

Independent Auditors' Report

To The Members of DHFL Advisory & Investments Private Limited

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the accompanying financial statements of M/s DHFL Advisory & Investments Private Limited ("the Company"), which comprises of the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of the significant accounting policies and other explanatory information.

We do not express an opinion on the accompanying financial statements of the Company. Because of the significance of the matter described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

The matter as stated in Note 29 to the financial statements regarding that, the Present Board members Mr. Satya Narayan Baheti and Mr. Pranab Goel have joined the Company on 6th June, 2020 and hence have not been able to analyse in-depth the accuracy, validity, completeness or authenticity of the information and figures mentioned in the financial statements of the Company for the financial year 2019-20 and do not have knowledge of the past affairs, finances and operations of the Company. They believe that these figures may be interpreted solely for the purpose of satisfying the regulatory requirement for filing of yearly audited financial statements.

In view of the foregoing we have not been able to comment upon the completeness; correctness and adequacy / inadequacy of the financial figures mentioned in the financial statements of the Company for the financial year 2019-20.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors/ Management is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Board of Directors/ Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless

management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors /Management are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the Company's financial statements in accordance with Standards on Auditing and to issue an auditor's report. However, because of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Company in accordance with the ethical requirements in accordance with the requirements of the Code of Ethics issued by ICAI and the ethical requirements as prescribed under the laws and regulations applicable to the entity.

Other Matter

The financial statements of the Company for the year ended March 31, 2019 were audited by the predecessor statutory auditors, who have expressed unmodified opinion on those financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order which is *subject to the possible effect of the matters described in the Basis for Disclaimer of Opinion section above* and the material weakness described in the Basis of Disclaimer of Opinion in our separate Report on the Internal Financial Controls over Financial Reporting.
2. As required by Section 143(3) of the Act, we report that:
 - a) *As described in the Basis for Disclaimer of Opinion section above*, we sought but were not able to obtain all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) *Due to the possible effects of the matter described in the Basis for Disclaimer of Opinion section above*, we are unable to state whether proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books
 - c) *Due to the possible effects of the matter described in the Basis for Disclaimer of Opinion section above*, we are unable to state whether the Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity, and the Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account.
 - d) *Due to the possible effects of the matter described in the Basis for Disclaimer of Opinion section above*, we are unable to state whether, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

- e) *The matter described in the Basis for Disclaimer of Opinion section above, in our opinion, may have an adverse effect on the functioning of the Company.*
- f) We are unable to state whether any director is disqualified as on March 31, 2020 from being appointed as a director in the terms of Section 164 (2) of the Act, as we have not been provided by the Company any written representation from any director in this respect.
- g) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in *the Basis for Disclaimer of Opinion section above.*
- h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses disclaimer of opinion on the Company's internal financial controls over financial reporting for the reasons stated therein.
- i) The provisions of Section 197 read with Schedule V to the Act are not applicable to the company for the year ended 31st March, 2020.
- j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. *Due to the possible effects of the matter described in the Basis for Disclaimer of Opinion section above, we are unable to state whether the Company has disclosed the impact of pending litigations on its financial position in its financial statements;*
 - ii. *Due to the possible effects of the matter described in the Basis for Disclaimer of Opinion section above, we are unable to state whether the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;*
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

DINESH KUMAR BACHCHAS

Partner

Membership No. 097820

For and on Behalf of

K .K. MANKESHWAR & CO.

Chartered Accountants

FRN: 106009W

UDIN: 20097820AAAHL3719

New Delhi, dated the

20th June 2020

**Annexure "A" to the Independent Auditors' Report
(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date and to be read *subject to the possible effects of the matters described in the Basis for Disclaimer of Opinion section above*)**

