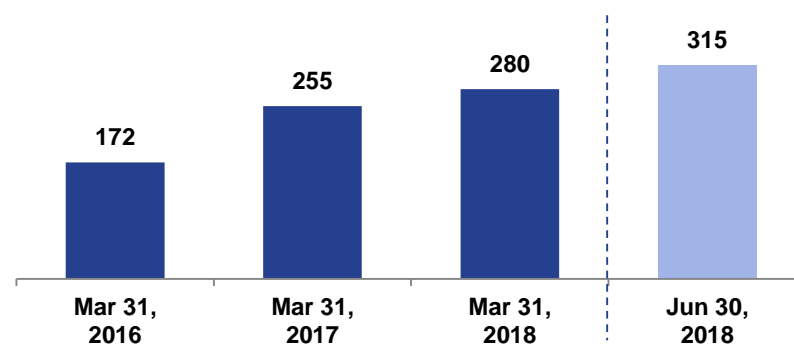
## Earnings per Share (₹ / share)

EPS rose by 50% in the last two years



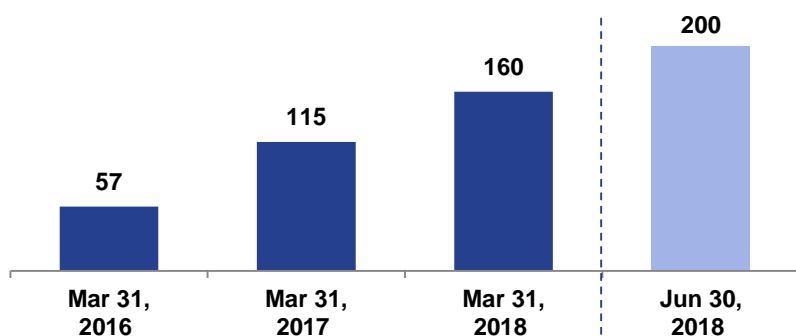
## Book Value per Share (₹ / share)

BVPS rising year on year



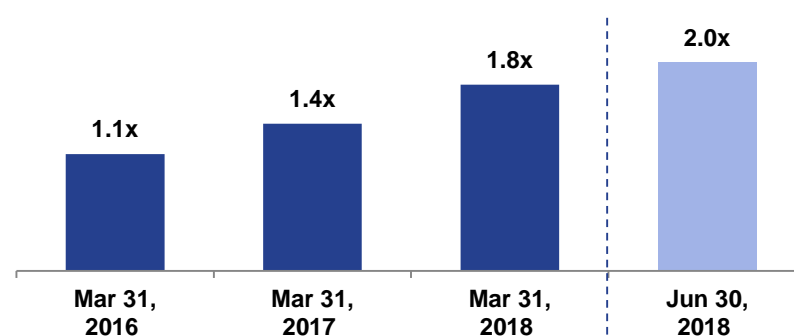
## Market Cap (₹ bn)

Valuation has risen by c.3x in the last 2 years



## Price / Book Value (Trailing)

Consistent rise in valuation multiples



# Leadership Team

DHFL has a highly experienced and cohesive leadership team

## Executive Leadership



**Kapil Wadhawan**  
Chairman and Managing Director



**Harshil Mehta**  
Joint Managing Director & CEO

## Senior Leadership

### Business Functions



**Santosh Nair**  
Chief Business Officer



**Rajendra Mirashie**  
President – Project Finance



**Pradeep Bhaduria**  
Head – Retail Liability

### Shared Services



**Santosh Sharma**  
Chief Financial Officer



**Vivek Kannan**  
Chief Operating Officer



**Jyothiratha B**  
Chief Technology Officer



**Rajendra Mehta**  
Chief People Officer



**Bharat Pareek**  
Head – Treasury



**Vikas Arora**  
Head – Risk & Collections



**Niti Arya**  
Company Secretary & Compliance Officer



**Pranab Goel**  
Head – Investor Relations



**Asish Saraf**  
Head – Management Assurance & Audit



**Pradeep Sawant**  
Head – Corporate Legal

# Experienced Board of Directors

Distinct and delineated responsibilities to ensure good corporate governance

## Kapil Wadhawan (Chairman & Managing Director)



- Joined DHFL in 1996 and appointed Chairman & Managing Director in 2009
- 22+ years of experience in the financial services industry
- MBA from Edith Cowan University, Australia

