

INDEPENDENT AUDITOR'S REPORT

To the Members of DHFL Holdings Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Disclaimer of Opinion

We have audited the accompanying Standalone Ind AS financial statements of DHFL Holdings Limited ("the Company"), which comprise the Balance Sheet as at 31st March 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 notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Ind AS financial statements").

We do not express opinion on the aforesaid Standalone Ind AS financial statements to give the information required by the Companies Act, 2013 ("the Act") in the manner so required 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 Standalone Ind AS financial statements.

Basis for Disclaimer of Opinion

We draw your attention to note no ___ of the Standalone Ind AS Financial Statement wherein the directors 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 results.

The Board of Directors has approved the financial statement for the year 2019-20 as required under section 134(1) of Companies Act, 2013 and signed the financials for merely satisfying the regulatory

requirements for filing of yearly audited financial results and accordingly, form a basis for the Disclaimer of Opinion.

We have conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. However because of the matter described in the basis of 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 standalone financial statement.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the, Board's Report including Annexures to Board's Report and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS 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 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, 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.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one

resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" of this report a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Ind AS financial statement. However, as described in the Basis for Disclaimer of Opinion paragraph, we are unable to obtain all the information and explanations which to the best of our knowledge and belief were necessary for the audit.
- (b) Due to the possible effect of the matter described in the Basis for Disclaimer of Opinion paragraph, 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) The Balance Sheet, the Statement of Profit and Loss, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) Due to the possible effect of the matter described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) 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".

(g) 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, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Vatsaraj & Co.
Chartered Accountants
FRN: 111327W

CA Dr. B. K. Vatsaraj
Partner
M. No. 039894

Place: Mumbai
Date: 19th May, 2020

Annexure A to the Independent Auditors' Report on Standalone Ind AS financial statements of DHFL Holdings Limited as on 31st March 2020, referred to in paragraph 1 under "Report on Other Legal and Regulatory requirement" section of our report of even date, we report the following:

- (i) The Company does not have any fixed asset. Therefore, Para 3 (i) of the Order is not applicable to the Company
- (ii) The Company does not have any inventories. Therefore, Para 3 (ii) of the Order is not applicable to the Company.
- (iii) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register of maintained under Section 189 of the Companies Act 2013.
- (iv) The Company has not granted loans, making investments and providing guarantees and securities. Therefore, Para 3 (iv) of the Order is not applicable to the Company.
- (v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from the public.
- (vi) Company being NBFC, maintenance of Cost records is not applicable. Therefore, Para 3 (vi) of the Order is not applicable to the Company.
- (vii) In respect of statutory dues:
 - (a) According to the information and explanation given to us and according to the records of the Company as examined by us, undisputed statutory dues including provident fund, employees' state insurance, income tax, custom duty, cess, goods and services tax and other material statutory dues have been regularly deposited during the year with the appropriate authorities. No undisputed amounts payable were outstanding as at March 31, 2020 for a period of more than six months from the date on which they become payable.
 - (b) According to the information and explanation given to us and based on the records of the Company examined by us, there are no disputed dues which have not been deposited as on March 31, 2020.

- (viii) According to the information and explanations given to us, there are no loans or borrowings payable to Banks, government or Financial Institution or Debenture Holders. Therefore, Para 3 (viii) of the Order is not applicable to the Company.
- (ix) According to the information and explanations provided to us and as per the records of the company examined by us, company has not raised funds by way of public issue/ follow-on offer (including debt instruments) and term loans.
- (x) To the best of our knowledge and belief and according to the information and explanation given to us, no fraud by the Company or any fraud on the Company by its officers/ employees has been noticed or reported, during the year.
- (xi) No Managerial remuneration has been paid / provided during the year. Therefore, Para 3 (xi) of the Order is not applicable to the Company.
- (xii) In our opinion and according to information and explanations given to us, Company is not a Nidhi Company.
- (xiii) According to the information and explanation given to us and based on our verification of the records of the Company and on the basis of review and approval by the Board and Audit Committee, the transactions with related parties are in compliance with Section 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the Standalone Ind AS financial statements as required by the applicable accounting standards.
- (xiv) During the year under review the company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures.
- (xv) During the year under review, the company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) The company is not required to be registered under section 45-IA of Reserve Bank of India Act, 1934.

For Vatsaraj & Co.
Chartered Accountants
FRN: 111327W

CA Dr. B. K. Vatsaraj
Partner
M. No. 039894

Place: Mumbai
Date: 19th May 2020

ANNEXURE B to Independent Auditors' Report on the Standalone Ind AS Financial Statement of DHFL Holdings Limited, Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act, referred to in paragraph 2(f) under "Report on Other Legal and Regulatory requirement" section of our report of even date.