1. As the Company does not have any fixed assets at the year end, accordingly the clause (i) of paragraph 3 of the Order is not applicable to the Company
2. As the Company does not have any inventory at the year end, accordingly clauses (ii) of paragraph 3 of the Order is not applicable to the Company.
3. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of the Clause 3(iii), (iii)(a),(iii)(b) and(iii)(c) of the said Order are not applicable to the Company.
4. The Company has not granted any loans or made any investments, or provide any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
5. The Company has not accepted any deposits from the public within the meaning of Section 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
6. According to the information and explanation given to us, we are informed that the maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act 2013.
7. According to the information and explanation given to us, in respect of statutory dues:
 - a) According to information and explanations given to us and on the basis of our examination of the books of accounts, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Goods and Service Tax, Duty of Customs, Cess and any other statutory dues, as applicable with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2020 for a period of more than six months from the date on when they become payable.
 - b) According to the information and explanations given to us and the records of the Company, there is no due in respect of income tax, goods and service tax and duty of customs as on 31st March 2020 which have not been deposited on account of disputes.
8. The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year ended. Accordingly, clause (viii) of the paragraph 3 of the order is not applicable.

9. The Company did not raise money by way of initial public offer or further public offer (including debt instruments) and term loan during the year. Accordingly, clause (ix) of the paragraph 3 of the Order is not applicable.
10. *We refer the matters described in the Basis for Disclaimer of Opinion section above in main report we have not been able to comment whether any fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.*
11. The provisions of the Section 197 read with schedule V to the Act are applicable only to public companies. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable to the Company
12. As the Company is not a Nidhi Company, accordingly clause (xii) of paragraph 3 of the order is not applicable to the Company.
13. *Due to the possible effects of the matters described in the Basis for Disclaimer of Opinion section above in main report, we are unable to comment whether transaction with related parties are in compliance with section 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the notes to financial Statement, as required by the applicable accounting standards. The provision of section 177 are not applicable to the company and accordingly reporting under clause 3(xiii) in so far as it relates to section 177 of the Act is not applicable to the company and hence not commented upon.*
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provision of Clause 3(xiv) of the Order is not applicable to the Company.
15. *Except for the possible effects of the matters described in the Basis for Disclaimer of Opinion section above in main report, we are unable to comment whether the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause (xv) of the paragraph 3 of the Order is not applicable.*
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

DINESH KUMAR BACHCHAS

Partner

Membership No. 097820

For and on behalf of

K.K.MANKESHWAR & CO.,

Chartered Accountants

FRN:- 106009W

UDIN: 20097820AAAAHL3719

New Delhi, dated the

20th June 2020

"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF DHFL ADVISORY & INVESTMENTS PRIVATE LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We were engaged to audit the internal financial controls over financial reporting of M/S DHFL Advisory & Investments Private Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls.

Because of the matter described in Basis for Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Basis for Disclaimer of Opinion

We refer to the matter described in the Basis for Disclaimer Opinion paragraph in main report regarding Boards limitations in confirming the accuracy, validity, completeness or authenticity of the information and figures mentioned in the financial statements of the Company for the financial year 2019-20.

In view of the foregoing we have not been able to comment upon the completeness; correctness and adequacy / inadequacy of the internal financial controls framework of the Company.

Disclaimer of Opinion

Because of the significance of the matter described in the Basis for Disclaimer Opinion paragraph above, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at 31 March, 2020. Accordingly, we do not express an opinion on the Company's internal financial controls over financial reporting.

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company for the year ended 31 March, 2020, and this report affects our report dated June 20, 2020 which expressed a disclaimer of opinion on the financial statements of the Company.

