DEWAN HOUSING FINANCE CORPORATION LIMITED

Our Company was incorporated at Mumbai as Dewan Housing Finance & Leasing Company Limited on April 11, 1984 as a Public Limited Company under the provisions of the Companies Act, 1956. Our Company's name was subsequently changed to "Dewan Housing Development Finance Limited" on September 26, 1984 and thereafter to "Dewan Housing Finance Corporation Limited" on August 25, 1992.

Registered office: Warden House, 2nd Floor, Sir P.M. Road, Fort, Mumbai – 400 001, Maharashtra, India; **Tel**: +91 22 6106 6800; **Fax**: +91 22 2287 1985; **Website**: www.dhfl.com;
Corporate Office: TCG Financial Centre, 10th Floor, BKC Road, Bandra Kurla Complex, Bandra (East), Mumbai – 400 098, Maharashtra, India; **CIN**: L65910MH1984PLC032639.
Company Secretary and Compliance Officer: Ms. Niti Arya; **Tel**: +91 22 6600 6999; **Fax**: +91 22 6600 6998; **E-mail**: secretarial@dhfl.com;

PUBLIC ISSUE BY DEWAN HOUSING FINANCE CORPORATION LIMITED ("COMPANY" OR THE "ISSUER") OF UPTO 4,00,00,000 SECURED REDEEMABLE NON CONVERTIBLE DEBENTURES ("NCDs") OF FACE VALUE OF ` 1,000 EACH AGGREGATING UP TO ` 4,00,000 LACS ("SHELF LIMIT") ("ISSUE"). THE NCDs WILL BE ISSUED IN ONE OR MORE TRANCHES UP TO THE SHELF LIMIT, ON TERMS AND CONDITIONS AS SET OUT IN THE RELEVANT TRANCHE PROSPECTUS FOR ANY TRANCHE ISSUE (EACH A "TRANCHE ISSUE"), WHICH SHOULD BE READ TOGETHER WITH THIS DRAFT SHELF PROSPECTUS AND THE SHELF PROSPECTUS (COLLECTIVELY THE "OFFER DOCUMENT").
THE ISSUE IS BEING MADE PURSUANT TO THE PROVISIONS OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF DEBT SECURITIES) REGULATIONS, 2008 AS AMENDED (THE "SEBI DEBT REGULATIONS"), THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER AS AMENDED TO THE EXTENT NOTIFIED.

OUR PROMOTERS

Our promoters are Mr. Kapil Wadhawan and Mr. Dheeraj Wadhawan. For further details refer to the chapter "***Our Promoters***" on page 127.

GENERAL RISKS

For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue, including the risks involved. Specific attention of the Investors is invited to the chapter titled "***Risk Factors***" beginning on page 12 and "***Material Developments***" beginning on page 130 and in the relevant Tranche Prospectus of any Tranche Issue before making an investment in such Tranche Issue. This Draft Shelf Prospectus has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India ("SEBI"), the Reserve Bank of India ("**RBI**"), National Housing Bank ("**NHB**"), the Registrar of Companies or any stock exchange in India.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Draft Shelf Prospectus read together with Shelf Prospectus and relevant Tranche Prospectus for a Tranche Issue does contain and will contain all information with regard to the Issuer and the relevant Tranche Issue, which is material in the context of the Issue. The information contained in this Draft Shelf Prospectus read together with Shelf Prospectus and relevant Tranche Prospectus for a Tranche Issue is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Shelf Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

COUPON RATE, COUPON PAYMENT FREQUENCY, REDEMPTION DATE, REDEMPTION AMOUNT & ELIGIBLE INVESTORS

For details relating to Coupon Rate, Coupon Payment Frequency, Redemption Date, Redemption Amout & Eligible Investors of the NCDs, please refer to the chapter titled "***The Issue***" on page 33.

CREDIT RATING

The NCDs proposed to be issued under this Issue have been rated 'CARE AAA (Triple AAA)' for an amount of ` 4,00,000 lacs, by Credit Analysis and Research Limited ("**CARE**") vide their letter dated July 7, 2016 and BWR AAA (Pronounced as BWR Triple A) Outlook: Stable for an amount of ` 4,00,000 lacs, by Brickworks Ratings India Private Limited ("**Brickwork**") vide their letter dated July 7, 2016. The rating of CARE AAA by CARE and BWR AAA, Outlook: Stable by Brickwork indicate that instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry the lowest credit risk. For the rationale for these ratings, see Annexure A and B to this Draft Shelf Prospectus. This rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. This rating is subject to revision or withdrawal at any time by the assigning rating agencies and should be evaluated independently of any other ratings.

LISTING

The NCDs offered through this Draft Shelf Prospectus along with relevant Tranches are proposed to be listed on the National Stock exchange of India Limited ("**NSE**"). Our Company has received an 'in-principle' approval from the [●] *vide* their letter no. [●] dated [●] For the purposes of the Issue NSE shall be the Designated Stock Exchange.

PUBLIC COMMENTS

This Draft Shelf Prospectus dated July 12, 2016 has been filed with the Designated Stock Exchange, pursuant to the provisions of the SEBI Debt Regulations and is open for public comments for a period of seven Working Days (i.e., until 5 p.m.) from the date of filing of this Draft Shelf Prospectus with the Designated Stock Exchange. All comments on this Draft Shelf Prospectus are to be forwarded to the attention of the Compliance Officer of our Company. Comments may be sent through post, facsimile or e-mail.

LEAD MANAGERS TO THE ISSUE

EDELWEISS FINANCIAL SERVICES LIMITED
Edelweiss House, Off CST Road,
Kalina, Mumbai - 400 098,
Maharashtra, India
Tel: +91 22 4086 3535
Fax: +91 22 4086 3610
Email: dhfl.ncd@edelweissfin.com
Investor Grievance Email:
customerservice.mb@edelweissfin.com
Website: www.edelweissfin.com
Contact Person: Mr. Mandeep Singh/ Mr. Lokesh Singhi
SEBI Regn. No.: INM0000010650

A. K. CAPITAL SERVICES LIMITED
30-39 Free Press House, 3rd Floor,
Free Press Journal Marg,
215, Nariman Point, Mumbai – 400 021,
Maharashtra, India
Tel: +91 22 6754 6500
Fax: +91 22 6610 0594
Email: dhflncd2016@akgroup.co.in
Investor Grievance Email:
investor.grievance@akgroup.co.in
Website: www.akcapindia.com
Contact Person: Mr. Girish Sharma/ Mr. Malay Shah
SEBI Regn. No.: INM000010411

ICICI BANK LIMITED
ICICI Bank Towers
Bandra Kurla Complex
Bandra (E) Mumbai - 400051
Maharashtra, India
Tel: +91 22 26538980
Fax: +91 22 26531089
Email: dhfl.corpbond@icicibank.com
Investor Grievance Email:
merchantbanking@icicibank.com
Website: www.icicibank.com
Contact Person: Sanket Jain
SEBI Regn. No.: INM000010759

SBI CAPITAL MARKETS LIMITED
202, Maker Tower E,
Cuffe Parade,
Mumbai – 400 005,
Maharashtra, India
Tel: +91 22 2217 8300
Fax: +91 22 2218 8332
E-mail: dhfl.ncd@sbicaps.com
Investor Grievance Email:
investor.relations@sbicaps.com
Website: www.sbicaps.com
Contact Person: Ms. Kavita Tanwani
SEBI Regn. No: INM000003531

LEAD MANAGERS TO THE ISSUE

TRUST INVESTMENT ADVISORS PRIVATE LIMITED
109/110, Balarama, Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051,
Maharashtra, India
Tel: +91 22 4084 5000
Fax: +91 22 4084 5007
Email: Mbd.trust@trustgroup.co.in
Investor Grievance Email:
customercare@trustgroup.co.in
Website: www.trustgroup.co.in
Contact Person: Mr. Anindya Sen
SEBI Regn. No.: INM000011120

YES SECURITIES (INDIA) LIMITED
IFC, Tower 1 & 2, Unit no. 602 A, 6th Floor,
Senapati Bapat Marg, Elphinstone,
Road, Mumbai – 400 013
Maharashtra, India
Tel.: +91 22 3347 9606
Fax: 91 22 2421 4511
Email: dhfl.ncd@yessecuritiesltd.in
Investor Grievance Email:
igc@yessecuritiesltd.in
Website: www.yesinvest.in
Contact Person: Mr. Devendra Maydeo
SEBI Regn. No.: MB/INM000012227

DEBENTURE TRUSTEE

CATALYST TRUSTEESHIP LIMITED
(formerly known as GDA Trusteeship Limited)
'GDA House' First Floor,
Plot No. 85, S No. 94 & 95,
Bhusary Colony, Kothrud, Pune – 411 038,
Maharashtra, India
Tel: +91 20 2528 0081
Fax: +91 20 2528 0275
Email: dt@gdatrustee.com
Investor Grievance Email: dt@gdatrustee.com
Website: www.gdatrustee.com
Contact Person: Ms. Shamala Nalawade
SEBI Regn. No: IND000000034

REGISTRAR TO THE ISSUE

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32,
Financial District, Nanakramguda,
Gachibowli, Hyderabad – 500 032,
Telangana, India
Tel: +91 40 6716 2222
Fax: +91 40 2343 1551
Email: einward.ris@karvy.com
Investor Grievance Email:
dhfl.ncdipo1@karvy.com
Website: www.karisma.karvy.com
Contact Person: Mr. M Murali Krishna
SEBI Regn. Number: INR000000221

ISSUE PROGRAMME**

ISSUE OPENS ON: [●]	ISSUE CLOSES ON: [●]

** CATALYST Trusteeship Limited under regulation 4(4) of SEBI Debt Regulations has by its letter dated July 6, 2016 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in Offer Document and in all the subsequent periodical communications sent to the holders of the NCDs issued pursuant to this Issue.*
*A copy of the Shelf Prospectus and relevant Tranche Prospectus shall be filed with the Registrar of Companies, Maharashtra, Mumbai in terms of section 26 and 31 of Companies Act, 2013, along with the endorsed/certified copies of all requisite documents. For further details please refer to the chapter titled "**Material Contracts and Documents for Inspection**" on page 247.*
***The Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. during the period indicated above, except that the Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company ("**Board**") or the Finance Committee. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a daily national newspaper with wide circulation on or before such earlier or initial date of Issue closure. On the Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by NSE.*

TABLE OF CONTENTS

SECTION I-GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, all references in this Draft Shelf Prospectus to "the Issuer", "our Company", "the Company" or "DHFL" are to Dewan Housing Finance Corporation Limited, a public limited company incorporated under the Companies Act, 1956, as amended and replaced from time to time, having its registered office at Warden House, 2nd Floor, Sir P.M. Road, Fort, Mumbai – 400 001, Maharashtra, India. Unless the context otherwise indicates, all references in this Draft Shelf Prospectus to "we" or "us" or "our" are to our Company and its Subsidiaries and its Joint Venture, on a consolidated basis.

Unless the context otherwise indicates or implies, the following terms have the following meanings in this Draft Shelf Prospectus, and references to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies as amended from time to time.