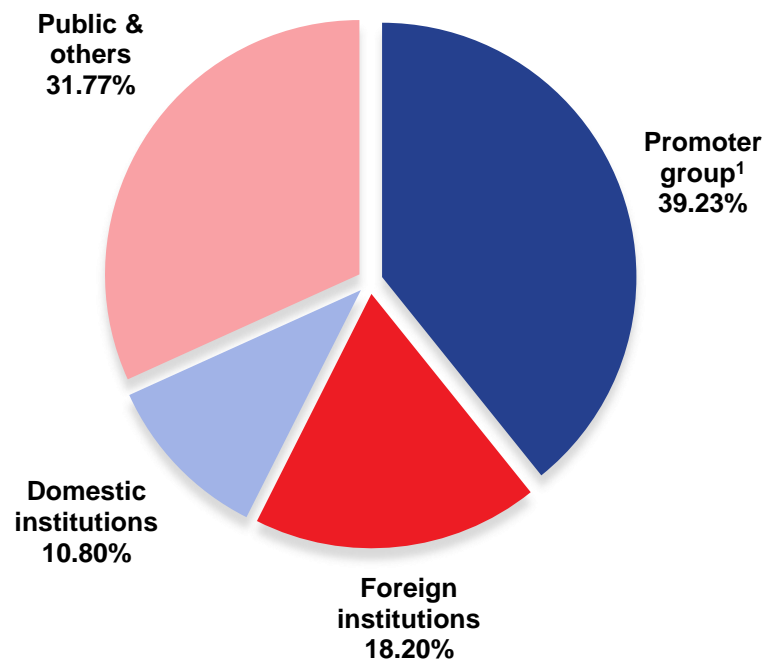
| Name   | Designation                   | Description   |
|--|-------------------------------|---|
|  <b>Harshil Mehta</b>        | <i>Joint MD and CEO</i>       | <ul style="list-style-type: none"> <li>▪ Former MD &amp; CEO of Aadhar HFC</li> <li>▪ Former MD &amp; CEO of ICICI Home Finance &amp; previously worked with ICICI bank for 10 years</li> <li>▪ Has been on the Board of DHFL since Sep 01, 2017</li> </ul> |
|  <b>Dheeraj Wadhawan</b>     | <i>Non Executive Director</i> | <ul style="list-style-type: none"> <li>▪ 11+ years of experience in real estate and construction industry</li> <li>▪ Has been on the Board of DHFL since May 12, 2008</li> </ul>  |
|  <b>G.P. Kohli</b>           | <i>Independent Director</i>   | <ul style="list-style-type: none"> <li>▪ Former MD of Life Insurance Corp (LIC) of India</li> <li>▪ Has been on the Board of DHFL since May 23, 2001</li> </ul>   |
|  <b>Vijaya Sampath</b>       | <i>Independent Director</i>   | <ul style="list-style-type: none"> <li>▪ Senior Partner in law firm, Lakshmikumaran &amp; Sridharan and ombudsperson for the Bharti Group</li> <li>▪ Has been on the Board of DHFL since Aug 26, 2004</li> </ul>  |
|  <b>Vijay Kumar Chopra</b> | <i>Independent Director</i>   | <ul style="list-style-type: none"> <li>▪ Former Chairman &amp; MD of Corporation Bank and SIDBI and former whole time member of SEBI</li> <li>▪ Has been on the Board of DHFL since May 12, 2008</li> </ul>   |
|  <b>Mannil Venugopalan</b> | <i>Independent Director</i>   | <ul style="list-style-type: none"> <li>▪ Former Chairman and MD of Bank of India and MD and CEO of Federal Bank</li> <li>▪ Has been on the Board of DHFL since Feb 25, 2013</li> </ul>  |