DINESH KUMAR BACHCHAS

Partner

Membership No. 097820

For and on behalf of

K.K.MANKESHWAR & CO.,

Chartered Accountants

FRN:- 106009W

UDIN: 20097820AAAHL3719

New Delhi, dated the

20th June 2020

Balance Sheet as at 31st March, 2020

		Amount in (₹ Lakh)		
	Particulars	Note	As at 31.03.20	As at 31.03.19
I	Assets			
A	Non Current Assets			
(a)	Financial Asset			
(i)	Investment	3	-	7,123.00
(b)	Income Tax Asset (Net)	4	-	0.25
B	Current Assets			
(a)	Financial Asset			
(i)	Cash & Cash Equivalent	5	67.07	2.85
(ii)	Other Financial Asset	6	1.55	1.50
	Total Assets		68.62	7,127.60
I	Equity and Liabilities			
A	Equity			
(a)	Equity Share Capital	7	7,501.00	7,501.00
(b)	Other Equity	8	(7,436.05)	(29,663.04)
B	Liabilities			
(a)	Non Current Liabilities			
(i)	Financial Liabilities Borrowings	9	-	29,138.15
(b)	Current Liabilities			
(i)	Financial Liabilities Borrowings	10	-	145.94
	Other Financial Liabilities	11	3.67	5.55
	Total Equity and Liabilities		68.62	7,127.60
	Significant Accounting Policies and Explanatory Information forming part of the Financial Statements	1-30		

This is the Balance Sheet referred to in our report of even date

DINESH KUMAR BACHCHAS

Partner

Membership No. 097820

For and on behalf of

K.K.MANKESHWAR & CO.,

Chartered Accountants

FRN:- 106009W

New Delhi, dated the 20th June, 2020

For and behalf of the Board of Directors

Sd/-
Mr. Satya Narayan Baheti
Director
DIN : 00136476

Sd/-
Mr. Pranab Goel
Director
DIN : 02394169

Sd/-
Mr. Govindan Srinivasan
Director
DIN : 06813777

Statement of Profit & Loss for Year ended 31st March, 2020

Amount in (₹ Lakh)

	Particulars	Notes	Year ended 31.03.2020	Year ended 31.03.2019
I	INCOME			
	(a) Revenue from Operation	12	-	2.50
	(b) Other Income	13	46,701.66	0.03
	TOTAL INCOME		46,701.66	2.53
II	EXPENSES			
	(a) Finance Cost	14	1,102.63	2,418.84
	(b) Other Expenses	15	23,372.04	22,888.57
	TOTAL EXPENSES		24,474.67	25,307.41
III	Profit / (Loss) before tax		22,226.99	(25,304.87)
IV	Less: Provision for Taxation			
	(a) Current Tax		-	-
	(b) Deferred Tax Charge		-	-
V	Profit / (Loss) for the year (III - IV)		22,226.99	(25,304.87)
VI	Other comprehensive income			-
VII	Total Comprehensive Income for the Year (V + VI)		22,226.99	(25,304.87)
	Paid up Equity Share Capital (Face value ₹10/- each)		7,501.00	7,501.00
VIII	Earnings per Equity share (face value ₹ 10 each)	16		
	Basic (₹)		29.63	(33.74)
	Diluted (₹)		29.63	(33.74)
	Significant Accounting Policies and Explanatory Information forming part of the Financial Statements	1-30		

This is the Statement of Profit and Loss referred to in our report of even date

For and behalf of the Board of Directors

DINESH KUMAR BACHCHAS

Partner

Membership No. 097820

For and on behalf of

K.K.MANKESHWAR & CO.,

Chartered Accountants

FRN:- 106009W

Sd/-

Mr. Satya Narayan Baheti
Director

DIN : 00136476

Sd/-

Mr. Pranab Goel
Director

DIN : 02394169

Sd/-

Mr. Govindan Srinivasan
Director

DIN : 06813777

New Delhi, dated the 20th June, 2020

Cash Flow Statement for Year Ended 31st March, 2020

Amount in (₹ Lakh)