Company related terms

Term	Description
AFSL	Avanse Financial Services Limited
AHFL	Aadhar Housing Finance Limited
Articles/ Articles of Association/AoA	Articles of Association of our Company
Board/ Board of Directors	Board of Directors of our Company or a Finance Committee thereof
Consortium (each individually, a Member of the Consortium)	The Lead Managers and Consortium Members
Consortium Agreement	Consortium Agreement among our Company and the Consortium [●]
Consortium Members	[●]
Corporate Office	TCG Financial Centre, 10th Floor, BKC Road, Bandra Kurla Complex, Bandra (East), Mumbai – 400 098, Maharashtra, India
CrPC	Code of Criminal Procedure, 1973, as amended from time to time
DBAMC	Deutsche Asset Management (India) Private Limited
DHFL Holdings	DHFL Holdings Private Limited
DHFL Ventures	DHFL Ventures Trustee Company Private Limited
DBMF	Deutsche Mutual Fund
DPAMPL	DHFL Pramerica Asset Managers Private Limited
DPLIC	DHFL Pramerica Life Insurance Company Limited
DPTPL	DHFL Pramerica Trustees Private Limited
DVHFL	DHFL Vysya Housing Finance Limited
Director	Director of our Company, unless otherwise specified
Equity Shares	Equity shares of our Company of face value of ` 10 each
Finance Committee	The committee authorised by our Board of Directors to take necessary decisions with respect to the Issue by way a board resolution dated July 5, 2016
First Blue	First Blue Home Finance Limited
IPC	Indian Penal Code, 1860, as amended from time to time
Joint Ventures	The joint ventures of our Company, namely: 1. DHFL Pramerica Life Insurance Company Limited 2. DHFL Pramerica Asset Managers Private Limited 3. DHFL Pramerica Trustees Private Limited
Memorandum/ Memorandum of Association/ MoA	Memorandum of Association of our Company
Pramerica	Prudential Financial, Inc
Preference Shares	75,000,000 redeemable non-convertible preference shares of face value ` 10 each and 500,000 redeemable non-convertible preference shares of face value ` 100 each
Reformatted	The statement of reformatted consolidated assets and liabilities as at March 31,

Term	Description
Consolidated Financial Statements	2016 and March 31, 2012 and the statement of reformatted consolidated statement of profit and loss for the Fiscals 2016 and 2012 and the statement of reformatted consolidated cash flow for the Fiscals 2016 and 2012 as examined by the joint statutory auditors of our Company, namely, M/s T. R. Chadha & Co. LLP, Chartered Accountants and M/s. Rajendra Neeti & Associates, Chartered Accountants Our audited consolidated financial statements as at and for the years ended March 31, 2016 and March 31, 2012 form the basis for such Reformatted Financial Statements
Reformatted Standalone Financial Statements	The statement of reformatted standalone assets and liabilities as at March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012 and the statement of reformatted standalone statement of profit and loss for the Fiscals 2016, 2015, 2014, 2013 and 2012 and the statement of reformatted standalone cash flow for the Fiscals 2016, 2015, 2014, 2013 and 2012 as examined by the joint statutory auditors of our Company, namely, M/s. T. R. Chadha & Co. LLP, Chartered Accountants and M/s. Rajendra Neeti & Associates, Chartered Accountants Our audited standalone financial statements as at and for the years ended March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012 form the basis for such Reformatted Financial Statements
Reformatted Financial Statements	Reformatted Consolidated Financial Statemetns and Reformatted Standalone Financial Statements
Registered Office	Warden House, 2nd Floor, Sir P.M. Road, Fort, Mumbai – 400 001, Maharashtra, India
RoC	Registrar of Companies, Maharashtra at Mumbai
SARFESI Act	The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002, as amended from time to time
Statutory Auditors/Auditors	The joint statutory auditors of our Company, namely, M/s. T. R. Chadha & Co. LLP, Chartered Accountants and M/s. Rajendra Neeti & Associates, Chartered Accountants The Board of Directors of our Company has proposed appointment of M/s Chaturvedi and Shah, *Chartered Accountants*, subject to shareholders' approval at the 32nd Annual General Meeting dated July 20, 2016. For details please refer to the chapter "***General Information – Staututory Auditors***" on page 45
Subsidiary/ DAIPL	The subsidiary of our Company, namely DHFL Advisory & Investments Private Limited

Issue related terms

Term	Description
Allotment/ Allot/ Allotted	The issue and allotment of the NCDs to successful Applicants pursuant to the Issue
Allotment Advice	The communication sent to the Allottees conveying details of NCDs allotted to the Allottees in accordance with the Basis of Allotment
Allottee(s)	The successful Applicant to whom the NCDs are Allotted either in full or part, pursuant to the Issue
Applicant/ Investor	A person who applies for the issuance and Allotment of NCDs pursuant to the terms of this Draft Shelf Prospectus, Shelf Prospectus, relevant Tranche Prospectus and Abridged Prospectus and the Application Form for any Tranche Issue
Application	An application to subscribe to the NCDs offered pursuant to the Issue by submission of a valid Application Form and payment of the Application Amount by any of the modes as prescribed under the respective Tranche Prospectus
Application Amount	The aggregate value of the NCDs applied for, as indicated in the Application Form for the respective Tranche Issue
Application Form	The form in terms of which the Applicant shall make an offer to subscribe to the

Term	Description
	NCDs through the ASBA or non-ASBA process, in terms of the Shelf Prospectus and respective Tranche Prospectus
ñASBA òor ñApplication Supported by Blocked Amount òor ñASBA Application ò	The application (whether physical or electronic) used by an ASBA Applicant to make an Application by authorizing the SCSB to block the bid amount in the specified bank account maintained with such SCSB
ASBA Account	An account maintained with an SCSB which will be blocked by such SCSB to the extent of the appropriate Application Amount of an ASBA Applicant
ASBA Applicant	Any Applicant who applies for NCDs through the ASBA process
Banker(s) to the Issue/ Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as bankers to the issue, with whom the Escrow Accounts and/or Public Issue Accounts will be opened by our Company in respect of the Issue, and as specified in the relevant Tranche Prospectus for each Tranche Issue
Base Issue Size	As will be specified in the relevant Tranche Prospectus for each Tranche Issue
Basis of Allotment	As will be specified in the relevant Tranche Prospectus for each Tranche Issue
BSE	BSE Limited
Category I Investor	¶ Public financial institutions, scheduled commercial banks, and Indian multilateral and bilateral development financial institution which are authorised to invest in the NCDs; ¶ Provident funds & pension funds with minimum corpus of Rs.2500.00 lacs, superannuation funds and gratuity funds, which are authorised to invest in the NCDs; ¶ Venture Capital Funds/ Alternative Investment Fund registered with SEBI; ¶ Insurance Companies registered with IRDA; ¶ State industrial development corporations; ¶ Insurance funds set up and managed by the army, navy, or air force of the Union of India; ¶ Insurance funds set up and managed by the Department of Posts, the Union of India; ¶ National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and ¶ Mutual Funds.
Category II Investor	¶ Companies within the meaning of section 2(20) of the Companies Act, 2013; co-operative banks and societies registered under the applicable laws in India and authorised to invest in the NCDs; ¶ Statutory Bodies/Corporations ¶ Regional Rural Banks ¶ Public/private charitable/ religious trusts which are authorised to invest in the NCDs; ¶ Scientific and/or industrial research organisations, which are authorised to invest in the NCDs; ¶ Partnership firms in the name of the partners; ¶ Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); ¶ Association of Persons; and ¶ Any other incorporated and/ or unincorporated body of persons
Category III Investor	Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ` 10 lacs across all series of NCDs in Issue
Category IV Investor	Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ` 10 lacs across all series of NCDs in Issue
Credit Rating Agencies	For the present Issue, the credit rating agencies, being CARE nd Brickworks
CARE	Credit Analysis & Research Limited
CRISIL	CRISIL Limited
Debenture Trustee Agreement	The agreement dated July 10, 2016 entered into between the Debenture Trustee and our Company
Debenture Trust Deed	The trust deed to be entered into between the Debenture Trustee and our Company
Debenture Trustee/ Trustee	Debenture Trustee for the Debentureholders, in this Issue being Catalyst Trusteeship Limited (formerly known as GDA Trusteeship Limited)
Debt Application Circular	Circular no. CIR/IMD/DF ï1/20/ 2012 issued by SEBI on July 27, 2012

Term	Description
Deemed Date of Allotment	The date on which the Board of Directors or the Finance Committee approves the Allotment of the NCDs for each Tranche Issue or such date as may be determined by the Board of Directors or the Finance Committee and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the Debentureholdersfrom the Deemed Date of Allotment
Demographic Details	The demographic details of an Applicant, such as his address, occupation, bank account details, Category, PAN for printing on refund orders which are based on the details provided by the Applicant in the Application Form
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository(ies)	National Securities Depository Limited (NSDL) and /or Central Depository Services (India) Limited (CDSL)
DP / Depository Participant	A depository participant as defined under the Depositories Act
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Applications and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other website as may be prescribed by SEBI from time to time
Designated Date	The date on which Application Amounts are transferred from the Escrow Accounts to the Public Issue Accountsor the Refund Account, as appropriate and the Registrar to the Issue issues instruction to SCSBs for transfer of funds from the ASBA Accounts to the Public Issue Account(s) following which the Board or the Finance Committee shall Allot the NCDs to the successful Applicants, provided that the sums received in respect of the Issue will be kept in the Escrow Accounts up to this date
Designated Stock Exchange	NSE i.e. National Stock Exchange of India Limited
Direct Online Application	The application made using an online interface enabling direct application by investors to a public issue of their debt securities with an online payment facility through a recognized stock exchange. This facility is available only for demat account holders who wish to hold the NCDs pursuant to the Issue in dematerialized form. Please note that the Applicants will not have the option to apply for NCDs under the Issue, through the direct online applications mechanism of the Stock Exchanges
Draft Shelf Prospectus	This Draft Shelf Prospectus dated July 12, 2016 filed by our Company with the Designated Stock Exchange for receiving public comments, in accordance with the provisions of the SEBI Debt Regulations
Escrow Accounts	Accounts opened with the Escrow Collection Bank(s) into which the Members of the Consortium and the Trading Members, as the case may be, will deposit Application Amounts from resident non-ASBA Applicants, in terms of the Shelf Prospectus, relevant Tranche Prospectus and the Escrow Agreement
Escrow Agreement	Agreement dated [ŏ] entered into a the Lead Managers and the Escrow Collection Banks for collection of the Application Amounts from non-ASBA Applicants and where applicable, refunds of the amounts collected from the Applicants on the terms and conditions thereof
Interest Payment Date	Interest Payment Date as specified in the relevant Tranche Prospectus for the relevant Tranche Issue
Issue	Public issue by our Company of NCDs of face value of ` 1,000 each pursuant to the Shelf Prospectus and the relevant Tranche Prospectus for an amount upto an aggregate amount of the Shelf Limit. The NCDs will be issued in one or more tranches subject to the Shelf Limit
Issue Closing Date	Issue Closing Date as specified in the relevant Tranche Prospectus for the relevant Tranche Issue
Issue Opening Date	Issue Opening Date as specified in the relevant Tranche Prospectus for the relevant Tranche Issue

Term	Description
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days, during which prospective Applicants may submit their Application Forms
Lead Managers/ LMs	Edelweiss Financial Services Limited, A. K. Capital Services Limited, ICICI Bank Limited, SBI Capital Markets Limited, Trust Investment Advisors Private Limited and YES Securities (India) Limited
Market Lot	One NCD
NCDs	Secured Redeemable Non Convertible Debentures of face value of ` 1,000
Offer Document	This Draft Shelf Prospectus, Shelf Prospectus and relevant Tranche Prospectus
Public Issue Account	An account opened with the Banker(s) to the Issue to receive monies for allotment of NCDs from the Escrow Accounts for the Issue and/ or the SCSBs on the Designated Date
Record Date	15 (fifteen) days prior to the relevant interest payment date, relevant Redemption Date for NCDs issued under the relevant Tranche Prospectus. In case of redemption of NCDs, the trading in the NCDs shall remain suspended between the record date and the date of redemption. In event the Record Date falls on a Sunday or holiday of Depositories, the succeeding working day or a date notified by the Company to the stock exchanges shall be considered as Record Date
Redemption Amount	As specified in the relevant Tranche Prospectus
Redemption Date	The date on which our Company is liable to redeem the NCDs in full as specified in the relevant Tranche Prospectus
Refund Account	The account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Application Amount shall be made (excluding all Application Amounts received from ASBA Applicants)
Refund Banks	As specified in the relevant Tranche Prospectus
Register of Debentureholders	The Register of Debentureholders maintained by the Issuer in accordance with the provisions of the Companies Act, 2013
Registrar to the Issue/ Registrar	Karvy Computershare Private Limited
Registrar Agreement	Agreement dated July 9, 2016 entered into between our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
Security	As specified in the relevant Tranche Prospectus and Debenture Trust Deed
Self Certified Syndicate Banks or SCSBs	The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account, a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other website as may be prescribed by SEBI from time to time
Shelf Limit	The aggregate limit of the Issue, being ` 4,00,000 lacs to be issued under this Draft Shelf Prospectus, Shelf Prospectus through one or more Tranche Issues
Shelf Prospectus	The Shelf Prospectus dated [ŏ] NSE a and the RoC in accordance with the provisions of the Companies Act, 2013 and the SEBI Debt Regulations The Shelf Prospectus shall be valid for a period as prescribed under Section 31 of the Companies Act, 2013
Simplified Listing Agreement	The Listing Agreement entered into between our Company and the relevant stock exchange(s) in connection with the listing of the debt and equity securities of our Company
Stock Exchange	NSE
Syndicate or Members of the Syndicate	Collectively, the Consortium Members appointed in relation to the Issue
Syndicate ASBA Application Locations	ASBA Applications through the Lead Managers, Consortium Members or the Trading Members of the Stock Exchange only in the Specified Cities
Syndicate SCSB Branches	In relation to ASBA Applications submitted to a Member of the Syndicate, such branches of the SCSBs at the Syndicate ASBA Application Locations named by the SCSBs to receive deposits of the Application Forms from the members of the