We have audited the internal financial controls over financial reporting of DHFL Holdings Limited ("the Company") as of 31st March, 2020 in conjunction with our audit of the Standalone Ind AS 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 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Because of the matter described in 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 reporting system with reference to standalone Ind AS financial statement 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 authorizations of management and directors of the company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Disclaimer of Opinion

We draw your attention to note no () of the financial statement, we are unable to obtain sufficient appropriate audit evidence on which to base our opinion on the effectiveness of Company's internal financial controls over financial reporting with reference to these standalone Ind AS financial statement wherein the directors 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 results. Consequently to the material weakness in such internal controls, the possible effects on the financial statements of undetected misstatement could be both material and pervasive

Disclaimer of Opinion

As described in the basis of the disclaimer paragraph above, because of the significance of the matters, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion on whether the company had adequate internal financial controls over financial reporting with reference to these Standalone Ind AS financial statements and whether such internal financial controls were operating effectively as at March 31, 2020 based on the internal control over financial controls 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.

We have considered the disclaimer reported above in determining the nature, timing and extent of audit tests applied in our audit of the standalone Ind AS financial statements of the company for the year ended March 31, 2020 and disclaimer has effected our opinion on the financial statements and Standalone Company and we have issued a disclaimer of opinion on the financial statements for the ended on that date. (refer paragraph 2 of the main audit report).

For Vatsaraj & Co.
Chartered Accountants
FRN: 111327W

Sd/-
CA Dr. B. K. Vatsaraj
Partner
M. No. 039894

Place: Mumbai
Date: 19th May 2020
UDIN:

DHFL HOLDINGS LIMITED
Balance Sheet as at 31st March, 2020

Amount in (₹)

Particulars	Note	As at 31.03.20	As at 31.03.19
I Assets			
1 Financial Assets			
(a) Cash and Cash Equivalent	3	32,549	99,823
(b) Bank Balance other than (a) above		-	-
(c) Derivative Financial Instrument		-	-
(d) Receivables		-	-
(I) Trade Receivable		-	-
(II) Other Receivable		-	-
(e) Loans		-	-
(f) Investments		-	-
(g) Other Financial Assets		-	-
2 Non-Financial Assets			
(a) Inventories		-	-
(b) Current Tax Assets (Net)		-	-
(c) Deferred Tax Assets (Net)		-	-
(d) Investment Property		-	-
(e) Biological Assets other than Bearer Plants		-	-
(f) Property Plant and Equipment		-	-
(g) Capital WIP		-	-
(h) Intangible Assets under development		-	-
(i) Goodwill		-	-
(j) Other Intangible Assets		-	-
(k) Other Non Financial Assets (to be specified)		-	-
Total Assets		32,549	99,823
II Liabilities and Equity			
1 Liabilities			
(a) Derivative Financial Instrument		-	-
(b) Payables			
(I) Trade Payables		-	-
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(II) Other Payables		-	-
(i) total outstanding dues of micro enterprises and small enterprises		-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(c) Debt Securities		-	-
(d) Borrowings (Other than Debt Securities)		-	-
(e) Deposits		-	-
(f) Subordinated Liabilities		-	-
(g) Other financial liabilities	4	10,000	47,466
2 Non-Financial Liabilities			
(a) Current tax liabilities (Net)		-	-
(b) Provisions		-	-
(c) Deferred tax liabilities (Net)		-	-
(d) Other non-financial liabilities (to be specified)		-	-
3 EQUITY			
(a) Equity Share capital	5	1,00,000	1,00,000
(b) Other Equity	6	(77,451)	(47,643)
Total Liabilities and Equity		32,549	99,823
Significant accounting policies	2		

As per our report of even date

For Vatsaraj & Co.
Chartered Accountants
ICAI FRN: 111327W

Sd/-
Dr. CA B. K. Vatsaraj
Partner
M No.: 39894

Place: Mumbai
Date: 20/06/2020

For and behalf of the Board of Directors

Sd/-	Sd/-	Sd/-
Mr. Satya Narayan B:	Mr. Pranab Goel	Mr. Govindan Srinivasan
Director	Director	Director
DIN : 00136476	DIN : 02394169	DIN : 06813777

DHFL HOLDINGS LIMITED
Statement of Profit and Loss for the year ended 31st March, 2020