Particulars	Year Ended 31.03.2020		Year Ended 31.03.2019	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit/(Loss) Before Tax as per Statement of Profit and Loss		22,226.99		(25,304.87)
Adjustments for:				
Interest on Borrowings	1,102.63		2,418.84	
Liability written off	(23,581.68)		-	
Provision towards diminution in value of investment	242.97		22,877.00	
		(22,236.07)		25,295.84
Operating Profit before Working capital changes		(9.08)		(9.03)
Changes in Working capital				
Trade Receivables	-		-	
Other Current Assets	(0.05)		23.71	
Other Current Liabilities	(1.89)		2.49	
Working Capital changes		(1.94)		26.20
Cash generated from operations during the year		(11.01)		17.17
Less: Income Tax (Paid) / Received (Net)		(0.25)		(0.25)
Net Cash generated From / (Used In) Operating Activities		(10.76)		17.42
B. CASH FLOW FROM INVESTING ACTIVITIES				
Current Investments not considered as Cash or cash equivalents				
Proceeds from Investments in Equity Shares	6,880.03	6,880.03	-	-
Net Cash generated From / (Used In) Investing Activities		6,880.03		-
B. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Issue of Equity Share Capital			-	
Borrowings (received / (repaid)) (net)	(6,805.04)		(19.00)	
Proceeds from Issue of OCD	-	(6,805.04)	-	(19.00)
Net Cash generated From / (Used In) Financing Activities		(6,805.04)		(19.00)
Net Increase/ (Decrease) in Cash Equivalents		64.22		(1.59)
Cash and Cash Equivalents at Beginning of the Year		2.85		4.43
Cash and Cash Equivalents at the End of the year		67.07		2.84
Components of Cash & Cash Equivalent				
Balance with bank in current account		67.06		2.84
Cash on Hand		0.01		0.01
		67.07		2.85

This is the Cash Flow referred to in our Report of even date.

For and behalf of the Board of Directors

DINESH KUMAR BACHCHAS

Partner

Membership No. 097820

For and on behalf of

K.K.MANKESHWAR & CO.,

Chartered Accountants

FRN:- 106009W

New Delhi, dated the 20th June, 2020

Sd/-

Mr. Satya Narayan
Baheti

Director

DIN : 00136476

Sd/-

Mr. Pranab Goel

Director

DIN : 02394169

Sd/-

Mr. Govindan
Srinivasan

Director

DIN : 06813777

DHFL ADVISORY & INVESTMENTS PRIVATE LIMITED

Statement of Changes in Equity

(All amount in INR Lakh, except number of share and per share data, unless otherwise stated)

A Equity Share Capital

Particulars	As at 31.03.20		As at 31.03.19	
	Number	Amount	Number	Amount
Equity shares at the beginning of the year	7,50,10,000	7,501	7,50,10,000	7,501
Add: -Shares issued during the year			-	-
Equity shares at the end of the year	7,50,10,000	7,501	7,50,10,000	7,501

B Other Equity

Particulars	Reserves & Surplus		Total
	Retained Earnings		
As at 1st April '19		(29,663.04)	(29,663.04)
Profit for the Half Year Ended		22,226.99	22,226.99
Sub Debt Received / (Repaid) (net)		-	-
As at 31st March' 20		(7,436.05)	(7,436.05)

This is the Statement of Changes in Equity referred to in our report of even date

DINESH KUMAR BACHCHAS

Partner

Membership No. 097820

For and on behalf of

K.K.MANKESHWAR & CO.,

Chartered Accountants

FRN:- 106009W

New Delhi, dated the 20th June 2020

For and behalf of the Board of Directors

Sd/-
Mr. Satya Narayan
Baheti
Director
DIN : 00136476

Sd/-
Mr. Pranab Goel
Director
DIN : 02394169

Sd/-
Mr. Govindan
Srinivasan
Director
DIN : 06813777

-
-

Significant Accounting Policies and Explanatory Information forming part of the Financial Statements

(All amount in INR Lakh, except number of share and per share data, unless otherwise stated)

3 Investment

Particulars	As at 31.03.20		As at 31.03.19	
	Number	Amount in Lacs	Number	Amount in Lacs
Investment in Equity Instruments DHFL Pramerica Assets Managers Pvt. Ltd.	-	-	3,56,78,093	30,000.00
Less : Diminution in value of investment		-		(22,877.00)
Total Investment	-	-	3,56,78,093	7,123.00

4 Income Tax Asset (Net)

Particulars	As at 31.03.20	As at 31.03.19
	Amount in Lacs	Amount in Lacs
Advance Income Tax (net of provision)	-	0.25
Total Income Tax Asset (Net)		0.25