Term	Description
	Syndicate, and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other website as may be prescribed by SEBI from time to time
Tier I capital	Tier I capital means, owned fund as reduced by investment in shares of other HFCs and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten percent of the owned fund
Tier II capital	Tier-II capital includes the following: (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of 55%; (c) general provisions (including that for standard assets)and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets; (d) hybrid debt capital instruments; and (e) subordinated debt to the extent the aggregate does not exceed Tier-I capital
Tenor	Tenor shall mean the tenor of the NCDs as specified in the relevant Tranche Prospectus
Transaction Registration Slip or TRS	The acknowledgement slip or document issued by any of the Members of the Consortium, the SCSBs, or the Trading Members as the case may be, to an Applicant upon demand as proof of registration of his application for the NCDs
Trading Members	Intermediaries registered with a Broker or a Sub-Broker under the SEBI (Stock Brokers and Sub-Brokers) Regulations, 1992 and/or with the Stock Exchange under the applicable byelaws, rules, regulations, guidelines, circulars issued by Stock Exchange from time to time and duly registered with the Stock Exchange for collection and electronic upload of Application Forms on the electronic application platform provided by the Stock Exchange
Tranche Issue	Issue of the NCDs pursuant to the respective Tranche Prospectus
Tranche Prospectus	The Tranche Prospectus(es) containing the details of NCDs including interest, other terms and conditions, recent developments, general information, objects, procedure for application, statement of tax benefits, regulatory and statutory disclosures and material contracts and documents for inspection, in respect of the relevant Tranche Issue
Tripartite Agreements	Tripartite agreement dated July 8, 2016 among our Company, the Registrar and CDSL and tripartite agreement dated July 8, 2016 among our Company, the Registrar and NSDL
Working Day(s)	Working Day shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai, except with reference to Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holiday in India. Furthermore, for the purpose of post issue period, i.e. period beginning from Issue Closure to listing of the securities, Working Days shall mean all days excluding Sundays or a holiday of commercial banks in Mumbai or a public holiday in India

Conventional and general terms or abbreviation

Term/Abbreviation	Description/ Full Form
` or Rupees or Rs. or Indian Rupees or INR	The lawful currency of India.
AGM	Annual General Meeting.
AS	Accounting Standards issued by Institute of Chartered Accountants of India.
ASBA	Application Supported by Blocked Amount.
CDSL	Central Depository Services (India) Limited.
Companies Act/ Act	Companies Act, 1956,
Companies Act, 2013	The Companies Act, 2013 (18 of 2013), to the extent notifed by the MCA and in force as on the date of this Draft Shelf Prospectus
CRAR	Capital to Risk-Weighted Assets Ratio.

Term/Abbreviation	Description/ Full Form
CSR	Corporate Social Responsibility.
ECS	Electronic Clearing Scheme.
ESAR	Employee Stock Appreciation Rights Plan
ESOS	Employee Stock Option Scheme
Depositories Act	Depositories Act, 1996.
Depository(ies)	CDSL and NSDL.
DIN	Director Identification Number.
DP/ Depository Participant	Depository Participant as defined under the Depositories Act, 1996.
DRR	Debenture Redemption Reserve.
FDI	Foreign Direct Investment.
FDI Policy	The Government policy and the regulations (including the applicable provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000) issued by the Government of India prevailing on that date in relation to foreign investments in our Company ô sector of business as amended from time to time.
FEMA	Foreign Exchange Management Act, 1999.
Financial Year/ Fiscal/ FY	Period of 12 months ended March 31 of that particular year.
FIR	First Information Report.
GDP	Gross Domestic Product.
GoI or Government	Government of India.
HFC	Housing Finance Company.
HNI	High Networth Individual.
HUF	Hindu Undivided Family.
ICAI	Institute of Chartered Accountants of India.
IFRS	International Financial Reporting Standards.
Income Tax Act	Income Tax Act, 1961.
India	Republic of India.
Indian GAAP	Generally Accepted Accounting Principles followed in India.
IRDA	Insurance Regulatory and Development Authority.
IT	Information Technology.
MCA	Ministry of Corporate Affairs, GoI.
MoF	Ministry of Finance, GoI.
NBFC	Non Banking Financial Company, as defined under applicable RBI guidelines.
NECS	National Electronic Clearing System.
NEFT	National Electronic Fund Transfer.
NHB	National Housing Bank
NHB Act	National Housing Bank Act, 1987 or as amended from time to time
National Housing Bank Directions òor ìNHB Directions òor ìDirections ò	Housing Finance Companies (NHB) Directions, 2010 as amended from time to time
NPA	Non-Performing Assets
NRI or ìNon-Resident ò	A person resident outside India, as defined under the FEMA.
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
p.a.	Per annum.
PAN	Permanent Account Number.
PAT	Profit After Tax.
PCG	Partial Credit Enhancement Guarantee.
RBI	Reserve Bank of India.
RBI Act	Reserve Bank of India Act, 1934
RTGS	Real Time Gross Settlement.
SARFAESI Act	Securitisation & Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
SEBI	Securities and Exchange Board of India

Term/Abbreviation	Description/ Full Form
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI Debt Regulations	Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
SEBI LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Business/ Industry related terms

Term/Abbreviation	Description/ Full Form
ALCO	Asset Liability Management Committee
AUM	Assets Under Management
BOM	Branch Operations Manager
Chola MS	Cholamandalam MS General Insurance Company
DSA	Direct Selling Agents
EMI	Equated monthly instalment
Fair Practices Code	The guidelines on fair practices code for HFCs issued by the NHB on September 9, 2015
LMI	Low and Middle income
LTV	Loan-to-value ratio
SLR	Statutory Liquidity Ratio
WPI	Wholesale Price Index

Notwithstanding anything contained herein, capitalised terms that have been defined in the chapters titled “***Capital Structure***”, “***Regulations and Policies***”, “***History and other Corporate Matters***”, “***Statement of Tax Benefits***”, “***Our Management***”, “***Financial Indebtedness***”, “***Outstanding Litigation and Defaults***” and “***Issue Procedure***” on pages 48, 107, 104, 63,115, 131,182 and 216 respectively will have the meanings ascribed to them in such chapters.

CERTAIN CONVENTIONS, USE OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

All references in this Draft Shelf Prospectus to "*India*" are to the Republic of India and its territories and possessions.

Unless stated otherwise, all references to page numbers in this Draft Shelf Prospectus are to the page numbers of this Draft Shelf Prospectus.

Presentation of Financial Information

Our Company publishes its financial statements in Rupees. Our Company's financial statements for the year ended March 31, 2016, March 31, 2015 and March 31, 2014 have been prepared in accordance with Indian GAAP including the Accounting Standards notified under the Companies Act read with General Circular 8/2014 dated April 4, 2014 and for the years ended March 31, 2013 and 2012 are prepared in accordance with Indian GAAP including the Accounting Standards referred in section 133 of the Companies Act, 2013.

The Reformatted Standalone Financial Statements and the Reformatted Consolidated Financial Statements are included in this Draft Shelf Prospectus and collectively referred to hereinafter as the ("**Reformatted Financial Statements**"). The examination reports on the Reformatted Financial Statements as issued by the joint statutory auditors of our Company, namely, M/s. T. R. Chadha & Co. LLP, Chartered Accountants and M/s. Rajendra Neeti & Associates, Chartered Accountants ' are included in this Draft Shelf Prospectus in the chapter titled "***Financial Statements***" beginning at page 131.

Change in Statutory Auditors

The Board of Directors of our Company has proposed appointment of M/s Chaturvedi and Shah, *Chartered Accountants*, subject to shareholders' approval at the Annual General Meeting dated July 20, 2016.

Currency and Unit of Presentation

In this Draft Shelf Prospectus, references to "`", "Indian Rupees", "INR", "Rs." and "Rupees" are to the legal currency of India, references to "US$", "USD" and "U.S. dollars" are to the legal currency of the United States of America, as amended from time to time. Except as stated expressly, for the purposes of this Draft Shelf Prospectus, data will be given in ` in lacs.

Industry and Market Data

Any industry and market data used in this Draft Shelf Prospectus consists of estimates based on data reports compiled by Government bodies, professional organizations and analysts, data from other external sources including CRISIL, available in the public domain and knowledge of the markets in which we compete. These publications generally state that the information contained therein has been obtained from publicly available documents from various sources believed to be reliable, but it has not been independently verified by us, its accuracy and completeness is not guaranteed and its reliability cannot be assured. Although we believe that the industry and market data used in this Draft Shelf Prospectus is reliable, it has not been independently verified by us. The data used in these sources may have been reclassified by us for purposes of presentation. Data from these sources may also not be comparable. The extent to which the industry and market data presented in this Draft Shelf Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.

In this Draft Shelf Prospectus, any discrepancy in any table between total and the sum of the amounts listed are due to rounding off.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Draft Shelf Prospectus that are not statements of historical fact constitute ìforward-looking statementsò. Investors can generally identify forward-looking statements by terminology such as ìaimò, ìanticipateò, ìbelieveò, ìcontinueò, ìcouldò, ìestimateò, ìexpectò, ìintendò, ìmayò, ìobjectiveò, ìplanò, ìpotentialò, ìprojectò, ìpursueò, ìshallò, ìseekò, ìshouldò, ìwillò, ìwouldò, or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability, new business and other matters discussed in this Draft Shelf Prospectus that are not historical facts. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include, among others:

- our ability to manage our credit quality;
- interest rates and inflation in India;
- volatility in interest rates for our lending and investment operations as well as the rates at which our Company borrows from banks/financial institution;
- general, political, economic, social and business conditions in Indian and other global markets;
- our ability to successfully implement our strategy, growth and expansion plans;
- competition from our existing as well as new competitors;
- change in the government regulations;
- availability of adequate debt and equity financing at commercially acceptable terms;
- performance of the Indian debt and equity markets;
- our ability to comply with certain specific conditions prescribed by the GoI in relation to our business changes in laws and regulations applicable to companies in India, including foreign exchange control regulations in India; and
- other factors discussed in this Draft Shelf Prospectus, including under the chapter titled ì***Risk Factors***ò on page 12.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in the chapters titled ì***Our Business***ò and ì***Outstanding Litigations and Defaults***ò on pages 85 and 182 respectively of this Draft Shelf Prospectus. The forward-looking statements contained in this Draft Shelf Prospectus are based on the beliefs of management, as well as the assumptions made by, and information currently available to management. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable as of the date of this Draft Shelf Prospectus, our Company cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

Neither the Lead Managers, our Company, its Directors and its officers, nor any of their respective affiliates or associates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI Debt Regulations, our Company, the Lead Managers will ensure that investors in India are informed of material developments between the date of filing the Shelf Prospectus and relevant Tranche Prospectus with the ROC and the date of the Allotment.

SECTION II-RISK FACTORS

*Prospective investors should carefully consider all the information in this Draft Shelf Prospectus, including the risks and uncertainties described below, and under the section titled “**Our Business**” on page 85 and under “**Financial Statements**” on page 129, before making an investment in the NCDs. The risks and uncertainties described in this section are not the only risks that we currently face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business prospects, results of operations and financial condition. If any of the following or any other risks actually occur, our business prospects, results of operations and financial condition could be adversely affected and the price of and the value of your investment in the NCDs could decline and you may lose all or part of your redemption amounts and/ or interest amounts.*

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed below. However, there are certain risk factors where the effect is not quantifiable and hence has not been disclosed in the below risk factors. The numbering of risk factors has been done to facilitate ease of reading and reference, and does not in any manner indicate the importance of one risk factor over another.

In this section, unless the context otherwise requires, a reference to “our Company”, is a reference to Dewan Housing Finance Corporation Limited on a standalone basis and references to “we”, “us”, and “our” are to our Company, Subsidiaries and Joint Ventures on consolidated basis. Unless otherwise specifically stated in this section, financial information included in this section have been derived from our Reformatted Financial Statements.

A. Internal Risks and Risks Associated with our Business

1. Our business has been growing consistently in the past. Any inability to maintain our growth may have a material adverse effect on our business, results of operations and financial condition.

Our business has steadily expanded in the three fiscal year-period ended March 31, 2014, 2015 and 2016. As at March 31, 2016, our total outstanding loans stood at ` 61,77,502 lacs.

For the fiscal years ended March 31, 2016, 2015 and 2014, our revenue from operations was ` 7,31,183 lacs, ` 5,97,896 lacs and ` 4,96,558 lacs, respectively, and our profit after tax was ` 72,920 lacs, ` 62,129 lacs and ` 52,900 lacs, respectively. The Company's revenue from operations and profit after tax grew at a CAGR of 21.3% and 17.4%, respectively, during the three fiscal years ended March 31, 2016, 2015 and 2014.

Our growth strategy includes increasing the number of loans we extend, diversifying our product portfolio and expanding our customer base. There can be no assurance that our growth strategy will continue to be successful or that we will be able to continue to expand further or diversify our product portfolio.

In order to maintain our growth in the future, we will, inter alia, need to continue to focus on: (i) raising funds at optimum costs; (ii) our managerial, technical and operational capabilities; (iii) the allocation of our resources; and (iv) our information and risk management systems. In addition, we may be required to manage relationships with a greater number of customers, third party agents, lenders and other parties.

