



DEWAN HOUSING FINANCE CORPORATION LIMITED

Press Release

Dewan Housing Finance Corporation Limited to open its first-ever NCD Public Issue on August 3, 2016

Offers innovative NCD Issue structure with option of Consumer Price Index (Inflation) linked coupon rate

Options of 3-, 5-, 10- year tenor with monthly, annual & cumulative payment options

- Triple A Rating: "CARE AAA" by CARE ; "BWR AAA" Outlook: Stable by Brickwork
- Annual Yield: HNI/Retail: Ranging from 9.20% to 9.30%
- Propose to list NCDs on NSE and BSE
- Issue size of Rs. 1,000 crore with option to retain over-subscription up to Rs. 4,000 crore
- Allotment on first-come, first-served basis
- Investors have an option to apply for NCDs in dematerialized or in physical form

Mumbai, July 29, 2016: Dewan Housing Finance Corporation Limited ("DHFL" or the "Company"), one of India's leading private sector housing finance companies registered with National Housing Bank (NHB), proposes to open on August 3, 2016, a public issue of secured redeemable Non-Convertible Debentures ("NCD") of face value of Rs. 1,000 each aggregating up to Rs. 4,000 crore ("Shelf Limit") by way of Tranche 1 Prospectus to be read together with the Shelf Prospectus dated July 26, 2016 ("Prospectus"). ("Tranche I Issue"). The Issue is scheduled to close on August 16, 2016, with an option of early closure or extension as decided by the Board of Directors of our Company ("Board") or the Finance Committee.

The NCDs proposed to be issued under this Issue have been rated 'CARE AAA (Triple A)' for an amount of Rs. 4,000 crore by Credit Analysis and Research Limited ("CARE") vide their letter dated July 7, 2016 and BWR AAA (Pronounced as BWR Triple A) Outlook: Stable for an amount of Rs. 4,000 crore, by Brickwork Ratings India Private Limited ("Brickwork") vide their letter dated July 7, 2016. The rating of CARE AAA by CARE and BWR AAA, Outlook: Stable by Brickwork indicates that instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry the lowest credit risk. The minimum application amount is Rs. 10,000 collectively across all options on NCDs and in multiples of One (1) NCD after the minimum application. Allotment is on a first-come-first-serve basis (except on the date of oversubscription, if any, when all the investors applying on the said date will get allotment on a proportionate basis). Investors have an option to apply for NCDs in dematerialized as well as physical form.

Mr. Kapil Wadhawan, Chairman and Managing Director, DHFL, said, "Urbanization, demographic changes, increasing financial penetration and low mortgage to GDP ratio will propel growth and create strong demand in the housing finance business. DHFL has been fulfilling home ownership dreams for millions of Indians since 1984. This is the Company's first NCD Public Issue. The NCD Issue is one of the various funding sources to optimize funding costs and maintain a diverse funding portfolio that will enable us to achieve funding stability and liquidity. As a diversified financial services Group with customer offerings in loans & deposits, we propose to utilise the Net Proceeds of the NCD Public Issue for the purpose of onward lending, financing, and general corporate purposes.

Mr. Wadhawan added, "In our CARE Triple A and BWR AAA rated NCD Public Issue, retail individual investors and High Net Worth Individuals (HNIs) have a combined allocation ratio of 60% and retail individual investors will get the first priority in case of undersubscription in any investor categories. We are offering an innovative floating instrument in the form of Consumer Price Index (Inflation) linked instrument that has a Coupon Rate currently of 9.10% for Category I & II investors and 9.20% for Category III and Category IV investors respectively."

Issue Structure

In Series I, the tenor is 3 years and the frequency of coupon payment is monthly; the coupon rate for Category I & Category II investors is 8.74%; the coupon rate for Category III & Category IV investors is 8.83%; effective yield for Category I & Category II investors is 9.10%; effective yield for Category III & Category IV investors is 9.20%.

In Series II, the tenor is 5 years and the frequency of coupon payment is monthly; the coupon rate for Category I & Category II investors is 8.74%; the coupon rate for Category III & Category IV investors is 8.88%; effective yield for Category I & Category II investors is 9.10%; effective yield for Category III & Category IV investors is 9.25%.

In Series III, the tenor is 10 years and the frequency of coupon payment is monthly; the coupon rate for Category I & Category II investors is 8.74%; the coupon rate for Category III & Category IV investors is 8.93%; effective yield for Category I & Category II investors is 9.10%; effective yield for Category III & Category IV investors is 9.30%.

In Series IV, the tenor is 3 years and the frequency of coupon payment is annual; the coupon rate for Category I & Category II investors is 9.10%; the coupon rate for Category III & Category IV investors is 9.20%; effective yield for Category I & Category II investors is 9.10%; effective yield for Category III & Category IV investors is 9.20%.

In Series V, the tenor is 5 years and the frequency of coupon payment is annual; the coupon rate for Category I & Category II investors is 9.10%; the coupon rate for Category III & Category IV investors is 9.25%; effective yield for Category I & Category II investors is 9.10%; effective yield for Category III & Category IV investors is 9.25%.