Sr No.	Particulars	Notes	Amount in (₹)	
			Year ended 31.03.2020	Year ended 31.03.2019
	Revenue from operations			
(i)	Interest Income		-	-
(ii)	Dividend Income		-	-
(iii)	Rentals Income		-	-
(iv)	Fees and Commission Income		-	-
(v)	Net gain on fair value changes		-	-
(vi)	Net gain on derecognition of financial instruments under amortised cost category		-	-
(vii)	Sale of products(including Excise Duty)		-	-
(viii)	Sale of services		-	-
(ix)	Others (to be specified)		-	-
(I)	Total Revenue from operations		-	-
(II)	Other Income (to be specified)		-	-
(III)	Total Income (I+II)		-	-
	Expenses			
(i)	Finance Costs		-	-
(ii)	Fees and commission expense		-	-
(iii)	Net loss on fair value changes		-	-
(iv)	Net loss on derecognition of financial instruments under amortised cost category		-	-
(v)	Impairment on financial instruments		-	-
(vi)	Cost of materials consumed		-	-
(vii)	Purchases of Stock -in -trade		-	-
(viii)	Changes in Inventories of finished goods, stock -in - trade and work -in - progress		-	-
(ix)	Employee Benefits Expenses		-	-
(x)	Depreciation , amortization and impairmen		-	-
(x)	Others expenses (to be specified)	7	29,808	47,643
(IV)	Total Expenses (IV)		29,808	47,643
(V)	Profit / (loss) before exceptional items and tax (III - IV)		(29,808)	(47,643)
(VI)	Exceptional items		-	-
(VII)	Profit/(loss) before tax (V -VI)		(29,808)	(47,643)
(VIII)	Tax Expenses		-	-
(a)	Current Tax		-	-
(b)	Deferred Tax		-	-
(IX)	Profit / (loss) for the period from continuing operations(VII -VIII)		(29,808)	(47,643)
(X)	Profit/(loss) from discontinued operations		-	-
(XI)	Tax Expense of discontinued operations		-	-
(XII)	Profit/(loss) from discontinued operations(After tax) (X -XI)		-	-
(XIII)	Profit/(loss) for the period (IX+XII)		(29,808)	(47,643)
(XIV)	Other Comprehensive Income			
(A)	(i) Items that will not be reclassified to profit or loss (specify items and amounts)		-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
	Subtotal (A)		-	-
(B)	(i) Items that will be reclassified to profit or loss (specify items and amounts)		-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
	Subtotal (B)		-	-
	Other Comprehensive Income (A + B)		-	-
(XV)	Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (Loss) and other Comprehensive Income for the period)		(29,808)	(47,643)
	Paid-up Equity Share Capital (Face value ₹ 10)		1,00,000	1,00,000
(XVI)	Earnings per equity share (for continuing operations)			
	Basic (₹)		(2.98)	(4.76)
	Diluted (₹)		(2.98)	(4.76)
(XVII)	Earnings per equity share (for discontinued operations)			
	Basic (₹)		-	-
	Diluted (₹)		-	-
(XVIII)	Earnings per equity share (for continuing and discontinued operations)	8		
	Basic (₹)		(2.98)	(4.76)
	Diluted (₹)		(2.98)	(4.76)

See accompanying notes to the financial statements

For Vatsaraj & Co.
Chartered Accountants
ICAI FRN: 111327W

For and behalf of the Board of Directors

Sd/-
Dr. CA B. K. Vatsaraj
Partner
M No.: 39894

Sd/- **Sd/-** **Sd/-**
Mr. Satya Narayan Bahi **Mr. Pranab Goel** **Mr. Govindan Srinivasan**
Director **Director** **Director**
DIN : 00136476 **DIN : 02394169** **DIN : 06813777**

Place: Mumbai
Date: 20/06/2020

DHFL HOLDINGS LIMITED
Cash Flow Statement for the year ended 31st March 2020

(₹)

	Year Ended 31.03.2020		Year Ended 31.03.2019	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit/(Loss) Before Tax		(29,808)		(47,643)
Adjustments for:				
		-		-
Operating Profit before Working capital changes		(29,808)		(47,643)
Changes in Working capital				
Other Financial Liabilities	(37,466)		47,466	
Other Financial Assets	-		-	
Working Capital changes		(37,466)		47,466
Cash generated from operations during the year		(67,274)		(177)
Net Cash From Operating Activities		(67,274)		(177)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Current Investments not considered as Cash or cash equivalents				
Investments in Equity Shares	-	-	-	-
Net Cash used in Investing Activities		-		-
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from issue of Equity Shares	-		1,00,000	
Loan received/(paid) from Holding Company	-	-	-	1,00,000
Net Cash generated From / (Used In) Financing Activities		-		1,00,000
Net Increase/ (Decrease) in Cash Equivalents		(67,274)		99,823
Cash and Cash Equivalents at the beginning of the year		99,823		
Cash and Cash Equivalents at the close of the year		32,549		99,823

Please note since the company was incorporated in 20th September 2018 ,no previous year figures have been given.