**Deloitte Haskins & Sells LLP<sup>1</sup> and Chaturvedi & Shah are joint statutory auditors of DHFL**

# Dewan Housing Finance Corporation Limited | Shareholding

- Flagship company of Wadhawan Global Capital which holds 37.32% stake as promoter
- Active participation from FII's and DII's accounting for 29.00% stake with participation from marquee investors

## Shareholding overview (June 30, 2018)



## Key shareholders (June 30, 2018)

| S.No | Name of investor                                      | % holding |
|------|---|-----------|
| 1    | Rakesh Jhunjhunwala <sup>2</sup>                      | 3.16%     |
| 2    | Life Insurance Corp. of India                         | 2.87%     |
| 3    | Vanguard <sup>2</sup>                                 | 2.49%     |
| 4    | Franklin Templeton Investments <sup>2,3</sup>         | 2.28%     |
| 5    | Dimensional Funds <sup>2,3</sup>                      | 2.06%     |
| 6    | Neuberger Berman <sup>2,3</sup>                       | 1.25%     |
| 7    | Globe Capital Market Limited <sup>2</sup>             | 1.11%     |
| 8    | Lazard <sup>2</sup>                                   | 1.08%     |
| 9    | India Infoline Securities Limited (IIFL) <sup>2</sup> | 1.04%     |
| 10   | TimesSquare Capital (AMG) <sup>2</sup>                | 0.85%     |

# Annexure 1

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Financial Statements – Q1 FY19



## Summary of Profit & Loss

| (₹ bn)                     | FY16        | FY17        | FY18        | Q1FY18     | Q1FY19     | CAGR<br>FY16-18 | Growth<br>(Q1FY19 v/s<br>Q1FY18) |
|----------------------------|-------------|-------------|-------------|------------|------------|-----------------|----------------------------------|
| Interest income            | 71.6        | 86.5        | 100.2       | 24.4       | 30.2       | 18.3%           | 24.0%                            |
| (-) Interest expense       | 54.9        | 66.5        | 75.6        | 18.3       | 21.9       | 17.4%           | 20.1%                            |
| <b>Net interest income</b> | <b>16.7</b> | <b>20.0</b> | <b>24.6</b> | <b>6.1</b> | <b>8.3</b> | <b>21.4%</b>    | <b>35.4%</b>                     |
| (+) Non interest income    | 1.4         | 21.7        | 4.4         | 0.6        | 1.3        | 76.8%           | 126.3%                           |
| (-) Operating expense      | 5.1         | 5.6         | 7.0         | 1.5        | 2.3        | 17.0%           | 48.8%                            |
| (-) Depreciation           | 0.2         | 0.2         | 0.3         | 0.1        | 0.1        | 6.6%            | 34.2%                            |
| (-) Provisioning           | 1.8         | 2.2         | 4.2         | 0.7        | 0.9        | 54.9%           | 33.1%                            |
| <b>Profit before tax</b>   | <b>11.0</b> | <b>33.7</b> | <b>17.6</b> | <b>4.5</b> | <b>6.4</b> | <b>26.2%</b>    | <b>43.2%</b>                     |
| (-) Taxes                  | 3.7         | 4.8         | 5.8         | 1.2        | 2.0        | 25.2%           | 64.8%                            |
| <b>Profit after tax</b>    | <b>7.3</b>  | <b>29.0</b> | <b>11.7</b> | <b>3.2</b> | <b>4.4</b> | <b>26.8%</b>    | <b>34.9%</b>                     |
| Total comprehensive income |             |             |             | 3.0        | 4.7        |                 | 57.8%                            |