Our business depends significantly on our marketing initiatives. Our sales and marketing efforts are mainly conducted by third party social media marketing providers. Our advertisement and business promotion expenses amounted to ` 9,836 lacs, ` 7,393 lacs and ` 4,514 lacs in the fiscal years ended March 31, 2016, 2015 and 2014, respectively. Our business sourcing expenses amounted to ` 13,368 lacs, ` 14,701 lacs and ` 9,419 lacs, respectively, for the same periods. If we fail to supervise and control the sales and marketing activities of such third party service providers, the quality of our marketing initiatives may deteriorate. There can be no assurance in relation to the impact of such initiatives and any failure to achieve the desired results may negatively impact the Company's ability to leverage its brand value. Further, there can be no assurance that we would be able to continue such initiatives in the future in a similar manner and on commercially viable terms.

Further, we cannot assure you that we will not experience issues such as capital constraints, difficulties in expanding our existing business and operations, and hiring and training of new personnel in order to manage and operate our expanded business.

Any or a combination of some or all of the above-mentioned factors may result in a failure to maintain the growth of our loan portfolio which may in turn have a material adverse effect on our business, results of operations and financial condition.

2. Our business is particularly vulnerable to volatility in interest rates.

A significant component of our income is the interest income that we receive from the loans we disburse. Our interest income is affected by any volatility in interest rates in our lending operations. Interest rates are highly volatile due to many factors beyond our control, including the monetary policies of the RBI, deregulation of the financial sector in India, and domestic and international economic and political conditions.

If there is an increase in the interest rates that we pay on our borrowings, which we are unable to pass on to our customers, we may find it difficult to compete with our competitors, who may have access to funds sourced at a lower cost. Further, to the extent our borrowings are linked to market interest rates, we may have to pay interest at a higher rate than lenders that borrow only at fixed interest rates. Fluctuations in interest rates may also adversely affect our treasury operations. If there is a sudden or sharp rise in interest rates, we could be adversely affected by the decline in the market value of our securities portfolio and other fixed income securities.

Further, we may lend money on a long-term, fixed interest rate basis, typically without an escalation clause in our loan agreements. Any increase in interest rates over the duration of such loans may result in our losing potential interest income. Our failure to pass on increased interest rates on our borrowings may cause our net interest income to decline, which would decrease our return on assets and could adversely affect our business, future financial performance and results of operations.

Also, when interest rates decline, we are subject to greater re-pricing and prepayment risks as borrowers take advantage of the attractive interest rate environment. In periods of low interest rates and high competition among lenders, borrowers may seek to reduce their borrowing cost by asking lenders to re-price loans. If we are required to restructure loans, it could adversely affect our profitability. If borrowers prepay loans, the return on our capital may be impaired if we are not able to deploy the received funds at similar interest rates.

There can be no assurance that we will be able to adequately manage our interest rate risk in the future, which could have an adverse effect on our net interest margin.

3. Any increase in the levels of non-performing assets in our loan portfolio, for any reason whatsoever, would adversely affect our business, results of operations and financial condition.

With the growth in our business, we expect an increase in our loan portfolio. Should the overall credit quality of our loan portfolio deteriorate, the current level of our provisions may not be adequate to cover further increases in the amount of our NPAs. There can be no assurance that there will be no further deterioration in our provisioning coverage as a percentage of gross NPAs or otherwise, or that the percentage of NPAs that we will be able to recover will be similar to our past experience of recoveries of NPAs.

As at March 31, 2016, our gross NPAs as a percentage of our outstanding loans was 0.93% and our net NPAs, as a percentage of our outstanding loans, was 0.58%. The provisioning in respect of our outstanding loan portfolio has been undertaken in accordance with the NHB guidelines and other applicable laws. The provisioning requirements may also require the exercise of subjective judgments of management. The level of our provisions may be inadequate to cover further increases in the amount of our non-performing loans or decrease in the value of the underlying collateral. If our provisioning requirements are insufficient to cover our existing or future levels of non-performing loans or other loan losses that may occur, or if future regulation requires us to increase our provisions, our results of operation and financials may get adversely including our ability to raise additional capital and debt funds at favourable terms.

In addition, provisioning norms may be revised by the NHB from time to time and become more stringent for HFCs. The NHB has amended the provisioning norms in the NHB Directions 2010 pursuant to notification no. NHB.HFC.DIR.3/CMD/2011 dated August 5, 2011, notification no. NHB.HFC.DIR.4/CMD/2012 dated January 19, 2012, and notification no. NHB.HFC.DIR.9/CMD/2013 dated September 6, 2013. Further, NHB ôs Master Circular bearing No. NHB(ND)/DRS/REG/MC-01/2015 dated September 9, 2015 has incorporated the provisioning norms for housing finance companies in one place. As a result of the aforesaid notifications, we have had to increase our provisioning in accordance with these norms as they changed. For further details, refer to the chapter ì***Regulation and Policies*** òon page 107.

If the quality of our loan portfolio deteriorates or we are unable to implement effective monitoring and collection methods, our financial condition and results of operations may be affected. In addition, we anticipate that the size of our loan portfolio will grow as a result of our expansion strategy in existing as well as new products, which will expose us to an increased risk of defaults.

If our customers are unable to meet their financial obligation in a timely manner then it could adversely affect our results of operations. Any negative trends or financial difficulties particularly among our borrowers could increase the level of non-performing assets in our portfolio and adversely affect our business and financial performance. If a significant number of our customers are unable to meet their financial obligations in a timely manner, it may lead to an increase in our level of NPAs. If we are not able to prevent increases in our level of NPAs, our business and our future financial performance could be adversely affected.

4. ***Our indebtedness and conditions and restrictions imposed by our financing arrangements could adversely affect our ability to conduct our business and operations.***

We have entered into agreements with certain banks and financial institutions for short-term and long-term borrowings. Some of these agreements contain restrictive covenants which require us to obtain consent from our lenders, before, amongst other things, altering our capital structure, disposing assets out of the ordinary course of business, incurring capital expenditure above certain limits, effecting any scheme of amalgamation or reconstitution, creating any charge or lien on the assets or receivables of the Company and any alteration to the Memorandum of Association or Articles of Association. In addition, upon the occurrence of an event of default, we would be restricted from declaring dividends. Certain of the loan agreements also give the lenders the right to nominate up to two directors to the Board to protect the interest of the lenders. Our financing agreements also require us to maintain certain financial ratios.

In the event we breach any financial or other covenants contained in any of our financing arrangements or in the event we had breached any terms in the past which is noticed in the future, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. We may be forced to sell some or all of the assets in our portfolio if we do not have sufficient cash or credit facilities to make repayments. Furthermore, our financing arrangements contain cross-default provisions which could automatically trigger defaults under other financing arrangements.

We cannot assure you that our business will generate sufficient cash to enable us to service our debt or to fund our other liquidity needs. In addition, we may need to refinance all or a portion of our debt on or before maturity. We cannot assure you that we will be able to refinance any of our debt on commercially reasonable terms or at all.

5. ***We have undertaken, and may undertake in the future, strategic acquisitions and alliances, which may be difficult to integrate, and may end up being unsuccessful.***

We have in the past pursued, and may from time to time pursue in the future, strategic acquisitions and alliances in order to increase our market presence. In Fiscal 2004, we and our Promoters acquired a majority stake in Vysya Bank Housing Finance Limited to strengthen our presence in the southern and western parts of India. After the acquisition, Vysya Bank Housing Finance Limited changed its name to “DHFL Vysya Housing Finance Limited”. In Fiscal 2011, we set up Aadhar Housing Finance Limited (AHFL) in partnership with IFC to focus on low-cost housing and financial inclusion in the northern and eastern parts of India. In Fiscal 2013, the Company established Avanse Financial Services Limited in participation with IFC to provide affordable educational loans. In January 2013, the Company also completed the amalgamation of its subsidiaries, First Blue, which the Company acquired in March 2011, and DHFL Holdings (the Company’s wholly owned subsidiary through which it held its shareholding in First Blue) into the Company to diversify its customer base and extend its geographical reach.

In Fiscal 2014, we acquired 50% stake in DLF Pramerica Life Insurance Company Limited subsequently re-named as DHFL Pramerica Life Insurance Company Limited, to provide life insurance solutions in India.

In Fiscal 2015, we entered into a joint venture with PGLH of Delaware, Inc. pursuant to which we acquired a 50% stake in each of DPAMPL (erstwhile Pramerica Asset Managers Private Limited) and DPTPL (erstwhile Pramerica Trustees Private Limited), the asset management company and trustee company of DHFL Pramerica Mutual Fund (erstwhile Pramerica Mutual Fund). DPAMPL develops, manages, markets and operates an asset management business headquartered in Mumbai with a presence in 19 cities in India. We believe that DPAMPL and DPTPL will help us to extend our philosophy of financial inclusion by increasing product offerings to the

LMI segment that we have profitably served over the years.

In Fiscal 2016, DPAMPL and DPTPL along with others, entered into definitive agreements with DBAMC, Deutsche Trustee Services (India) Private Limited, the asset management company and trustee company of DBMF and Deutsche India Holdings Private Limited, sponsor of DBMF, to acquire (i) the rights to manage the schemes of DBMF, and (ii) portfolio management accounts of DBAMC. On March 4, 2016, the said acquisition was completed. Through these joint ventures and acquisitions, we aim to provide asset management services to customers in the LMI segment by leveraging on our pan-India distribution network, including our branches, staff and sales force, for the marketing, distribution and sale of mutual funds products. In addition, the acquisition of Deutsche Bank's asset management business in India allows us to expand our distribution platform and product portfolios significantly in India.

The Company's ability to achieve the benefits it anticipates from recent and future acquisitions and alliances will depend in large part upon whether it is able to integrate the acquired businesses into the rest of the Company in an efficient and effective manner. The integration and the achievement of synergies requires, among other things, coordination of business development and procurement efforts, manufacturing improvements and employee retention, hiring and training policies, as well as the alignment of products, sales and marketing operations, compliance and control procedures, research and development activities and information and software systems. Any difficulties encountered in combining operations could result in higher integration costs and lower savings than expected. The failure to successfully integrate an acquired business or the inability to realize the anticipated benefits of such acquisitions could materially and adversely affect the Company's business, results of operations, financial condition and prospects.

Further, acquired businesses may have unknown or contingent liabilities, including liabilities for failure to comply with relevant laws and regulations, and we may become liable for the past activities of such businesses. Although we have policies in place to ensure that the practices of newly acquired facilities conform to our standards, and generally will seek indemnification from prospective sellers covering these matters, we may become liable for past activities of any acquired business. Further, we may be subject to various obligations or restrictions under the relevant transaction agreements or shareholders' agreement such as restrictions on the transfer of shares, tag-along rights, drag-along rights, right-of-first refusal for existing shareholders, lock-in clauses etc. These provisions may, as the case may be, prevent the Company from disposing or acquiring shares in the subject entities, or force the Company to sell or acquire shares in the subject entities against its better judgment.

6. We regularly introduce new products for our customers, and there is no assurance that our new products will be profitable in the future.

We regularly introduce new products and services in our existing lines of business. We may incur costs to expand our range of products and services and cannot guarantee that such new products and services will be successful once offered, whether due to factors within or outside of our control, such as general economic conditions, a failure to understand customer demand and market requirements or management focus on these new products. If we fail to develop and launch these products and services successfully, we may lose a part or all of the costs incurred in development and promotion or discontinue these products and services entirely, which could in turn adversely affect our business and results of operations.

7. We may experience difficulties in expanding our business into new regions and markets.

As part of our growth strategy, we continue to evaluate attractive growth opportunities to expand our business into new regions and markets. Factors such as competition, customer requirements, regulatory regimes, culture, business practices and customs in these new markets may differ from those in our current markets, and our experience in our current markets may not be applicable to these new markets. In addition, as we enter new markets and geographical regions, we are likely to compete not only with other banks and financial institutions but also the local unorganized or semi-organized private financiers, who are more familiar with local regulations, business practices and customs, and have stronger relationships with potential customers.

As we continue to expand our geographic footprint, our business may be exposed to various additional challenges, including obtaining necessary governmental approvals, identifying and collaborating with local business and partners with whom we may have no previous working relationship; successfully marketing our products in markets with which we have no previous familiarity; attracting potential customers in a market in which we do not have significant experience or visibility; falling under additional local tax jurisdictions; attracting and retaining new employees; expanding our technological infrastructure; maintaining standardized systems and procedures;

and adapting our marketing strategy and operations to different regions of India or outside of India in which different languages are spoken. To address these challenges, we may have to make significant investments that may not yield desired results or incur costs that we may not recover. Our inability to expand our current operations may adversely affect our business prospects, financial conditions and results of operations.

8. In order to sustain our growth, we will need to maintain a minimum capital adequacy ratio. There is no assurance that we will be able to access the capital markets when necessary in order to maintain such a ratio.