In Series VI, the tenor is 10 years and the frequency of coupon payment is annual; the coupon rate for Category I & Category II investors is 9.10%; the coupon rate for Category III & Category IV investors is 9.30%; effective yield for Category I & Category II investors is 9.10%; effective yield for Category III & Category IV investors is 9.30%.

In Series VII, the tenor is 3 years and Redemption Amount is Rs. 1,298.60 per NCD of Rs. 1,000 for Category I & Category II Investors; and Rs. 1,302.17 per NCD of Rs. 1,000 for Category III & Category IV Investors; effective yield for Category I & Category II investors is 9.10%; effective yield for Category III & Category IV investors is 9.20%.

In Series VIII, the tenor is 5 years and Redemption Amount is Rs. 1,545.69 per NCD of Rs. 1,000 for Category I & Category II Investors; and Rs. 1,556.35 per NCD of Rs. 1,000 for Category III & Category IV Investors; effective yield for Category I & Category II investors is 9.10%; effective yield for Category III & Category IV investors is 9.25%.

In Series IX, the tenor is 10 years and Redemption Amount is Rs. 2,389.17 per NCD of Rs. 1,000 for Category I & Category II Investors; and Rs. 2,433.33 per NCD of Rs. 1,000 for Category III & Category IV Investors; effective yield for Category I & Category II investors is 9.10%; effective yield for Category III & Category IV investors is 9.30%.

Series X is a Consumer Price Index (CPI) linked instrument (Floating Rate Instrument) has a tenor of 3 years and the Coupon Rate for Category I & II investors is currently 9.10% (Reference CPI + 4.08%); and that for Category III and Category IV investors is currently 9.20% (Reference CPI + 4.18%). 12 month average for the period before the record date (currently at 5.02%; Source <http://mospi.nic.in/>). Floor rate on interest rate for all categories is 8.90% and cap on interest rate for all categories is 9.50%.

[Category IV Investors (Retail Individual Investors) are defined as Resident Indian individuals and HUFs through the Karta applying for an amount aggregating for an amount up to and including Rs. 10 lakh, across all Series of NCDs. Category III Investors (High Net-worth Individuals or HNIs) Investors are Resident Indian individuals and HUFs through the Karta applying for an amount above Rs. 10 lakh, across all Series of NCDs].

Interest on Application Money is at 8.00% p.a. and Interest on Refunded Money is at 6.00% p.a.

The NCDs offered through this Shelf Prospectus Tranches I Prospectus are proposed to be listed on the National Stock Exchange of India Limited (“NSE”) and BSE Limited (“BSE”).

The Lead Managers to the Issue are Edelweiss Financial Services Limited, A. K. Capital Services Limited, ICICI Bank Limited, SBI Capital Markets Limited, Trust Investment Advisors Private Limited and YES Securities (India) Limited.

About DHFL

DHFL was founded in 1984 by Late Shri Rajesh Kumar Wadhawan with a vision to provide financial access for Indians to own a home of their own. Today, led by Mr. Kapil Wadhawan, CMD, DHFL, the company is Triple A Rating: “CARE AAA” by CARE; “BWR AAA” Outlook: Stable by Brickwork and reckoned as one of India’s leading financial institutions with a large presence across the country, in addition to representative offices in Dubai and London.

Throughout its years of growth, DHFL has stayed true to its core vision of financial inclusion, especially to the low and middle income customers across India. The company’s wide network, coupled with insights into local customer needs, has enabled the company to provide meaningful financial access to customers even in India’s smallest towns. With a strong business foundation, an extensive distribution network, proven industry expertise and a deep understanding of the Indian customer, DHFL is a respected and trusted financial services company in India with a concerted focus towards enabling home ownership to the low and middle income customer. For further information, please visit www.dhfl.com.

Disclaimer

Dewan Housing Finance Corporation Limited, subject to market conditions and other considerations, is proposing a public issue of secured redeemable non-convertible debentures (“NCDs”) and has filed the Shelf Prospectus dated 26 July, 2016 and Tranche 1 Prospectus dated 26 July, 2016 with the Registrar of Companies, Maharashtra, Mumbai, National Stock Exchange of India Limited, BSE Limited and SEBI (for record purposes). The Shelf Prospectus dated 26 July, 2016 and Tranche 1 Prospectus dated 26 July, 2016 are available on our website at www.dhfl.com, on the website of the stock exchanges at www.nseindia.com and www.bseindia.com and the respective websites of the lead managers at www.edelweissfin.com, www.akcapindia.com, www.icicibank.com, www.sbicans.com, www.trustgroup.co.in and www.yesinvest.in. Investors proposing to participate in the Issue should invest only on the basis of information contained in the Shelf Prospectus dated 26 July, 2016 and Tranche 1 Prospectus dated 26 July, 2016. Investors should note that investment in NCDs involves a high degree of risk and for details relating to the

same, please refer to the Shelf Prospectus, including the section 'Risk Factors' beginning on page 12 of the Shelf Prospectus.