## Summary of Balance Sheet

| (₹ bn)                                    | FY16         | FY17         | FY18           | Q1FY18       | Q1FY19         | CAGR<br>FY16-18 | Growth<br>(Q1FY19 v/s<br>Q1FY18) |
|---|--------------|--------------|----------------|--------------|----------------|-----------------|----------------------------------|
| Advances                                  | 617.8        | 721.0        | 919.3          | 757.3        | 1,000.9        | 22.0%           | 32.2%                            |
| Investments                               | 15.7         | 162.4        | 96.9           | 124.3        | 90.8           | 148.3%          | (27.0%)                          |
| Others                                    | --           | --           | --             | --           | --             | --              | --                               |
| <b>Total interest-earnings assets</b>     | <b>633.5</b> | <b>883.3</b> | <b>1,016.2</b> | <b>881.5</b> | <b>1,091.7</b> | <b>26.7%</b>    | <b>23.8%</b>                     |
| Fixed assets                              | 7.8          | 8.4          | 9.8            | 8.4          | 9.9            | 12.0%           | 17.1%                            |
| Other assets                              | 37.3         | 31.2         | 49.8           | 80.1         | 107.0          | 15.5%           | 33.7%                            |
| <b>Total assets</b>                       | <b>678.5</b> | <b>923.0</b> | <b>1,075.7</b> | <b>970.1</b> | <b>1,208.6</b> | <b>25.9%</b>    | <b>24.6%</b>                     |
| Borrowings                                | 611.0        | 813.4        | 927.2          | 851.2        | 1,055.4        | 23.2%           | 24.0%                            |
| <b>Total interest bearing liabilities</b> | <b>611.0</b> | <b>813.4</b> | <b>927.2</b>   | <b>851.2</b> | <b>1,055.4</b> | <b>23.2%</b>    | <b>24.0%</b>                     |
| Capital and reserves                      | 50.2         | 80.0         | 88.0           | 87.4         | 98.9           | 32.4%           | 13.1%                            |
| Other liabilities                         | 16.4         | 26.5         | 57.0           | 32.4         | 53.9           | 86.4%           | 66.2%                            |
| Deferred Tax liability                    | 0.9          | 3.1          | 3.6            | (1.0)        | 0.5            | 97.8%           | (143.3%)                         |
| <b>Total liabilities</b>                  | <b>678.5</b> | <b>923.0</b> | <b>1,075.7</b> | <b>970.1</b> | <b>1,208.6</b> | <b>25.9%</b>    | <b>24.6%</b>                     |

# Annexure 2

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## Transition from IGAAP to IndAS

# IndAS Transition - Key Impact Areas

| Key changes  | Impacted Item                                       | IGAAP   | IndAS  |
|--|---|---|--|
| 1 Expected Credit Loss (ECL)                           | Provisions and Write Off                            | Provisions made based on NHB guidelines (rules based incurred losses model) | Loan book classified into 3 stages and provisions made based on expected future credit losses                  |
| 2 Effective Interest Rate (EIR) accounting             | Interest Income, Interest Expenses & Other Expenses | Fee income and commission/DSA expenses recognised upfront                   | Fee income and commission/DSA expenses amortised over residual tenure and included in interest income/expenses |
| 3 Redemption premium on NCD/securities                 | Interest Expenses                                   | Charged from share premium reserves   | Charge to P&L as part of EIR   |
| 4 Income on Direct Assignment                          | Interest Income                                     | Excess Interest Spread (EIS) amortised over life of asset                   | Upfront recognition of NPV of EIS on Direct Assignment   |
| 5 Share based employee remuneration (ESOP/ESAR)        | Employee Expenses                                   | Intrinsic value charged to P&L  | Fair valuation of options granted<br>Charge to P&L   |
| 6 Investment in Mutual Funds, G-Secs & Debt Securities | Treasury Income                                     | Accounted at cost and provision for diminution charged to P&L               | Accounted at fair value through profit or loss   |
| 7 Deferred Tax Liability (DTL) on Special Reserve      | Taxes   | DTL created in P&L  | Not required; Existing DTL reversed  |