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

Negative Figure (-) represents Cash Outflow.

For Vatsaraj & Co.

Chartered Accountants

ICAI FRN: 111327W

Sd/-

Dr. CA B. K. Vatsaraj

Partner

M No.: 39894

Place: Mumbai

Date: 20/06/2020

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

DHFL HOLDINGS LIMITED

Significant Accounting Policies and Explanatory Information forming part of the Financial Statements for the Period ended 31st March, 2020

1 CORPORATE INFORMATION

DHFL Holdings Ltd.(DHL) is wholly owned subsidiary company of Dewan Housing finance Corporation Limited and has been incorporated on 28th September 2018 under the provisions of Companies Act, 2013. DHL has been incorporated to carry on the business/businesses of holding and Investment Company, to buy, underwrite, invest in, acquire, hold, deal in and trade in shares, stocks, debentures, debenture-stock, bonds, obligations and securities of any kind of companies or partnership firms or body corporate, whether in India or elsewhere in accordance with the Reserve Bank of India Act, 1934 and other applicable statutory and legal provisions. DHL has registered office in Mumbai.

2 SIGNIFICANT ACCOUNTING POLICIES:

2.1 Basis of preparation of financial statements :

- a) The Company has prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Indian Accounting Standard) Rules, 2015 (Indian AS) as amended from time to time.
- b) The Company has adopted Ind AS standards effective from date of incorporation. All applicable Ind AS have been applied consistently wherever required.
- c) The financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.
- d) The preparation of financial statements requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.
- e) Amounts in the financial statements are presented in ₹, unless otherwise stated.
- f) Based on the nature of its activities, the company has determined its operating cycle as 12 months for the purpose of classification of its Assets and Liabilities as current and non-current.

2.2 Revenue Recognition :

Dividend Income

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Other Income

Revenue is recognised when there is reasonable certainty as to measurement and ultimate realization of the same.

2.3 Financial Instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

(i) Financial Asset:

Initial recognition and measurement :

All financial instruments are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through the statement of profit and loss, transaction costs that are attributable to the acquisition of the financial asset, purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place are recognized on the trade date i.e. the date that the company commits to purchase or sell the asset.

Subsequent measurement : For the purpose of subsequent measurement financial assets are classified as measured at: • Amortised cost • Fair value through profit and loss (FVTPL) • Fair value through other comprehensive income (FVTOCI).

Financial assets at fair value through profit or loss (FVTPL) : Financial asset are measured at fair value through profit and loss if it does not meet the criteria for classification as measured at amortized cost or at FVTOCI. All fair value changes are recognized in the statement of profit and loss.

Equity Instruments : All investments in equity instruments classified under financial assets are initially measured at fair value, the group may, on initial recognition, irrevocably elect to measure the same either at FVTOCI or FVTPL.

2.4 Financial Liability

Initial recognition and measurement :

Financial liabilities are recognized initially at fair value plus any transaction cost that are attributable to the acquisition of the financial liability except financial liabilities at FVTPL that are measured at fair value.

Subsequent measurement :

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the statement of profit and loss.

Financial liabilities at amortized cost: Amortized cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount. The company is classifying the following under amortized cost. (1) Borrowings from banks (2) Borrowings from others (3) Trade payables (4) Other financial liabilities.

Derecognition: A financial liability shall be derecognized when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

2.5 Cash and cash equivalents

Cash and cash equivalent in the Balance Sheet comprise cash at banks and on hand, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash at banks and on hand, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

2.6 Impairment of Assets :

The carrying amounts of assets are reviewed at each reporting date if there is any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value less cost of disposals and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Fair value is the price that would be received to sell an asset or paid to transfer a liability in orderly transaction between market participants at the measurement date. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. Impairment losses are recognised in the Statement of Profit and Loss in expense categories.

2.7 Earnings Per Share :

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.8 Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961.