The NHB Directions require a minimum capital adequacy ratio comprising of Tier I and Tier II capital aggregating to 12.00% to our total risk-weighted assets. The NHB Directions assign weightages to balance sheet assets. We must maintain this minimum capital adequacy level to support our continuous growth. Our capital adequacy ratio, calculated in accordance with Indian GAAP, was 16.74% on March 31, 2016. Our ability to support and grow our business could be limited by a declining capital adequacy ratio if we are unable to or have difficulty accessing the capital markets.

9. As a HFC, we face the risk of default and non-payment by borrowers. Any such defaults and non-payments would result in write-offs and/or provisions in our financial statements which may have a material adverse effect on our profitability and asset quality.

Any lending activity is exposed to credit risk arising from the risk of default and non-payment by borrowers. Our outstanding loan portfolio has grown at a CAGR of 23.6% from ` 40,45,104 lacs as of March 31, 2014 to ` 61,77,502 lacs as of March 31, 2016. The size of our loan portfolio is expected to continue to grow as a result of our expansion strategy. As our portfolio expands, we will be exposed to an increasing risk of defaults. Any negative trends or financial difficulties among our borrowers could increase the level of non-performing assets in our portfolio and adversely affect our business and financial performance. The borrowers may default in their repayment obligations due to various reasons including insolvency, lack of liquidity, etc. Any such defaults and non-payments would result in write-offs and/or provisions in our financial statements which may materially and adversely affect our profitability and asset quality.

10. We are a listed HFC and are subject to various regulatory and legal requirements. Also, future regulatory changes may have a material adverse effect on our business, results of operations and financial condition.

Our business is highly-regulated. The operations of a HFC in India are subject to various regulations framed by the Ministry of Corporate Affairs and the NHB, amongst others. We are also subject to the corporate, taxation and other laws in effect in India which require continued monitoring and compliance. These regulations, apart from regulating the manner in which a company carries out its business and internal operation, prescribe various periodical compliances and filings including but not limited to filing of forms and declarations with the relevant registrar of companies, and the NHB. Pursuant to the NHB regulations, HFCs are currently required to maintain a minimum CRAR consisting of Tier I and Tier II capital which collectively shall not be less than 12.00% of their aggregate risk weighted assets and their risk adjusted value of off-balance sheet items.

In particular, according to the NHB Directions, 2010, at no point can our total Tier II capital exceed 100% of the Tier I capital. For further details, please see the section titled îRegulation and Policies ó This ratio is used to measure an HFC ôs capital strength and to promote the stability and efficiency of the housing finance system. Our capital adequacy ratio, calculated in accordance with Indian GAAP, was 16.74% as at March 31, 2016. As our asset book grows further our CRAR may decline and this may require us to raise fresh capital. There is no assurance that NHB will not increase the minimum capital adequacy requirements. Should we be required to raise additional capital in the future in order to maintain our CRAR above the existing and future minimum required levels, we cannot guarantee that we will be able to obtain this capital on favorable terms, in a timely manner or at all. Additionally, under Clause 29C of the NHB Act, our Company is required to create a reserve fund and transfer to such fund an amount of no less than 20% of its net profits every year before any dividend is declared. If we fail to meet the requirements prescribed by the NHB, then the NHB may take certain actions, including but not limited to levying penalties, restricting our lending activities, investment activities and asset growth, and suspending all but our low-risk activities and imposing restrictions on the payment of dividends.

Furthermore, we are also subject to changes in Indian laws, regulations and accounting principles. There can be no assurance that the laws and regulations governing companies in India will not change in the future or that such changes or the interpretations or enforcement of existing and future laws and rules by governmental and regulatory authorities will not affect our business and future financial performance. The introduction of additional government controls or newly implemented laws and regulations, depending on the nature and extent thereof and our ability to make corresponding adjustments, may result in a material adverse effect on our business, results of operations and financial condition and our future growth plans. In particular, decisions taken by regulators concerning economic policies or goals that are inconsistent with our interests, could adversely affect our results of operations.

We cannot assure you that our Company will be in compliance with the various regulatory and legal requirements in a timely manner or at all. Further, we cannot assure you that we will be able to adapt to new laws, regulations or policies that may come into effect from time to time with respect to the housing finance industry in general. Further, changes in tax laws may adversely affect demand for real estate and therefore, for housing finance in India.

11. We are subject to periodic inspections by the NHB. Non-compliance with the NHB's observations made during any such inspections could adversely affect our reputation, business, financial condition, results of operations and cash flows.

The NHB conducts periodic inspections of our books of accounts and other records for the purpose of verifying the correctness or completeness of any statement, information or particulars furnished to the NHB or for obtaining any information which we may have failed to furnish on being called upon to do so. Inspection by the NHB is a regular exercise and is carried out periodically by the NHB for all housing finance institution accepting deposits under Section 34 of the NHB Act.

In the past, the NHB had made certain observations during its periodic inspections in connection with our operations and had imposed penalties, including for non-maintenance of reserve fund during the year 2010-11, failure to separately disclose the reserve fund under the provisions of the NHB Act, non-submission of quarterly statement on asset liability management and failure to notify the NHB about the change or closure of an office. Even though we have provided the NHB with necessary clarifications, paid some of the requisite penalties under protest and taken necessary steps to comply with the NHB's observations, any adverse notices or orders by the NHB during any future inspections could adversely affect our reputation, business, financial condition, results of operations and cash flows.

12. We may face maturity mismatches between our assets and liabilities in the future which may cause liquidity issues.

We regularly monitor our funding levels to ensure we are able to satisfy the requirement for loan disbursements and maturity of our liabilities.

As at March 31, 2016, our liabilities maturing within one year exceeded our assets maturing within the same period by ` 9,02,092 lacs. As at March 31, 2016, however, our liabilities maturing between one year and three years exceeded our assets maturing during the same period by ` 9,24,199 lacs and our liabilities maturing between three and five years exceeded our assets maturing during the same period by ` 7,00,416 lacs, while our assets maturing in over five years exceeded our liabilities maturing in the same period by ` 30,44,219 lacs.

We maintain diverse sources of funding and liquid assets to facilitate flexibility in meeting our liquidity requirements. Liquidity is provided principally by long-term borrowings from banks and mutual funds, short and long-term general financing through the domestic debt markets and retained earnings, proceeds from securitization and equity issuances.

Our liquidity position could be adversely affected and we may be required to pay higher interest rates in order to attract or retain our borrowings in order to meet our liquidity requirements in the future, which could have a material adverse effect on our business and financial results.

13. If we fail to identify, monitor and manage risks and effectively implement our risk management policies, it could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We have devoted resources to develop our risk management policies and procedures and aim to continue to do so in the future. Please refer to the chapter titled “*Our Business*” on page 85. Despite this, our policies and procedures to identify, monitor and manage risks may not be fully effective. Some of our risk management systems are not automated and are subject to human error. Some of our methods of managing risks are based upon the use of observed historical market behavior. As a result, these methods may not accurately predict future risk exposures, which could be significantly greater than those indicated by the historical measures.

To the extent any of the instruments and strategies we use to hedge or otherwise manage our exposure to market or credit risk are not effective, we may not be able to mitigate effectively our risk exposures in particular market environments or against particular types of risk. Further, some of our risk management strategies may not be effective in a difficult or less liquid market environment, where other market participants may be attempting to use the same or similar strategies to deal with the difficult market conditions. In such circumstances, it may be difficult for us to reduce our risk positions due to the activity of such other market participants. Other risk management methods depend upon an evaluation of information regarding markets, clients or other matters. This information may not in all cases be accurate, complete, up-to-date or properly evaluated.

Our investment and interest rate risk are dependent upon our ability to properly identify, and mark-to-market changes in the value of financial instruments caused by changes in market prices or rates. Our earnings are dependent upon the effectiveness of our management of changes in credit quality and risk concentrations, the accuracy of our valuation models and our critical accounting estimates and the adequacy of our allowances for loan losses.

To the extent our assessments, assumptions or estimates prove inaccurate or not predictive of actual results, we could suffer higher than anticipated losses. See also the Risk Factor entitled “*If the level of non-performing assets in our loan portfolio were to increase, our financial condition would be adversely affected*”.

If we fail to effectively implement our risk management policies, it could materially and adversely affect our business, financial condition, results of operations and cash flows.

14. Any decrease in revenue we earn from the distribution of insurance products may have an adverse effect on our results of operations.

Prior to our participation in DPLIC, we served as the master policy holder of MRTA of a few leading life insurers. These MRTA insurance products are single premium and are designed to cover the life-risk of the borrowers (i.e., our loan borrowers, who may opt for MRTA products to the extent of the loan availed. As per the arrangement with DPLIC, we became a master policy holder for DPLIC’s MRTA products effective January 2014. We will continue to service our customers who opted for other MRTA products with our pre-existing insurance associates until such time as they repay their loans with us. However, effective January 2014, we primarily focus on distribution of insurance products of DPLIC. New customers will have the option to purchase MRTA products from other insurers while availing a loan with us, provided that the premiums for such policies will need to be paid up-front by the customer to the relevant insurer. We also serve as a corporate agent exclusively for DPLIC for the distribution of life insurance products. Under the arrangement, our Company derives commission on the sale of the life insurance products. Further, we have entered into a memorandum of understanding with Chola MS where we serve as a group administrator and manager for group health, and/or personnel accident insurance policy. To ensure adequate insurance coverage for the properties financed during the tenure of the loan, we also educate our customers with appropriate insurance products.

Since the commission rates are regulated by the IRDA, any adverse change affecting the insurance companies’ ability to fix premiums based on the prevailing economic, regulatory, taxation-related and competitive factors could result in decrease in commission rates which may significantly affect our profitability. Further, any inability on our part or the part of DPLIC or Chola MS to introduce policies suited to the needs of our customers could affect our Company’s ability to distribute the policies successfully and in turn result in lesser commissions being earned.

15. We may not be successful in our asset management and mutual funds business which could have a material adverse effect on our business, results of operations and financial condition.

In Fiscal 2015, we entered into a joint venture with PGLH of Delaware, Inc pursuant to which we acquired a 50% stake in each of DPAMPL and DPTPL, the asset management company and trustee company of DHFL Pramerica Mutual Fund (erstwhile Pramerica Mutual Fund). DPAMPL develops, manages, markets and operates an asset management business headquartered in Mumbai with a presence in 19 cities in India. We believe that DPAMPL and DPTPL will help us to extend our philosophy of financial inclusion by increasing product offerings to the LMI segment that we have profitably served over the years. DPAMPL had approximately ` 20,632 Crores of discretionary and advisory assets under management at March 31, 2016. DPTPL provides trusteeship services and ensures that the activities of DPAMPL are in compliance with the SEBI (Mutual Funds) Regulations, 1996, as amended. In August 2015, DPAMPL and DPTPL along with others, entered into definitive agreements with DBAMC, Deutsche Trustee Services (India) Private Limited, the asset management company and trustee company of DBMF and Deutsche India Holdings Private Limited, sponsor of DBMF, to acquire (i) the rights to manage the schemes of DBMF, and (ii) portfolio management accounts of DBAMC. On March 4, 2016, the said acquisition was completed. Through these joint ventures and acquisitions, we aim to provide asset management services to customers in the LMI segment by leveraging on our pan-India distribution network, including our branches, staff and sales force, for the marketing, distribution and sale of mutual funds products. In addition, the acquisition of Deutsche Bank ôs asset management business in India allows us to expand our distribution platform and product portfolios significantly in India. During the fiscal year ended March 31, 2016, DPAMPL had net loss of ` 3261.66 Lacs We do not have a track record of operating mutual funds business. We cannot assure you that we will be successful in our asset management and mutual funds business. Any failure in our new asset management and mutual funds business could have a material adverse effect on our business, results of operations and financial condition.

16. We have entered into tie-ups with commercial banks which may be terminated or may restrict our ability to recover outstanding loans which have been disbursed.

We have entered into tie-ups with commercial banks, including public and private sector banks. Our tie-ups with such banks provide us with access to our ally banks ôcustomers and branch networks and provide our ally banks with the option to participate in our loan syndication programs. Our agreements with the ally banks can be terminated by either party with notice. Since we entered into such tie-ups with the objective to expand our customer base in strategic geographical locations by leveraging the respective reach of our tie-up partners, in the event any such agreement is terminated by the counterparty bank, we may not be able to identify an alternative strategic partner to replace the geographic coverage provided by the terminating party in a timely manner or at all. In such case, our business and results of operations could be materially and adversely affected.

Additionally, under the terms of our tie-up agreements, in most cases, the loans are to be disbursed to the selected customer by our Company and the ally banks in a 50:50 ratio. As a result, consent of our ally banks would be required for initiating enforcement proceedings. Any delay in obtaining such consent may restrict our ability to recover dues in a timely manner.