5 Cash & Cash Equivalent

Particulars	As at 31.03.20	As at 31.03.19
	Amount in Lacs	Amount in Lacs
Balances with Bank	67.06	2.84
Cash on Hand	0.01	0.01
Total Cash & Cash Equivalent	67.07	2.85

6 Other Financial Asset

Particulars	As at 31.03.20	As at 31.03.19
	Amount in Lacs	Amount in Lacs
Security Deposit	1.55	1.50
Total Other Financial Asset	1.55	1.50

7 Equity Share Capital

Particulars	As at 31.03.20		As at 31.03.19	
	Number	Amount in Lacs	Number	Amount in Lacs
Authorised Equity Share of ₹ 10/- each	9,00,00,000	9,000.00	9,00,00,000	9,000.00
	9,00,00,000	9,000.00	9,00,00,000	9,000.00
Issued, Subscribed & Fully Paid Up Equity Share of ₹ 10/- each	7,50,10,000	7,501.00	7,50,10,000	7,501.00
Total Equity Share Capital	7,50,10,000	7,501.00	7,50,10,000	7,501.00

a The reconciliation of the number of shares outstanding and the amount of share capital as at the beginning and at the end of the reporting period:

Particulars	As at 31.03.20		As at 31.03.19	
	Number	Amount in Lacs	Number	Amount in Lacs
Equity shares at the beginning	7,50,10,000	7,501.00	7,50,10,000	7,501.00
Add: Shares issued during the year	-	-	-	-
Equity shares at the end	7,50,10,000	7,501.00	7,50,10,000	7,501.00

b The rights, preferences and restrictions attaching to equity shares including restrictions on the distribution of dividends and the repayment of capital;

The Company at present has one class of issued, subscribed and paid up share referred to as equity shares having a par value of ₹ 10/- each. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c Shares in respect of equity shares of company held by its holding company or its ultimate holding company including shares held by subsidiaries or associates of the holding company or the ultimate holding company in aggregate;

Particulars	As at 31.03.20		As at 31.03.19	
	Number	% Holding	Number	% Holding
Dewan Housing Finance Corporation Ltd. (Holding Company)	7,50,09,985	99.99	7,50,09,985	99.99
	7,50,09,985	99.99	7,50,09,985	99.99

d The debenture holder shall at any time during the Tenor of the OCD, have the right to exercise at its discretion either to redeem the debentures or convert the debentures into equity shares of ₹ 10 each of the company.

8 Other Equity

Particulars	As at 31.03.20		As at 31.03.19	
	Amount in Lacs		Amount in Lacs	
Reserves & Surplus				
Retained Earnings				
Opening Balance	(29,663.04)		(4,358.17)	
Add: Profit / (Loss) for the Period	22,226.99		(25,304.87)	
Closing Balance	(7,436.05)	(7,436.05)	(29,663.04)	(29,663.04)
Total Other Equity		(7,436.05)		(29,663.04)

9 Borrowings

Particulars	As at 31.03.20		As at 31.03.19	
	Nos.	Amount in Lacs	Nos.	Amount in Lacs
Secured				
Optionally Convertible Debentures (OCDs) of face value of ₹ 10/- each	-	-	22,50,00,000	22,500.00
Premium payable on Optionally Convertible Debentures				6,638.15
Total Borrowings		-		29,138.15

(OCDs are issued for a tenure of 5 years beginning from April '16 to April '21. As per the terms, the debenture holder shall at any time during the Tenor of the OCD, have the right to exercise at its discretion either to redeem the debentures or convert the debentures into equity shares of ₹ 10 each of the company. Premium payable on redemption is @ 9% pa. XIRR. The OCD's are secured by an unconditional and irrevocable guarantee (DSRA Guarantee) issued by Dewan Housing Finance Corporation Limited (Holding Company) in favour of the OCD Security Trustee.) However, during FY 2019-20, with the sale of investment in DHFL Pramerica Asset Managers Pvt Ltd for Rs. 68.8 crores, DAIPL paid the OCD of Rs.66.5 crores and the balance of Rs. 158.5 crores was waived off. Further, premium of Rs. 77 crores is waived off after taking a consent from the respective parties and Axis Bank Debenture Trustees.