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the financial statements' carrying amount of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the balance sheet dates. The effect on the deferred tax assets and liabilities of a change in tax rate is recognized in the period that includes the enactment date. Deferred tax assets are recognized only to the extent there is virtual certainty of realization in future.

2.9 Provisions, Contingent Liability and Contingent Assets

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made. Contingent assets are disclosed where an inflow of economic benefits is probable.

DHFL HOLDINGS LIMITED
3 Cash and Cash Equivalent

Particulars	Amount in (₹)	
	As at 31.03.2020	As at 31.03.2019
(a) Cash on hand	-	-
(b) Balances with Banks in Current Accounts	32,549	99,823
Total Cash & Cash Equivalents	32,549	99,823

4 Other Financial Liabilities

Particulars	Amount in (₹)	
	As at 31.03.2020	As at 31.03.2019
Audit Fees Payable	10,000	10,000
Other payables	-	37,466
Total Other Financial Liabilities	10,000	47,466

5 Equity Share capital

Particulars	Amount in (₹)	
	As at 31.03.2020	As at 31.03.2019
Authorised		
1,00,000 Equity Shares of ₹ 10/- each	10,00,000	10,00,000
	10,00,000	10,00,000
Issued, Subscribed and Paid up		
10,000 Equity Shares of ₹ 10/- each fully paid up	1,00,000	1,00,000
	1,00,000	1,00,000

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. The Company has not declared or paid any dividend.

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of shares	Amount	No. of shares	Amount
Equity shares at the beginning	10,000	1,00,000	-	-
Add: Shares issued during the year	-	-	10,000	1,00,000
Equity shares at the end	10,000	1,00,000	10,000	1,00,000

Details of shareholders holding more than five percent equity shares in the Company are as under:

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of shares	% holding	No. of shares	% holding
Dewan Housing Finance Corporation Ltd. (Holding Company)	10,000	100.00	10,000	100.00
	10,000	100.00	10,000	100.00

6 Other Equity

Refer to the statement of changes in equity for movement in Other equity.

7 Other Expenses

Particulars	Amount in (₹)	
	Year ended 31.03.2020	Year ended 31.03.2019
(a) Auditor's Remuneration	10,000	10,000
(b) Preliminary Expenses	-	37,466
(c) Bank Charges	826	177
(d) GST Expenses	3,600	-
(d) Filing Fees	1,632	-
(d) Professional Fees	13,750	-
	-	-
Total Other expenses	29,808	47,643

8 Earning Per Share

Amount in (₹)

Particulars	Amount in (₹)	
	Year ended 31.03.2020	Year ended 31.03.2019
Profit/(Loss) after tax as per statement of profit and loss	(29,808)	(47,643)
Net Profit attributable to equity shareholders	(29,808)	(47,643)
No. of Equity shares (Number)	10,000	10,000
Weighted Average No. of Equity Shares	10,000	10,000
Nominal value of Equity Shares (₹)	10	10
Earning Per Share (₹) :		
Basic	(2.98)	(4.76)
Diluted	(2.98)	(4.76)

9 Related parties transactions

As per Indian Accounting Standard (Ind AS 24) on "Related Party Disclosures" details of transactions with related parties as defined therein are given below:

A) List of related parties with whom transactions have taken place during the year:

1) COMPANIES

(i) Holding Company

(a) Dewan Housing Finance Corporation Limited

2) KEY MANAGEMENT PERSONNEL

(a) Shri Kapil Wadhawan - Director

(b) Shri Dheeraj Wadhawan - Director

B) Details of transactions during the Period ended 31st March, 2020

(₹)

Details of Transactions	DHFL (Holding Company)	
	Year ended 31.03.20	Year ended 31.03.19
Issue of share Capital	-	1,00,000
Other Payables	-	37,466

10 Audit Fees

(₹)

Particulars	As at 31.03.2020	As at 31.03.2019
Audit Fees	10,000	10,000
Total Audit Fees	10,000	10,000

11 Deferred Tax Assets not recognised as a matter of prudence.

12 Contingent Liability : NIL

13 Micro, small and medium enterprises disclosure

The identification of Micro, Small and Medium enterprises is based on the management's knowledge of their status. The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006

14 Details of Loans and Investments as required u/s 186(4) of Companies Act, 2013:-

- Loans and advances in the nature of loans to related parties - Nil
- Guarantees given by the Company in respect of loans as on 31st March 2020 - Nil

15 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 results.