17. We may be unable to realize the expected value of collateral when borrowers default on their obligations to us, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We follow internal risk management guidelines in relation to portfolio monitoring which, inter alia, include a periodic assessment of loan to security value on the basis of conservative market price levels and ageing analysis, amongst others. However, we may not be able to realize the full value of the collateral as a result of the following (among other factors):

¶ delays in bankruptcy and foreclosure proceedings;
¶ defects or deficiencies in the perfection of collateral (including due to inability to obtain any approvals that may be required from third parties);
¶ distruction / material damage to the underlying property.
¶ fraud by borrowers;
¶ errors in assessing the value of the collateral;
¶ illiquid market for the sale of the collateral; and
¶ applicable legislative provisions or changes thereto and past or future judicial pronouncements.

As a result of any of the foregoing factors, we may not be able to realize the full value of collateral, which could have an adverse effect on our financial condition, results of operations and cash flows.

18. As a HFC, we have significant exposure to the real estate sector and any negative events affecting this sector could adversely affect our business and result of operations.

Our lending products include retail mortgage loans and residential project loans. Retail loans are bifurcated into housing loans and property (non-housing) loans. Housing loans include home purchase loans, home improvement loans, home construction loans, home extension loans, home loans for self-employed customers, plot/land loans and plot and construction loans, NRI home loans. Property (non-housing) loans include loans against property (mortgage loans), commercial loans, lease rental finance, project loans and SME loans and are availed for working capital and other business needs and construction of residential projects.

The primary security for the loans disbursed by the Company is the underlying property; the value of this security is largely dependent on housing market conditions prevalent at that time. The value of the collateral on the loans disbursed by the Company may decline due to adverse market conditions, including an economic downturn or a downward movement in real estate prices. In the event the real estate sector is adversely affected due to a decline of demand for real properties, changes in regulations or other trends or events, which negatively impact the real estate sector, the value of our collaterals may diminish which may affect our business and results of operations. Failure to recover the expected value of collateral could expose the Company to losses and, in turn, result in a material adverse effect on our business, results of operations and financial condition.

Following the introduction of the SARFAESI Act and the subsequent extension of its application to HFCs, we are allowed to foreclose on secured property after 60 days ônotice to a borrower, whose loan has been classified as non-performing. Although the enactment of the SARFAESI Act has strengthened the rights of creditors by allowing expedited enforcement of security in an event of default, there is still no assurance that we will be able to realize the full value of our collateral, due to, among other things, delays on our part in taking action to secure the property, delays in bankruptcy foreclosure proceedings, stock market downturns, defects in the perfection of collateral and fraudulent transfers by borrowers.

19. Our growth in profitability depends on the continued growth of our loan portfolio.

Our results of operations depend on a number of internal and external factors, including changes in demand for housing loans in India, the competitive landscape, our ability to expand geographically and diversify our product offerings and the size of our loan portfolio. Changes in market interest rates could impact the interest rates charged on our interest-earning assets in a way different to its effect on the interest rates paid on our interest-bearing liabilities, and thus affecting the value of our investments. Further, we may experience issues such as capital constraints. We cannot assure that we will be able to expand our existing business and operations successfully, or that we will be able to retain existing personnel or to hire and train new personnel to manage and operate our expanded business.

20. We may not be able to secure the requisite amount of financing at competitive rates for our growth plans and continue to gain undisrupted access to our funding sources, which could adversely affect our business, results of operations and financial condition.

Our liquidity and ongoing profitability are, in large part, dependent upon our timely access to, and the costs associated with, raising capital. Our funding requirements historically have been met predominantly from a combination of borrowings such as loans from banks and financial institutions (including external commercial borrowings), refinancing from the NHB, public (fixed) deposits, and issuance of commercial papers and non-convertible debentures and other debt instruments on private placement basis. Thus, our continued growth will depend, among other things, on our ability to secure requisite financing at competitive rates, to manage our expansion process, to make timely capital investments, to control input costs and to maintain sufficient operational control. As of June 30, 2016, the refinancing availed by us from the NHB under the NHB ô refinancing scheme was ` 1,48,090 lacs. Pursuant to the refinancing arrangement, we have provided to NHB certain standard documents such as a non-disposal undertaking from our Promoters and Promoter Group with respect to their shareholdings and corporate guarantee from Wadhawan Global Capital Private Limited.

Our inability to secure requisite financing could have an adverse effect on our business, results of operations and financial condition. Changes in Indian laws and regulations, our obligations to lenders or under debt instruments can disrupt funding sources which would have a material adverse effect on our liquidity and financial condition. Further, any inability on our part to secure requisite financing or continue with our existing financing arrangement could have an adverse effect on our business, results of operations and financial condition.

21. Any downgrade in our credit ratings may increase interest rates for refinancing our outstanding debt, which would increase our financing costs, and adversely affect our future issuances of debt and our ability to borrow on a competitive basis.

We have received the following credit ratings for our domestic borrowings:

Nature of borrowing	Rating / Outlook			
	CARE	Brickworks	ICRA	CRISIL
Short-term debt / Commercial Paper	-	-	ICRA A1+	CRISIL A1+
Public (fixed) Deposits / Short Term Deposits	CARE AAA (FD)	BWR FAAA (Stable)	-	CRISIL A1+
Subordinated debt	CARE AA+	BWR AAA (Stable)	-	-
NCDs	CARE AAA	BWR AAA (Stable)	-	-
IPDIs	CARE AA	BWR AA+ (Stable)	-	-
Long-term bank loans	CARE AAA	-	-	-
Structured obligations	CARE AAA(SO)	-	ICRA AAA(SO)	CRISIL AAA(SO)

These ratings indicate the highest or very strong degree of safety regarding timely servicing of financial obligations and allow us to access debt financing at competitive rates of interest. Any downgrade in our credit ratings may increase interest rates for refinancing our outstanding debt, which would increase our financing costs, and adversely affect our future issuances of debt and our ability to borrow on a competitive basis, which may adversely affect our business, results of operations and financial condition.

22. Our ability to raise foreign capital may be constrained by Indian law.

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted without onerous conditions, or at all. Limitations on raising foreign debt may have an adverse effect on our business, results of operations and financial condition.

23. Our investments are subject to market risk and our exposure to capital markets is subject to certain regulatory limits.

As part of our treasury management, we invest a portion of our public deposits in certain long-term fixed income securities in order to meet our SLR requirements. We also invest surplus funds out of our borrowings and operations in such securities. As of March 31, 2016 the book value of our short-term investments was ` 17,346 lacs, which accounted for 3.45% of our total net worth. These securities include government securities, bonds carrying sovereign guarantee, bonds issued by state governments or public sector enterprises, debt mutual funds, fixed deposits with banks and other highly rated bonds. Our investment policy prescribes investment limits for each of these securities. Certain of these investments are unlisted, offering limited exit options. The value of these investments depends on several factors beyond our control, including the domestic and international economic and political scenario, inflationary expectations and the RBI ȏ monetary policies. Any decline in the value of the investments may have an adversely effect on our business, financial condition and results of operations. Further, pursuant to the NHB Directions, we are not permitted to have an aggregate exposure to capital markets (both fund and non-fund based) in excess of 40.00% of our net worth as of the end of the previous financial year. Within the overall ceiling, direct investments in shares, convertible bonds or debentures, units of equity-oriented mutual funds and all exposures to venture capital funds should not exceed 20.00% of our net worth. Such restrictions may limit our investments or access to capital, which may have an adverse effect on our business, financial condition and results of operations.

24. We have contingent liabilities as at March 31, 2016 and our financial condition may be adversely affected if these contingent liabilities materialize.

The table below sets forth our contingent liabilities on a consolidated basis not provided for in our financial statements as at March 31, 2016:

(` in lacs)

Particulars	Amount as at March 31, 2016
Guarantees provided by the Company	10,003
Claims against the Company not acknowledged as debts	706

The contingent liabilities have arisen in the normal course of our business and are subject to the prudential norms as prescribed by the NHB. If any of the above contingent liabilities materialize, our financial condition may be adversely affected.

25. We are party to certain legal proceedings and any adverse outcome in these or other proceedings may adversely affect our business.

We are involved in several legal proceedings in the ordinary course of our business such as consumer disputes, debt-recovery proceedings, proceedings under the SARFAESI Act, income tax proceedings and civil disputes. These proceedings are pending at different levels of adjudication before various courts, tribunals and appellate tribunals. A significant degree of judgment is required to assess our exposure in these proceedings and determine the appropriate level of provisions, if any. Although we expect that none of these legal proceedings, either individually or in the aggregate, will have a material adverse effect on us or our financial condition, there can be no assurance on the outcome of the legal proceedings or that the provisions we make will be adequate to cover all losses we may incur in such proceedings, or that our actual liability will be as reflected in any provision that we have made in connection with any such legal proceedings.

Although we intend to defend or appeal these proceedings, we will be required to devote management and financial resources in their defense or prosecution. If a significant number of these disputes are determined against our Company and if our Company is required to pay all or a portion of the disputed amounts or if we are unable to recover amounts for which we have filed recovery proceedings, there could be an adverse impact on our reputation, business, results of operations and financial condition.

26. We may not be able to renew or maintain our statutory and regulatory permits and approvals required to operate our business.

We require certain statutory and regulatory permits and approvals to operate our business. We have a license from the NHB, which requires us to comply with certain terms and conditions for us to continue our housing finance operations. In the event that we are unable to comply with any or all of these terms and conditions, or seek waivers or extensions of time for complying with these terms and conditions, it is possible that the NHB may revoke this license or may place stringent restrictions on our operations. This may result in the interruption of all or some of our operations. Further, under certain of our contractual arrangements, we are required to obtain and hold all necessary and applicable approvals, registrations and licenses from authorities such as the SEBI, the IRDA, local government authorities, etc.

Failure by us to renew, maintain or obtain the required permits, licenses or approvals, including those set out above, may have a material adverse effect on our business, results of operations and cash flows.

27. Our business is dependent on relationships with our clients established through, amongst others, our branches. Closure of branches or loss of our key branch personnel may lead to damage to these relationships and a decline in our revenue and profits.

Our business is dependent on the key branch personnel who directly manage client relationships. We encourage dedicated branch personnel to service specific clients since we believe that this leads to long-term client relationships, a trust based business environment and, over time, better cross-selling opportunities. While no branch manager or operating group of managers contributes a meaningful percentage of our business, our business may suffer materially if a substantial number of branch managers either become ineffective or leave the Company.

28. Our business and operations significantly depend on senior management and key employees and may be adversely affected if we are unable to retain them.

Our business and operations largely depend on the continued services and performance of our senior management and other key employees. The need and competition for skilled senior management in our industry is intense, and we may not be able to retain our existing senior management or attract and retain new senior management in the future. The loss of the services of our senior members of our management team and key employees could seriously impair our ability to continue to manage and expand our business efficiently and adversely affect our business, results of operations and financial condition.

29. Our business and operations significantly depend on our Promoters and any change in control of our Company may correspondingly adversely affect our business, results of operations and financial condition.

Our principal shareholders, including our Promoters and Promoter Group, owned 34.89% of our issued share capital as at June 30, 2016. We rely on our Promoters for their know-how and experience in the housing finance industry. Further, our Promoters, Mr. Kapil Wadhawan and Mr. Dheeraj Wadhawan, have provided personal guarantees to the bank lenders for all of the Company’s term loans and to the NHB for all of the Company’s borrowings from the NHB. Pursuant to the refinancing arrangement, Mr. Kapil Wadhawan, Mr. Dheeraj Wadhawan, Wadhawan Global Capital Private Limited (WGCPL) and Ms. Aruna Wadhawan have provided non-disposal undertakings to the NHB. WGCPL has also provided Corporate Guarantee for the same.

There can be no assurance that our Promoters and Promoter Group will continue to provide such guarantees or undertakings in relation to our debt obligations in the future or that we will be in a position to maintain our current debt facilities or to otherwise obtain any additional debt facilities in the absence of such guarantees provided by our Promoters. A leave of our Promoters or any change of control of our Promoters could adversely affect our business, results of operations and financial condition.

30. Joint ventures and associate companies that are not wholly owned by us present risks that we would not otherwise face.

Our business and our strategy involves the use of joint ventures and associate companies in which we do not own 100%, including our joint ventures with Pramerica formed to provide life insurance products and to provide asset management products; and our participation in associate companies together with IFC, among other shareholders, which brings risks that we would not otherwise face. Our joint ventures and associate companies that are not wholly owned by us are generally less well-capitalized than we are. In addition, there are specific risks applicable to the failure to control activities of joint ventures and associate companies and these risks, in turn, add potential risks to us. Such risks include greater risk of joint venture partners or other investors failing to meet their obligations under related joint venture or other agreements, conflicts with joint venture partners/investors, the possibility of a joint venture partner/investors taking valuable knowledge from us and the inability of a joint venture/associate company to access the capital markets, which could lead to resource demands on us in order to maintain or advance our strategy.

In Fiscal 2014, we acquired a 50% stake in DPLIC and entered into a joint venture agreement with Pramerica to provide life insurance solutions in India.