10 Short Term - Borrowings

Particulars	As at 31.03.20	As at 31.03.19
	Amount in Lacs	Amount in Lacs
Loan from Holding Company (repayable on demand)	-	145.94
Total Borrowings	-	145.94

11 Other Financial Liabilities

Particulars	As at 31.03.20	As at 31.03.19
	Amount in Lacs	Amount in Lacs
Statutory Dues	0.23	1.60
Other Payables for Other Expenses	3.46	3.96
Total Other Financial Liabilities	3.69	5.55

12 Revenue from Operation

Particulars	For the year ended 31.3.20	For the year ended 31.3.19
	Amount in Lacs	Amount in Lacs
Advisory Fee	-	2.50
Total Revenue from Operation	-	2.50

13 Other Income

Particulars	For the year ended 31.3.20	For the year ended 31.3.19
	Amount in Lacs	Amount in Lacs
Interest Received (IT Refund)	0.01	0.03
Waiver of part liability towards OCD & its premium	23,581.68	-
Provision for diminution of investment reversed	23,119.97	-
Total Other Income	46,701.66	0.03

14 Finance Cost

Particulars	For the year ended 31.3.20	For the year ended 31.3.19
	Amount in Lacs	Amount in Lacs
Provision for redemption premium on OCD	1,093.52	2,405.90
Interest on Borrowings	9.11	12.94
Total Finance Cost	1,102.63	2,418.84

15 Other Expenses

Particulars	For the year ended 31.3.20	For the year ended 31.3.19
	Amount in Lacs	Amount in Lacs
(a) Professional Charges	4.80	4.40
(b) Auditor's Fee	1.52	2.00
(c) Debenture Trustees Expenses	0.63	1.44
(d) Director's sitting fees	-	2.20
(e) Bank charges	0.00	-
(f) Filing fees	0.13	0.00
(g) Miscellaneous Expenses	0.08	0.01
(h) Duties and Taxes	1.19	1.18
(i) Annual NSDL Fees	0.75	0.34
(j) Diminution on value of investments (refer note 17)	242.97	22,877.00
(k) Loss on sale of investment	23,119.97	-
Total Other Expenses	23,372.04	22,888.57

DHFL ADVISORY & INVESTMENTS PRIVATE LIMITED

(All amount in INR Lakh, except number of share and per share data, unless otherwise stated)

16 Earning Per Share

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Net Profit Attributable to Equity Shareholders		
Profit after tax	22,226.99	(25,304.87)
Net Profit attributable to equity shareholders	22,226.99	(25,304.87)
No. of Equity shares (Number)	7,50,10,000	7,50,10,000
Weighted Average No. of Equity Shares	7,50,10,000	7,50,10,000
Nominal value of Equity Shares (₹)	10	10
Earning Per Share (₹) :		
Basic	29.63	(33.74)
Diluted	29.63	(33.74)

17 Sale of Investment

The Company has entered into an agreement for sale of its entire shareholding in DHFL Pramerica Asset Managers Private Limited, stands at INR 30,000 Lakh, to M/s PGLH of Delaware Inc. vide agreement dated 21st February '19. This sale is materialised in July 2019 for a sale consideration of Rs. 6880 lakh received from PGLH Delaware Inc. As per the agreement, consideration is calculated as lower of INR 13,460.33 Lakh or proportionate share calculated on the basis of Asset under Management (AUM). The said share of AUM was lower than the fixed price i.e. INR 6,880 Lakh as in July 2019 and accordingly a provision for diminution in the value of investments amounting to INR 242.97 Lakh has been further recognised in the P&L and a loss on sale of investment of Rs. 23,119 lakhs as a loss on sale of investment

18 Contingent Liability & Commitment

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Contingent Liability	Nii	Nii
Capital Commitment	Nii	Nii

19 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ("CODM") of the Company. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Director of the Company. The Company operates only in one Business Segment i.e. facilitating trading in securities and the activities incidental thereto within India, hence does not have any reportable Segments as per Indian Accounting Standard 108 "Operating Segments". The Company while presenting the consolidated financial statements has disclosed the segment information to the extent applicable as required under Indian Accounting Standard 108 "Operating Segments".