## Q1FY18 PAT Reconciliation

| (₹ mn)  | Q1FY18         |
|---|----------------|
| <b>Net Profit After Tax as per previous IGAAP</b>   | <b>2,604.8</b> |
| <b>Adjustments on account of</b>  |                |
| Effective Interest Rate (EIR) for financial assets and liabilities recognised at amortised cost/net interest on credit impaired loans | (119.9)        |
| Incremental gain from Excess Interest Spread (EIS) on assignment and securitisation transactions                                      | 528.9          |
| Application of Expected Credit Loss (ECL)   | 104.3          |
| Fair valuation of investments   | (17.9)         |
| Fair valuation of employee stock options/employee stock appreciation rights (ESOP/ESAR)   | (9.2)          |
| Reclassification of actuarial gains and losses on employee benefit plans to other comprehensive income                                | 5.4            |
| Reversal of Deferred Tax Liability (DTL) on Special Reserve   | 127.8          |
| <b>Net profit After Tax as per IndAS</b>  | <b>3,224.2</b> |
| Other Comprehensive Income (net of tax)   | (233.3)        |
| <b>Total Comprehensive Income (net of tax) as per IndAS</b>   | <b>2,990.9</b> |

## Expected Credit Loss (ECL)

| (₹ mn)                                | Q1FY19        | Q1FY18        |
|---------------------------------------|---------------|---------------|
| Gross Stage 3                         | 9,438         | 7,367         |
| % Portfolio in Stage 3                | 0.93%         | 0.96%         |
| ECL Provision – Stage 3               | 2,287         | 1,984         |
| Net Stage 3                           | 7,152         | 5,384         |
| <b>Coverage ratio in Stage 3</b>      | <b>24.23%</b> | <b>26.92%</b> |
| Gross Stage 1 & 2                     | 1001,286      | 756,708       |
| % Portfolio in Stage 1 & 2            | 99.07%        | 99.04%        |
| ECL Provision – Stage 1 & 2           | 7,496         | 4,828         |
| Net Stage 1 & 2                       | 993,790       | 751,879       |
| <b>Provision Coverage Ratio (PCR)</b> | <b>103.7%</b> | <b>92.5%</b>  |

# Appendix

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# Awards and recognition

Awarded 'Best Performing Primary Lending Institution under CLSS for MIG' in FY19 by the Ministry of Housing and Urban Affairs, among other recognitions



- **Best Performing Primary Lending Institution** under CLSS for MIG by MoHUA
- **Leading Housing Finance Company** of the Year by Times Network
- The Economic Times **Iconic Brand** Award 2018



- **Most Trusted Housing Finance Brand** in the National Awards for Best Housing Finance Companies organised by CMO Asia and World Federation of Marketing
- **Best Performing Primary Lender** under CLSS for MIG by My Liveable City and NHB
- One of India's '**Dream Companies to work for**' in the housing finance sector, World HRD Congress



# DHFL Corporate Social Responsibility

## Early Childhood Care & Education (ECCE)



- Company's flagship CSR programme implemented by the DHFL Changing Lives Foundation
- Programme to strengthen delivery of Integrated Child Development Services (ICDS) scheme through Anganwadis

## Skills development for sustainable livelihoods

- Aimed at training and empowering youth from marginalised communities in diverse job roles
- 6,000+ youth trained till 31 Mar, 2018



## Village transformation project with focus on drought mitigation



- Address short and long term measures to mitigate cause and effects of drought
- Aim to develop a Village Repository Centre

## Economic empowerment through financial literacy & inclusive growth

- Focused on slum development, aiding transition of informal settlements to formal housing
- Reached out to 40,000+ households across Jaipur, Varanasi, Ranchi and Raipur



## Other CSR Programmes



- Support AIM for Seva Free Student Homes for tribal children
- Support midday meal programme by 'The Akshaya Patra Foundation' and 'Annamitra Food for Life'

## Olympic Gold Quest

- Nurture skills in various sports disciplines with objective of making a mark in the Olympic Games
- Supported by leading Indian sports personalities