On March 2, 2015, the Indian government increased the sectoral cap on foreign investment in the insurance sector from 26% to 49%. Subsequently, on October 16, 2015, Pramerica expressed its intention to increase its shareholding from 26% to 49% pursuant to the Shareholder’s Agreement. As per the IRDA Guidelines dated October 19, 2015, an insurance company is required to be Indian owned and controlled. There is no assurance that there will be no material adverse effect to the current joint venture and our ability to influence the decision-making of the joint venture should our shareholding be diluted. Further, in Fiscal 2015, we entered into a joint venture with PGLH of Delware Inc. pursuant to which we acquired a 50% stake in each of DPAMPL and DPTPL.

Our business and our strategy with the use of joint ventures and associate companies are also restricted by the NHB Directions and other regulatory restrictions. For example, we are not able to hold more than 15% in other housing finance companies such as AHFL and DVHFL. Under the guidelines for entry of housing finance companies into the insurance business, we are permitted to hold only 50% in an insurance joint venture and such percentage can be increased only with NHB approval.

31. Our business is subject to operational risks, including fraud.

We are exposed to many types of operational risks, including the risk of fraud or other misconduct by employees or outsiders, unauthorized transactions by employees, inadequate training and operational errors, improperly documented transactions, failure of operational and information security procedures, computer systems, software or equipment. We attempt to mitigate operational risk by maintaining a comprehensive system of internal controls, establishing systems and procedures to monitor transactions, maintaining key back-up procedures, undertaking regular contingency planning and providing employees with continuous training. Although we carefully recruit all our employees, we have in the past been subject to the fraudulent acts committed by our employees or third parties. As a result, we have suffered monetary losses and may suffer further monetary losses, which may not be covered under our insurance and may thereby adversely affect our profitability and results of operations. Further, our reputation could be adversely affected by significant frauds committed by employees, customers or outsiders. Any failure to mitigate such risks could adversely affect our business and results of operations.

In order to prevent frauds in loan cases involving multiple lending from different banks or HFCs, the GoI has set up the CERSAI under Section 20 of the SARFAESI Act 2002 in order to create a central database of all mortgages given by and to lending institutions. We are registered with CERSAI and we submit the relevant data to CERSAI from time to time. We also appoint a number of providers of credit verification and investigation services to obtain information on the credit worthiness of our prospective customers. However, there can be no assurance that these measures will be effective in preventing frauds.

We seek to protect our computer systems and network infrastructure from physical break-ins as well as fraud and system failures. Computer break-ins and power and communication disruptions could affect the security of information stored in and transmitted through our computer systems and network infrastructure. We employ security systems, including firewalls and password encryption, designed to minimize the risk of security breaches. Although we intend to continue to implement security technology and establish operational procedures to prevent fraud, break-ins, damage and failures, there can be no assurance that these security measures will be adequate. A significant failure of security measures or operational procedures could have a material adverse effect on our business and our future financial performance. Further, we may need to regularly upgrade our technology systems, at substantial cost, to increase efficiency and remain competitive. There can be no assurance that such technology upgrades will be successful and that we will recover the cost of our investments.

Although since March 31, 2014, we have initiated the exercise to convert all loan documentation into electronic files, we continue to maintain all loan documentation, including original security documents, in physical custody using third party services for storage. Loss of the original documents could impede enforcement of our security interest and expose us to liability towards our customers.

32. Our business is highly dependent on information technology. A failure, inadequacy or security breach in our information technology and telecommunication systems or an inability to adapt to rapid technological changes may adversely affect our business, results of operation and financial condition.

Our ability to operate and remain competitive depends in part on our ability to maintain and upgrade our information technology systems and infrastructure on a timely and cost-effective basis, including our ability to process a large number of transactions on a daily basis. Our operations also rely on the secure processing, storage and transmission of confidential and other information in our computer systems and networks. Our financial, accounting or other data processing systems and management information systems or our corporate website may fail to operate adequately or become disabled as a result of events that may be beyond our control, including a disruption of electrical or communications services. Further, our computer systems, software and networks may be vulnerable to unauthorized access, computer viruses or other attacks that may compromise data integrity and security and result in client information or identity theft, for which we may potentially be liable. Further, the information available to and received by our management through our existing systems may not be timely and sufficient to manage risks or to plan for and respond to changes in market conditions and other developments in our operations. If any of these systems are disabled or if there are other shortcomings or failures in our internal processes or systems, it may disrupt our business or impact our operational efficiencies, and render us liable to regulatory intervention or damage to our reputation. The occurrence of any such events may adversely affect our business, results of operations and financial condition.

We have recently introduced a new program to support our growth, improve operational efficiency and optimize costs through the use of technology. This program is expected to establish a scalable and flexible technology landscape, align it with the Company ȇ evolving business needs, improve customer centricity and bring the Company's technology platform to a new level. We are dependent on various external vendors for the implementation of the program and certain other elements of our operations, including implementing information technology infrastructure and hardware, industry standard commercial off-the-shelf products, branch roll-outs, networking, managing our data-center and back-up support for disaster recovery. We are, therefore, exposed to the risk that external vendors or service providers may be unable to fulfill their contractual obligations to us (or will be subject to the risk of fraud or operational errors by their respective employees) and the risk that their (or their vendors') business continuity and data security systems prove to be inadequate or fail to perform. Failure to perform any of these functions by our external vendors or service providers could materially and adversely affect our business, results of operations and cash flows.

In addition, the future success of our business will depend in part on our ability to respond to technological advances and to emerging banking industry standards and practices on a cost-effective and timely basis. The development and implementation of such technology entail significant technical and business risks. There can be no assurance that we will successfully implement new technologies effectively or adapt our technology and systems to meet customer requirements or emerging industry standards. If we are unable, for technical, legal, financial or other reasons, to adapt in a timely manner to changing market conditions, customer requirements or technological changes, our financial condition could be adversely affected. Any technical failures associated with our information technology systems or network infrastructure, including those caused by power failures and breaches in security caused by computer viruses and other unauthorized tampering, may cause interruptions or delays in our ability to provide services to our customers on a timely basis or at all, and may also result in added costs to address such system failures and/or security breaches, and for information retrieval and verification.

33. We depend on the accuracy and completeness of information provided by our potential borrowers. Our reliance on any misleading information given by potential borrowers may affect our judgment of credit worthiness of potential borrowers, and the value of and title to the collateral, which may affect our business, results of operations and financial condition.

In deciding whether to extend credit or enter into other transactions with potential borrowers, we rely on information furnished to us by potential borrowers, and analysis of the information by independent valuers and advocates. To further verify the information provided by potential borrowers, we conduct searches on CIBIL for creditworthiness of our borrowers. We also verify information with registrar and sub-registrar of assurances for encumbrances on collateral. We follow the KYC guidelines as prescribed by the NHB on the potential borrower, verify the place of business or place of employment as applicable to the potential borrower and also verify the details with the caution list of the NHB as circulated from time to time. Such information includes representations with respect to the accuracy and completeness of information relating to the financial condition of potential borrowers, and independent valuation reports and title reports with respect to the property secured. We have framed our policies to prevent frauds in accordance with the KYC guidelines issued by NHB dated October 11, 2010 mandating the policies of HFCs to have certain key elements, including, inter-alia, a customer acceptance policy, customer identification procedures, monitoring of transactions and risk management. Further, our Company has a well-established and streamlined credit appraisal process. We cannot assure you that information furnished to us by potential borrowers and analysis of the information by independent valuers or the independent searches conducted by us with CIBIL and NHB will be accurate, and our reliance on such information given by potential borrowers may affect our judgment of the credit worthiness of potential borrowers, and the value of and title to the collateral, which may affect our business, results of operations and financial condition.

34. Our insurance coverage may not adequately protect us against losses, and successful claims that exceed our insurance coverage could harm our results of operations and diminish our financial position.

We maintain insurance coverage of the type and in the amounts that we believe are commensurate with our operations. Our insurance policies, however, may not provide adequate coverage in certain circumstances and may be subject to certain deductibles, exclusions and limits on coverage. In addition, there are various types of risks and losses for which we do not maintain insurance because they are either uninsurable or because insurance is not available to us on acceptable terms. A successful assertion of one or more large claims against us that exceeds our available insurance coverage or results in changes in our insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect our business, results of operations and financial condition.

35. We are yet to receive certain registrations in connection with the protection of our trademarks. Failure to protect our intellectual property rights could adversely affect our competitive position, business, financial condition and profitability.

We have applied for certain registrations in connection with the protection of our trademarks, which are currently pending. The registration of any intellectual property right is a time-consuming process, and there can be no assurance that any such registration will be granted. Unless our trademarks are registered, we may only get passing off relief, in case of infringement of our Trademarks, which could materially and adversely affect our brand image, goodwill and business.

36. We have not entered into formal license agreements with certain of our associate companies with respect to the use of our registered trademarks. Any misuse of our logo and other registered trademarks may have an adverse effect on our reputation and goodwill, business and results of operations.

Certain of our associate companies are currently using our registered trademarks without any written license agreements with our Company. As a result, in the event of any misuse of our registered trademarks by any other party, we may not have any contractual right to prevent the use of our name or variations thereof, nor ensure that we will continue to have a right to use it. We further cannot assure you that our goodwill in such name or logo will not be diluted or harmed by misuse of our name or logo, which could have a material adverse effect on our reputation, goodwill, business, results of operations and financial condition.

37. Our registered office and certain of our branch offices are not owned by us.

Our registered office is not owned by us. In addition, we do not own most of the offices from which our branches conduct our operations. All such non-owned properties are leased or licensed to us. If the owners of these properties do not renew the agreements under which we occupy the premises or only agree to renew such agreements on terms and conditions that are unacceptable to us, or if the owners of such premises withdraw their consent to our occupancy, our operations may suffer a disruption. We may be unable to locate suitable alternate facilities on favorable terms, or at all, and this may have a material adverse effect on our business, results of operations and financial condition.

38. We have entered into a number of related party transactions and may continue to enter into related party transactions, which may involve conflicts of interest.

We have entered into a number of related party transactions, within the meaning of AS 18. Such transactions may give rise to current or potential conflicts of interest with respect to dealings between us and such related parties. Additionally, there can be no assurance that any dispute that may arise between us and related parties will be resolved in our favor. For details of the related party transactions, please refer to the chapter î*Financial Statements*ò on page 129.

39. We may not be able to detect money-laundering and other illegal or improper activities fully or on a timely basis, which could expose us to additional liability and harm our business or reputation.

We are required to comply with applicable anti-money-laundering and anti-terrorism laws and other regulations in India. We, in the course of our operations, run the risk of failing to comply with the prescribed KYC procedures and the consequent risk of fraud and money laundering by dishonest customers despite putting in place systems and controls to prevent the occurrence of these risks as is customary in our jurisdiction. We in certain of our activities and in our pursuit of business, run the risk of inadvertently offering our financial products and services ignoring customer suitability and appropriateness despite having a Board-approved Know Your Customer and Anti-Money Laundering measures and associated processes in place. Such incidents may adversely affect our business and our reputation.

40. A substantial portion of our loans have a tenor exceeding one year, which may expose us to risks associated with economic cycles.

As of March 31, 2016, a substantial portion of our loans advanced to customers had tenors exceeding one year. The long tenor of these loans may expose us to risks arising out of economic cycles. In addition, some of these loans are project finance loans and there can be no assurance that these projects will perform as anticipated or that such projects will be able to generate sufficient cash flows to service commitments under the advances. We are also exposed to residential projects that are still under development and are open to risks arising out of delay in execution, such as delay in execution on time, delay in getting approvals from necessary authorities and breach of contractual obligations by counterparties, all of which may adversely impact our cash flows. There can also be no assurance that these projects, once completed, will perform as anticipated. Risks arising out of a recession in the economy, a delay in project implementation or commissioning could lead to a rise in delinquency rates and in turn, may materially and adversely affect our business, financial condition and results of operations.

41. The Board has recommended appointment of new Statutory Auditor subject to approval of the Shareholders.

The Board of Directors has reccomended appointment of Chaturvedi and Shah, Chartered Accountants as Statutory Auditors of the Company, subject to approval of shareholders in the AGM to be held on July 20, 2016. In case the Shareholders approve appointment of the new statutory auditors, the Shelf Prospcetus and Tranche Prospectus (es) may include the Auditors report of the new statutory auditors, which may be different than that issued by the Joint Statutory Auditors and included in this Draft Shelf Prospectus.

42. We are exposed to fluctuations in foreign exchange rates.

We have external commercial borrowings in the form of foreign currencies. We undertake various foreign exchange transactions to hedge the various risks we are exposed to including but not limited to credit risk, market risk and exchange risk. Volatility in foreign exchange rates could adversely affect our future financial performance and the market price of the Notes. Although we have adopted certain market risk management policies to mitigate such risks, there is no assurance that such measure will be fully effective in mitigating such risks.