For Vatsaraj & Co.
Chartered Accountants
ICAI FRN: 111327W

For and behalf of the Board of Directors

Sd/-
Dr. CA B. K. Vatsaraj
Partner
M No.: 39894

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

Sd/-
Mr. Pranab Goel
Director
DIN : 02394169

Sd/-
Mr. Govindan Srinivasan
Director
DIN : 06813777

Place: Mumbai
Date: 20/06/2020

DHFL HOLDINGS LIMITED

Statement of Changes in Equity for the Period ended 31st March '20

A Equity Share Capital

Particulars	Amount in (₹)	
	As at 31.03.2020	As at 31.03.2019
Authorised		
1,00,000 Equity Shares of ₹ 10/- each	10,00,000	10,00,000
	10,00,000	10,00,000
Issued, Subscribed and Paid up		
10,000 Equity Shares of ₹ 10/- each fully paid up	1,00,000	1,00,000
	1,00,000	1,00,000

B Other Equity

Particulars	Reserves & Surplus		
	Retained Earnings	Other Comprehensive Income	Total
As at 31st March'19	(47,643)	-	(47,643)
Profit/(Loss) for the Period	(29,808)	-	(29,808)
As at 31st March'20	(77,451)	-	(77,451)

As per our report of even date

For Vatsaraj & Co.**Chartered Accountants****ICAI FRN: 111327W****For and behalf of the Board of Directors**

Sd/-
Dr. CA B. K. Vatsaraj
 Partner
 M No.: 39894

Sd/- Mr. Satya Narayan Baheti Director DIN : 00136476	Sd/- Mr. Pranab Goel Director DIN : 02394169	Sd/- Mr. Govindan Srinivasan Director DIN : 06813777
---	---	--

Place: Mumbai
 Date: 20/06/2020

Note

Financial instruments – Fair values

D Financial Risk Management

The Company has exposure to the following risks arising from financial instruments:

Credit risk

Liquidity risk and

Market risk

Risk management framework

The Company's principal financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include cash and cash equivalents that derive directly from its operations. The Company also holds FVTPL investments.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below:

1 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk.

Financial instruments affected by market risk include FVTPL investments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

2 Equity price risk

The Company's non-listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. Company's investment in its group company - DHFL Pramarica Life Insurance Company Limited, which is non-listed, is significant. But being the strategic investment, company is not influenced by equity price risk

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities from its other financial instruments

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's board of directors. Investments of surplus funds are made only with approval of Board of directors.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of the financial assets and liabilities

Capital Management

Capital includes equity attributable to the equity holders to ensure that it maintains an efficient capital structure and healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions or its business requirements. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year ended March 31, 2020 and March 31, 2019.

DHFL Holdings Limited

Unit No.1 to 7, Empressa, Survey No. 50AB

Plot No. 19, Sahar Road,

Vile Parle (East), Mumbai-400057.

Trial Balance

1-Apr-2019 to 31-Mar-2020

Particulars	DHFL Holdings Limited			
	1-Apr-2019 to 31-Mar-2020			
	Opening Balance	Transactions		Closing Balance
		Debit	Credit	
Capital Account	52357.00 Cr			52357.00 Cr
<i>Reserves & Surplus</i>	<i>47643.00 Dr</i>			<i>47643.00 Dr</i>
<i>Share Capital</i>	<i>100000.00 Cr</i>			<i>100000.00 Cr</i>
Current Liabilities	47466.00 Cr	84683.00	47217.00	10000.00 Cr
Sundry Creditors		15550.00	15550.00	
<i>Audit Fees Payable</i>	<i>10000.00 Cr</i>	31667.00	31667.00	<i>10000.00 Cr</i>
<i>Dewan Housing Finance Corporation Ltd.</i>	<i>37466.00 Cr</i>	37466.00		
Current Assets	99823.00 Dr		67274.00	32549.00 Dr
Bank Accounts	99823.00 Dr		67274.00	32549.00 Dr
<i>Axis Bank Account 918020103775371</i>	<i>99823.00 Dr</i>		<i>67274.00</i>	<i>32549.00 Dr</i>
Indirect Expenses		51475.00	21667.00	29808.00 Dr
<i>Audit Fees</i>		31667.00	21667.00	<i>10000.00 Dr</i>
<i>Bank Charges</i>		826.00		<i>826.00 Dr</i>
<i>Duties and Taxes</i>		3600.00		<i>3600.00 Dr</i>
<i>Filing Fees</i>		1632.00		<i>1632.00 Dr</i>
<i>Professional Fees</i>		13750.00		<i>13750.00 Dr</i>
Grand Total		136158.00	136158.00	