20 Related Party Disclosures

- a. **Name of the Related Parties and Nature**
- i **Holding Company** Dewan Housing Finance Corporation Limited
- ii **Key Managerial Personnel & Relative**
- (a) Shri Kapil Wadhawan - KMP
- (b) Shri Dheeraj Wadhawan - KMP
- (c) Mrs. Aruna Wadhawan - Relative
- iii **Joint Venture Partner** DHFL Pramerica Asset Managers Pvt. Ltd. (Upto July 2019)
- iv **Associate Company** Wadhawan Global Capital Pvt. Ltd.
- v **Enterprises over which KMP are able to exercise significant influence**
- (a) Arthveda Fund Management Private Limited
- (b) Wadhawan Holdings Private Limited
- (c) Dish Hospitality Private Limited
- (d) WGC Management Services Private Limited
- (e) Wadhawan Sports Private Limited
- (f) Essential Hospitality Private Limited
- (g) DHFL Investments Limited
- (h) DHFL Pramerica Life Insurance Company Limited
- (i) DHFL Pramerica Trustees Private Limited
- b. **Details of transactions with Related Party**

Details of Transactions	Holding Company	Joint Venture Partner	Associate Company
Borrowings Repaid	145.94(25)	- (-)	6,650(-)
Borrowings received	0	- (-)	- (-)
Interest on borrowings	9.11(12.94)	- (-)	- (-)
Premium on OCD Waiver	- (-)	- (-)	7,732(-)
OCD Waiver	- (-)	- (-)	15,850(-)
Cost of Investment		30,000(30,000)	
Diminution on value of investments		-242.97(-22,877)	
Proceeds of Sale of investment	- (-)	-6,880.03(-)	- (-)
Balance as at Year End			
Borrowings	0 (145.94)	- (-)	- (-)
Investment	- (-)	0 (7123)	- (-)
Optionally Convertible Debentures	- (-)	- (-)	0(29,138.15)

Notes

- a. Related Party relationship is identified by the Company and relied upon by the Auditors.
- b. The transaction with the related parties are disclosed only till the relationship exists.
- c. Figures in bracket represents previous year figures.

21 Details of dues to micro, small and medium enterprises

The company has not received information for its vendors / service providers regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures relating to amount unpaid as at the year end, together with interest payable (if any), under this Act has not been made.

22 Fair Value Measurement

Financial Instruments by category

Particulars	31st March '20			31st March '19		
	VTPL	FVOCI	Amortised Cost	VTPL	FVOCI	Amortised Cost
Financial Asset						
Investments	-	-	-	-	-	7,123.00
Equity Instruments	-	-	-	-	-	-
Cash & Cash Equivalent	-	-	67.07	-	-	2.85
Other Financial Assets	-	-	1.55	-	-	-
Total Financial Asset	-	-	68.62	-	-	7,125.85
Financial Liabilities						
Borrowings	-	-	-	-	-	29,284.09
Other Financial Liabilities	-	-	3.67	-	-	5.55
Total Financial Liabilities	-	-	3.67	-	-	29,289.64

The carrying amounts of cash and cash equivalent and other liabilities and assets etc. are considered to be the same as their fair values, due to current and short term nature of such balances. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Fair Value Hierarchy

Recognised fair value measurements

Level 1: Hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

23 Capital management

The Company manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to its shareholders. The capital structure of the Company is based on management's judgment of the appropriate balance of key elements in order to meet its strategic and day-to-day needs. We consider the amount of capital in proportion to risk and manage the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

24 Financial Risk Management

The Company's principal financial liabilities, comprise borrowings and other payables. The main purpose of these financial liabilities is to support its operations. The Company's principal financial assets include investment, other assets and cash and cash equivalents that derive directly from its operations.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. The Company's Management is responsible for liquidity, funding as well as settlement management.

