

DHFL/CSD/2018-19/_1224

Date: 22 September 2018

<p>The Manager Listing Department Bombay Stock Exchange Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai- 400 001 Fax no. 2272 2082 / 3132/ 3121</p>	<p>The Manager Listing Department National Stock Exchange of India Limited, 'Exchange Plaza', C-1, Block G, Bandra- Kurla Complex, Bandra (East), Mumbai- 400 051. Fax No. 26598237 / 38</p>
<p>Scrip Code : 511072</p>	<p>DHFL</p>

Sub: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) 2015 ("SEBI Listing Regulations")

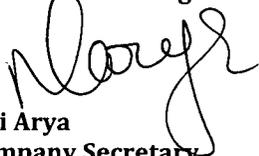
Dear Sir,

With reference to the captioned subject, please find attached herewith the note on our approach to liquidity management and the same is also being uploaded on the Company's website under 'Investors Section'.

You are requested to take note of the same in your records.

Thanking you
Yours sincerely,

for **Dewan Housing Finance Corporation Limited**


Niti Arya
Company Secretary
FCS No. - 5586
Enclosure: as above





Approach to Liquidity Management



Robust Liquidity & Liability Management

{ Period }

{ Our Market View }

{ Action Plan/Taken }

FY 17-18

- Interest rates bottomed out
- Prolonged pause followed by rate hike

- In view of interest rate bottoming, fixed rate liabilities were kept unhedged
- In view of the above, positive mismatch in ALM to the extent of 50% of total liability
- 99.7% of our loan assets are at floating rate
- Conservative investment approach and focussed investment in shorter duration instruments

H1 (FY 18-19)

- Interest rates started hardening after a prolonged pause
- Anticipated liquidity tightening considerably in H2 FY19
- However, contrary to expectations the liquidity started tightening in H1 FY19

- Accelerated borrowings from Debt Capital Market with focus on long term and Fixed Rate. Raised ₹ 10,945 crs. from public bond issue and ₹ 5,200 crs through private placement incl. Masala Bond
- Achieved planned capital market borrowings for FY 19
- As market is pricing in rate hike , initiated hedging activity of fixed rate liability

H2 (FY 18-19)

- Expect inflation to rise marginally in medium term , which should not warrant more than 2 rate hikes
- IRS curve is pricing more than 2 rate hikes.
- Liquidity to remain tight in H2 with volatility in rates

- Raise resources through Direct Assignment (sell down of PSL/Non PSL portfolio)
- Focus on borrowings from banks & Intl. Markets.
- To reduce exposure to Commercial Paper as part of overall borrowing plan
- Capitalise on the steepness of the curve and increase hedging activity

Asset Liability Management

Three tier approach to Asset Liability Management:

- ❑ Update on Asset – Liability position is presented to **Audit Committee** and the **Board**
- ❑ **ALCO** comprises of key members including Jt. Managing Director, CFO, CBO, COO, Head-Treasury , Head-Retail Liabilities
- ❑ **Market Review committee** comprises of CBO, COO ,Head-Treasury and Head-Retail Liabilities

Board / Audit Committee
(Quarterly)



ALCO Meeting
(Monthly)



Market Review Committee
(Fortnightly)

Scope of ALCO

Macro
Economic
Environment

Current
Business
outlook

Impact on the
ALM Plan

Review of CoF
& Lending
Rates

Action Plan &
Revisions

Extract of liquidity and contractual liabilities till March 2019...

Liquidity to remain in surplus even with assumed abstinence from any further resource mobilisation#

Particulars	Sep -18*	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19
Current Investments	9,087^	6,164	4,986	2,237	3,576	5,599	7,620
<i>Inflows</i>							
EMI/Prepayments	325	2,525	2,600	2,625	2,650	2,675	2,700
Total Inflows	325	2,525	2,600	2,625	2,650	2,675	2,700
<i>Outflows</i>							
Bank Loans	683	367	364	800	338	412	1,000
CP	2,200	2,995	4,020	175	-	-	100
NCD	27	14	500	40	7	5	439
Interest Payout	338	327	465	271	282	237	609
Total	3,248	3,703	5,349	1,286	627	654	2,148
Surplus	6,164	4,986	2,237	3,576	5,599	7,620	8,172

Surplus would be in excess of ₹12,000 crores at any point of time after meeting all contractual obligations if undrawn bank lines are included

Any fresh borrowing is excluded from the table

* Sep 18 data represents amounts from 22nd Sep onwards

^ Net of Repayment of ₹ 575 crs of CP and ₹ 200 crs of Bank Loan on 21st Sep 2018

Thank You

Disclaimer

This presentation may contain statements about events and expectations that may be “forward-looking,” including those relating to general business plans and strategy of Dewan Housing Finance Corporation Ltd. (“DHFL”) and its associates/subsidiaries/JVs, its future outlook and growth prospects, and future developments in its businesses and its competitive and regulatory environment. Actual results may differ materially from these forward-looking statements due to a number of risks and uncertainties, including future changes or developments in DHFL and its associates/subsidiaries/JVs business, its competitive environment, its ability to implement its strategies and initiatives and respond to technological changes and political, economic, regulatory and social conditions in India. All financial data in this presentation is obtained from the Financial Statements for FY2016 and FY2017, FY2018 & Q1FY2019 basis which the ratios are calculated. This presentation does not constitute a prospectus, offering circular or offering memorandum or an offer invitation or a solicitation of any offer to purchase or sell, any shares of DHFL should not be considered or construed in any manner whatsoever as a recommendation that any person should subscribe for or purchase any of DHFL's shares. None of the projections, expectations, estimates or prospects in this presentation should be construed as a forecast implying any indicative assurance or guarantee of future performance, nor that the assumptions on which such future projections, expectations, estimates, or prospects have been prepared are complete or comprehensive.

Contact

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