

DHFL/CSD/2020/1845

Date: 12th July 2020

To,

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

Sub: Disclosure of material impact of outbreak of COVID – 19 pandemic on business

Ref.: SEBI Circular No. SEBI/HO/CFD/CMDI/CIR/P/2020/84 dated 20th May 2020

Dear Sir / Madam,

Pursuant to the SEBI Circular No. SEBI/HO/CFD/CMDI/CIR/P/2020/84 dated 20th May, 2020 regarding advisory on disclosure of material impact of COVID-19 pandemic on listed entities under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2014 and in continuation to the disclosure made by us as part of Annual Financial Statements at Note no. 11 thereof which were submitted on 20th June 2020, we would like to submit as under :

Dewan Housing Finance Corporation Limited (referred as DHFL) is primarily into the business of housing finance and majority of the retail loans given by the Company are given to home buyers. As earlier advised by us vide our letter no. DHFL/CSD/2019-20/1741 dated 3rd December, 2020 followed by periodic submissions in this regard, the Reserve Bank of India ("RBI") had superseded the Board of Directors of the Company on 20th November 2019 and accordingly powers of the Board are vested in the Administrator from such date. Further, the RBI on 29th November 2019 filed an application with the Hon'ble National Company Law Tribunal, Mumbai Bench for initiating Corporate Insolvency Resolution Process (CIRP) against the Company. The Hon'ble Tribunal by their order dated 3rd December 2019, commenced CIRP against the Company under the provisions of the Insolvency & Bankruptcy Code, 2016 and the relevant rules and regulations and confirmed the appointment of the Administrator to perform all the functions of a resolution professional for running the CIRP in respect of DHFL.

As per the provisions of Section 14 of the Insolvency and Bankruptcy Code, 2016 read with the relevant rules applicable, a moratorium applies in respect of the Company from the date of filing of application with the Hon' NCLT and all the creditors to the Company are required to submit their claim against the Company as on the insolvency commencement date. The Company has already intimated the Exchanges that Corporate Insolvency Resolution Process ("CIRP") has been initiated against the Company as per the provisions of the Insolvency and Bankruptcy Code, 2016 ("Code") with effect from December 3, 2019. In terms of the Code, the Administrator had sought claims from the creditors of the Company by way of a public announcement. The list of such claims received and admitted has been uploaded on Company's website [https://www.dhfl.com/docs/default-source/downloadform/list-of-creditors-under-regulation-13-\(may-21-2020\).pdf](https://www.dhfl.com/docs/default-source/downloadform/list-of-creditors-under-regulation-13-(may-21-2020).pdf) and also filed with Hon' NCLT under Regulation 13 of CIRP Regulations.

The COVID-19 pandemic outbreak and the resultant lockdown in the country had impacted various functions of the Company including Head Office and branch operations, collections and field visits and also new disbursements. During the initial phases of lockdown till about 31st May 2020, wherein strict restrictions on mobility was in force, the Company's Head Office and branches, micro-branches remained shut and could not function, in compliance with the Govt. guidelines.

Due to swift adaption of alternate technology, Work from Home (WFH) enablement and other functional and connectivity support, a large number of employees of the Company were able to carry on with the day-to-day operations even during the lockdown. Apart from the disruption caused in the normal functioning in the initial days of lockdown, the Company was able to perform all its routine operational functions to near normalcy, except those related to branch and field visit related.

The Company in compliance with the RBI's **COVID-19 – Regulatory Package** announcement, offered moratorium facility to its eligible borrowers by providing them with the option of deferment of their monthly EMI payments. The policy and details were shared through the website of the company. In the month of April 2020 and May 2020, about 32% and 36% of the retail borrowers respectively, availed moratorium. During this period, the retail collections of the Company were impacted on account of the moratorium availed by the borrowers and due to the restricted movement of collections and field officers.

In the month of April 2020, DHFL's team contacted about 60% of its retail borrowers who had availed moratorium facility to explain them about the impact of moratorium on their loan accounts and also encouraged them to make the regular payments as per the monthly EMI payment cycle. Resultantly, total retail collections of the company increased by approx. 26% in May 2020 over April 2020. With the phased Unlock announcement in June 2020, the retail collections further increased by about 83% in June 2020 over the collections of May 2020. During the lockdown period, the Company also undertook an exercise to identify potentially stressed accounts and follow-up was ensured.

With comprehensive efforts to improve collections, the Company has been able to significantly reduce the quantum of its overdue (Irregular) retail accounts. The Company's retail overdue portfolio has been reduced by 23% in June 2020 as compared to Feb 2020 retail irregular position and regular collection efforts continue to improve the position even further. Similarly, retail accounts in the pre-NPA stage has seen a reduction of 45% in June 2020 as compared to Feb 2020 position. Besides, in June 2020 even while the moratorium was extended to the customers, extensive awareness and collections campaign helped the Company reduce its under-moratorium borrower position from 36% in May 2020 to 27% in June 2020 in terms of count.

The retail disbursement process of the company, which was commenced in end of Feb 2020, was impacted during the lockdown owing to the restriction on conducting field visits for due-diligence and other verification processes.

The outsourced call centre activities of the Company was affected during the lockdown, however , the agency was able to revive the operations with WFH enablement within 10 days and the teams commenced the operations in limited way and gradually scaled to near full level by end of May 2020.

With unlock 1.0 coming into effect from 1st June 2020, the Company's operations at about 250 locations gradually restarted while following the health and safety instructions of both Central and State governments. Considering the wellbeing and safety of our employees, the offices which are open are operating on a roster plan basis with 50% attendance or lower as prescribed by local administration in respective parts of the Country. All other staff of the Company continue to work from home.

The footfall at the branches have also been increasing since the easing of lockdown and an increase in logins for disbursement cases has also been observed. With mobility restrictions easing, due diligence and field visits have also commenced, although in a limited way.

The Company during the lockdown period also ensured that the books of accounts for Q4 2019 and financial year ended 31st March, 2020 were finalised and the audit of the accounts was completed in terms of the Companies Act, 2013. The Audited Standalone & Consolidated Financial Results for the period were filed with the stock exchanges in June 2020, well within the time-line stipulated by the Securities and Exchange Board of India under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company made a suitable disclosure about impact of COVID-19 as per Note no.11 added to the published financial results.

During the lockdown period, the 5th Meeting of Committee of Creditors was held on 12th May 2020 through audio-visual means and the relevant disclosures were made to the stock exchanges on 13th May 2020.

We have been closely monitoring the prevalent situation and continue to take all necessary steps as required to maximise the value of the company and continue the organisation as a going concern.

Kindly take the above on record and acknowledge receipt.

Thanking you,
Yours sincerely,

for Dewan Housing Finance Corporation Ltd.

S. N. Baheti
Company Secretary