The management monitors the Company's net liquidity position through forecasts on the basis of expected cash flows. The company is also taking steps to improve liquidity going forward by focusing on new initiatives.

The table below provides details regarding the contractual maturities of significant financial liabilities and assets as at March 31, 2020 and March 31, 2019.

Particulars	Carrying Amount	Less than 12 Months	More than 12 Months	Total
As at March 31, 2020				
Liabilities				
Borrowings	-	-	-	-
Other Financial Liabilities	3.67	3.67	-	3.67
Assets				
Investments	-	-	-	-
Cash & Cash Equivalent	67.07	67.07	-	67.07
Other Financial Asset	1.55	1.55	-	1.55
As at March 31, 2019				
Liabilities				
Borrowings	29,284.09	145.94	29,138.15	29,284.09
Other Financial Liabilities	5.55	5.55	-	5.55
Assets				
Investments	7,123.00	-	7,123.00	7,123.00
Cash & Cash Equivalent	2.85	2.85	-	2.85
Other financial assets	1.50	1.50	-	1.50

25 Taxes

a. Income Tax Expense

The major components of income tax expenses for the year ended March 31, 2020

Profit & Loss section

Particulars	31st March '20	31st March '19
Current Tax Expense	-	-
Deferred Tax	-	-
Total Income Tax Expense Recognised in profit and loss	-	-

Other comprehensive income section

Particulars	31st March '20	31st March '19
Tax on Other Comprehensive income	-	-
Total income tax expense recognised in Other comprehensive income	-	-

b. Reconciliation of Effective Tax Rate

Particulars	31st March '20	31st March '19
i Income before income tax	22,226.99	(25,304.87)
ii Enacted Tax rate in India	25.63%	26.00%
iii Expected Tax Expense (i*ii)	5,696.78	-
iv Other than temporary differences	(5,696.78)	-
Total	-	-
v Temporary Difference	762.65	25.75
Temporary difference on which deferred tax assets not recognised	(762.65)	(25.75)
Total	-	-
vi Net Adjustment (iv + v)	-	-
vii Tax expense recognised in Statement of Profit & Loss (iii+vi)	-	-

26 Expenditure in Foreign Currency

Particulars	31st March '20	31st March '19
Foreign Currency Expense	NII	NII

27 Revenue from Contract with customer

a. The revenue from contracts with customers to the amounts disclosed as total revenue is as under:

Particulars	31st March '20	31st March '19
Revenue from contract with customer	-	2.50
Revenue from other sources	46,701.66	0.03
Total	46,701.66	2.53

b. The disaggregation of revenue from contracts with customers is as under:

i. Geographical Location

Particulars	31st March '20		31st March '19	
	India	Foreign	India	Foreign
Total Revenue	-	-	2.53	-

ii. At point in time / over time

Particulars	31st March '20		31st March '19	
	India	Foreign	India	Foreign
Total Revenue	-	-	2.53	-

c. The contract assets & liability from contract with customers are as under:

Particulars	31st March '20	31st March '19
Contract Assets	NII	NII
Contract Liability	NII	NII

28 In the opinion of the management the provision for all known liabilities are adequate and are not in excess of amount considered reasonably necessary.

29 The figures of the previous year were audited by the firm of Chartered Accountant other than K.K.Manekshwar & Co.

30 The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary.

As per our report attached of even date

For and behalf of the Board of Directors

DINESH KUMAR BACHCHAS

Partner

Membership No. 097820

For and on behalf of

K.K.MANESHWAR & CO.,
Chartered Accountants

FRN:- 106009W

Sd/- Mr. Satya Narayan Baheti Director DIN : 00136476	Sd/- Mr. Pranab Goel Director DIN : 02394169	Sd/- Mr. Govindan Srinivasan Director DIN : 06813777
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New Delhi, dated the 20th June 2020