# Glossary

|                |  |              |  |              |                                       |
|----------------|--|--------------|--|--------------|---------------------------------------|
| <b>A&amp;A</b> | Assurance & Audit                      | <b>ECL</b>   | Expected Credit Loss                   | <b>MoHUA</b> | Ministry of Housing and Urban Affairs |
| <b>AH</b>      | Affordable Housing                     | <b>ECS</b>   | Electronic Clearing Service            | <b>NCD</b>   | Non-Convertible Debentures            |
| <b>ALM</b>     | Asset Liability Management             | <b>EPFO</b>  | Employees' Provident Fund Organization | <b>NHB</b>   | National Housing Bank                 |
| <b>ATS</b>     | Average Ticket Size                    | <b>EPS</b>   | Earnings Per Share                     | <b>NIM</b>   | Net Interest Margin                   |
| <b>AUM</b>     | Asset Under Management                 | <b>EWS</b>   | Economically Weaker Section            | <b>NPA</b>   | Non-Performing Assets                 |
| <b>B/S</b>     | Balance Sheet                          | <b>FD</b>    | Fixed Deposit                          | <b>PAT</b>   | Profit After Tax                      |
| <b>bn</b>      | billion                                | <b>FII</b>   | Foreign Institutional Investor         | <b>PCR</b>   | Provision Coverage Ratio              |
| <b>BVPS</b>    | Book Value Per Share                   | <b>FY</b>    | Fiscal Year                            | <b>PD</b>    | Personal Discussion                   |
| <b>CAGR</b>    | Compounded Annual Growth Rate          | <b>GDP</b>   | Gross Domestic Product                 | <b>PDC</b>   | Post Dated Cheque                     |
| <b>CAR</b>     | Capital Adequacy Ratio                 | <b>GNPA</b>  | Gross Non-Performing Assets            | <b>PMAY</b>  | Pradhan Mantri Awas Yojana            |
| <b>CEO</b>     | Chief Executive Officer                | <b>HFC</b>   | Housing Finance Company                | <b>PSL</b>   | Priority Sector Lending               |
| <b>CLSS</b>    | Credit Linked Subsidy Scheme           | <b>IFC</b>   | International Finance Corporation      | <b>q-o-q</b> | Quarter on Quarter                    |
| <b>CP</b>      | Commercial Paper                       | <b>Infra</b> | Infrastructure                         | <b>RERA</b>  | Real Estate Regulatory Authority      |
| <b>CPU</b>     | Central Processing Unit                | <b>IPDI</b>  | Innovative Perpetual Debt Instruments  | <b>RoAA</b>  | Return on Average Assets              |
| <b>DCM</b>     | Debt Capital Markets                   | <b>IPO</b>   | Initial Public Offer                   | <b>RoAE</b>  | Return on Average Equity              |
| <b>DHFL</b>    | Dewan Housing Finance Corporation Ltd. | <b>ITR</b>   | Income Tax Return                      | <b>SEC</b>   | Socio Economic Classes                |
| <b>DII</b>     | Domestic Institutional Investor        | <b>LAP</b>   | Loan Against Property                  | <b>SME</b>   | Small and Medium Enterprises          |
| <b>DPAMC</b>   | DHFL Pramerica Asset Management Co.    | <b>LIG</b>   | Lower Income Group                     | <b>SO</b>    | Structured Obligations                |
| <b>DPLI</b>    | DHFL Pramerica Life Insurance          | <b>LMI</b>   | Lower and Middle Income                | <b>ST</b>    | Short Term                            |
| <b>DSA</b>     | Direct Selling Agents                  | <b>MD</b>    | Managing Director                      | <b>TAT</b>   | Turn Around Time                      |
| <b>DST</b>     | Direct Sales Team                      | <b>MIG</b>   | Middle Income Group                    | <b>WGC</b>   | Wadhawan Global Capital               |
| <b>ECB</b>     | External Commercial Borrowings         | <b>mn</b>    | million                                | <b>y-o-y</b> | Year on Year                          |