B. External Risks

43. A slowdown in economic growth in India may adversely affect our business, results of operations and financial condition.

Our financial performance and the quality and growth of our business depend significantly on the health of the overall Indian economy, the gross domestic product growth rate and the economic cycle in India. A substantial portion of our assets and employees are located in India, and we intend to continue to develop and expand our facilities in India.

Our performance and the growth of our business depend on the performance of the Indian economy and the economies of the regional markets we currently serve. These economies could be adversely affected by various factors, such as political and regulatory changes including adverse changes in liberalization policies, social disturbances, religious or communal tensions, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. Any slowdown in these economies could adversely affect the ability of our customers to afford our services, which in turn would adversely affect our business, results of operations and financial condition.

44. The Indian housing finance industry is competitive and increasing competition may result in declining margins if we are unable to compete effectively.

Historically, the housing finance industry in India was dominated by HFCs. We now face increasing competition from commercial banks. Interest rate deregulation and other liberalization measures affecting the housing finance industry, together with increased demand for home finance, have increased our exposure to competition. Our ability to compete effectively with commercial banks and other HFCs will depend, to some extent, on our ability to raise low-cost funding in the future. If we are unable to compete effectively with other participants in the housing finance industry, our business, results of operations and financial condition may be adversely affected.

Furthermore, as a result of increased competition in the housing finance industry, home loans are becoming increasingly standardized and terms such as floating rate interest options, lower processing fees and monthly rest periods are becoming increasingly common in the housing finance industry in India. There can be no assurance that the Company will be able to react effectively to these or other market developments or compete effectively with new and existing players in the increasingly competitive housing finance industry. Increasing competition may have an adverse effect on our net interest margin and other income, and, if we are unable to compete successfully, our market share may decline as the origination of new loans declines.

45. The growth rate of India ǒs housing finance industry may not be sustainable.

We expect the housing finance industry in India to continue to grow as a result of anticipated growth in India ǒs economy, increases in household income, further social welfare reforms and demographic changes. However, it is not clear how certain trends and events, such as the pace of India's economic growth, the development of domestic capital markets and the ongoing reform will affect India's housing finance industry. In addition, there can be no assurance that the housing finance industry in India is free from systemic risks. Consequently, there can be no assurance that the growth and development of India's housing finance industry will be sustainable.

46. If inflation were to rise significantly in India, we might not be able to increase the prices of our products at a proportional rate in order to pass costs on to our customers and our profits might decline.

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. According to the Monthly Economic Report for June 2016 prepared by the Department of Economic Affairs, Ministry of Finance, GoI, the year-on-year inflation in terms of the WPI was (0.7)% for the month of June 2016 as compared to (0.1)% in June 2015. The RBI's Monetary Policy Statement released in April 2014 stated that core inflation is expected to be below 6 per cent for the fiscal year. The main risks to the outlook are uncertainties such as commodity prices, monsoon and weather-related disturbances, volatility in prices of seasonal items and spillovers from external developments through exchange rate and asset price channels, according to the RBI. In its Mid-Quarter Monetary Policy Report as of September 2015, the RBI highlighted that inflation had been firming up and forecasted inflation to pick up in the short term.

In the event of increasing inflation in India, our costs, such as operating expenses, may increase, which could have an adverse effect on our business, results of operations and financial condition.

47. Our business and activities may be affected by the recent amendments to the competition law in India.

The Competition Act, 2002 was enacted for the purpose of preventing practices having an adverse effect on competition in India and has mandated the CCI to separate such practices. Under the Competition Act, any arrangement, understanding or action whether or not formal or informal which causes or is likely to cause an appreciable adverse effect on competition is void and attracts substantial penalties. Further, any agreement among competitors which directly or indirectly involves determination of purchase or sale prices, limits or controls production, or shares the market by way of geographical area or number of customers in the relevant market is presumed to have an appreciable adverse effect on competition in the relevant market in India and shall be void. The Competition Act also prohibits abuse of dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be deemed guilty of the contravention and liable to be punished.

On March 4, 2011, the Government of India notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. The combination regulation provisions require that acquisition of shares, voting rights, assets or control or mergers or amalgamations which cross the prescribed asset and turnover based thresholds shall be mandatorily notified to and pre-approved by the CCI. In addition, on May 11, 2011, the CCI issued the final Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011 which sets out the mechanism for implementation of the combination regulation provisions under the Competition Act. It is unclear as to how the Competition Act and the CCI will affect the business environment in India. The Company has in the past paid a penalty of ` 10 lacs to the CCI for a delay in the submission of a notice to the CCI with respect to the amalgamation of First Blue and DHFL Holdings Private Limited with our Company.

If we are adversely impacted, directly or indirectly, by any provision of the Competition Act, or its application or interpretation, generally or specifically in relation to any merger, amalgamation or acquisition proposed by us, or any enforcement proceedings initiated by the CCI, either on its own or pursuant to any complaint, for alleged violation of any provisions of the Competition Act, it may have a material adverse effect on our business, results of operations and financial condition.

48. Public companies in India, including us, may be required to prepare financial statements under Ind-AS. The transition to Ind-AS in India is still unclear and we may be adversely affected by this transition.

The MCA modified the ñCompanies (Indian Accounting Standards)

Rules ò.)The IAS Rules provide that the financial statements of the companies to which they apply (as more specifically described below) shall be prepared and audited in accordance with Ind-AS. Under the IAS Rules, any company may voluntarily implement Ind-AS for the accounting period beginning from April 1, 2015. Further, the IAS Rules prescribe that any company having a net worth of more than ` 50,000 lacs, and any holding company, subsidiary, joint venture or an associate company of such company, would have to mandatorily adopt Ind-AS for the accounting period beginning from April 1, 2016 with comparatives for the period ending March 31, 2016. These IAS Rules were initially not applicable to banking companies, insurance companies and NBFCs/ HFCs. However, MCA published its press release dated January 18, 2016 and laid down the road map for implementation of Ind-AS for scheduled commercial banks, insurance companies and NBFCs/ HFCs (with net worth of ` 50,000 lacs or more) from April 1, 2018 onwards.

On January 19, 2016, we submitted a request to the National Housing Bank seeking their clarification on whether Housing Finance Companies, are exempted from the applicability of Ind-AS for fiscal 2016-17. However, there is a possibility that the applicability of such rules may change and we may not be able to ascertain the impact of such rules on the Company ŝ financial reporting. There can be no assurance that the Company ŝ financial condition, results of operations, cash flows or changes in shareholders œequity will not appear materially worse under Ind-AS than under Indian GAAP. In the Company ŝ transition to Ind-AS reporting, our Company may encounter difficulties in the ongoing process of implementing and enhancing its management information systems. Moreover, there is increasing competition for the small number of Ind-AS experienced accounting personnel available as more Indian companies begin to prepare Ind-AS financial statements. Further, there is no significant body of established practice on which to draw in forming judgments regarding the new system ŝ implementation and application. There can be no assurance that our Company ŝ adoption of Ind-AS will not adversely affect its reported results of operations or financial condition and any failure to successfully adopt Ind-AS could adversely affect our Company ŝ business, results of operations and financial condition.

49. We may have to comply with stricter regulations and guidelines issued by regulatory authorities in India, including the NHB.

We are regulated principally by and have reporting obligations to the NHB. We are also subject to the corporate, taxation and other laws in effect in India. The regulatory and legal framework governing us differs in certain material respects from that in effect in other countries and may continue to change as India ŝ economy and commercial and financial markets evolve. In recent years, existing rules and regulations have been modified, new rules and regulations have been enacted and reforms have been implemented which are intended to provide tighter control and more transparency in India ŝ housing finance sector.

50. Borrowing for the purchase or construction of property may not continue to offer borrowers the same fiscal benefits it currently offers and the housing sector may not continue to be regarded as a priority sector by the GoI.

The rapid growth in the housing finance industry in India in the last decade is in part due to the introduction of fiscal benefits for homeowners. Since the early 1990s, interest and principal repayments on capital borrowed for the purchase or construction of housing have been tax deductible up to certain limits and tax rebates have been available for borrowers of such capital up to specified income levels. There can be no assurance that the GoI will continue to offer such tax benefits to borrowers at the current levels or at all. In addition, there can be no assurance that the GoI will not introduce tax efficient investment options which are more attractive to borrowers than property investment. The demand for housing and/or housing finance may be reduced if any of these changes occur.

51. Civil unrest, acts of violence, including terrorism or war involving India and other countries, could materially and adversely affect the financial markets and our business.

Civil unrest, acts of violence, including terrorism or war, may negatively affect the Indian stock markets and also materially and adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, make travel and other services more difficult and ultimately materially and adversely affect our business. Although the governments of India and neighboring countries have recently been engaged in conciliatory efforts, any deterioration in relations between India and neighboring countries might result in investor concern about stability in the region, which could materially and adversely affect our business, results of operations and financial condition.

52. Financial difficulty and other problems in certain financial institutions in India could adversely

affect our business, results of operations and financial condition.

As an HFC, we are exposed to the risks of the Indian financial system which may be affected by the financial difficulties faced by certain Indian financial institutions because the commercial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships. This risk, which is sometimes referred to as “systemic risk”, may adversely affect financial intermediaries, such as clearing agencies, banks, securities firms and exchanges with whom we interact on a daily basis. Any such difficulties or instability of the Indian financial system in general could create an adverse market perception about Indian financial institutions and banks and adversely affect our business, results of operations and financial condition. As the Indian financial system operates within an emerging market, it faces risks of a nature and extent not typically faced in more developed economies, including the risk of deposit runs notwithstanding the existence of a national deposit insurance scheme.

53. Any volatility in the exchange rate and increased intervention by the Reserve Bank of India in the foreign exchange market may lead to a decline in India's foreign exchange reserves and may affect liquidity and interest rates in the Indian economy, which could adversely impact us.

During the first half of 2014, emerging markets including India, witnessed significant capital outflows due to concerns regarding the withdrawal of quantitative easing in the U.S. and other domestic structural factors such as high current account deficits and lower growth outlook. As a result, the Indian rupee depreciated by 21.1% from ₹ 56.5 per U.S. dollar at the end of May 2013 to ₹ 68.4 per U.S. dollar on August 28, 2013. To manage the volatility in the exchange rate, the Reserve Bank of India took several measures including increasing in the marginal standing facility rate by 200 basis points and reduction in domestic liquidity. The Reserve Bank of India (“RBI”) also subsequently announced measures to attract capital flows, particularly targeting the non-resident Indian community. Subsequent to restoring stability in the exchange rate from September 2013 onwards, the Reserve Bank of India reversed some of these measures. In February 2016, the Indian rupee has continued to experience volatility nearing its record low in August 2013, thereby forcing RBI to intervene again. Any increased intervention in the foreign exchange market or other measures by the Reserve Bank of India to control the volatility of the exchange rate may result in a decline in India's foreign exchange reserves, reduced liquidity and higher interest rates in the Indian economy, which could adversely affect our business and our future financial performance.

54. Natural disasters and other disruptions could adversely affect the Indian economy and could adversely affect our business, results of operations and financial condition.

Our operations, including our branch network, may be damaged or disrupted as a result of natural disasters such as earthquakes, floods, heavy rainfall, epidemics, tsunamis and cyclones and other events such as protests, riots and labor unrest. Such events may lead to the disruption of information systems and telecommunication services for sustained periods. They also may make it difficult or impossible for employees to reach our business locations. Damage or destruction that interrupts our provision of services could adversely affect our reputation, our relationships with our customers, our senior management team's ability to administer and supervise our business or it may cause us to incur substantial additional expenditure to repair or replace damaged equipment or rebuild parts of our branch network. Any of the above factors may adversely affect our business, results of operations and financial condition.

C. Risks pertaining to this Issue

55. If we do not generate adequate profits, we may not be able to maintain an adequate DRR for the NCDs issued pursuant to this Draft Shelf Prospectus, which may have a bearing on the timely redemption of the NCDs by our Company.

Regulation 16 of the SEBI Debt Regulations and Section 71 of the Companies Act 2013 states that any company that intends to issue debentures must create a Debenture Redemption Reserve out of the profits of the company available for payment of dividend until the redemption of the debentures. Further, the Companies (Share Capital and Debentures) Rules, 2014 states that the Company shall create Debenture Redemption Reserve and “the adequacy” of DRR will be 25% of the value of debentures issued through public issue as per present SEBI Debt regulations. Accordingly, if we are unable to generate adequate profits, the DRR created by us may not be adequate to meet the 25% of the value of the NCDs. Further, every company required to create Debenture Redemption Reserve shall on or before the 30th day of April in each year, invest or deposit, as the case may be, a sum which shall not be less than fifteen percent, of the amount of its debentures maturing during the year ending on the 31st day of March of the next year, in any one or more of the following methods, namely:(i) in deposits with any scheduled bank, free from any charge or lien;(ii) in unencumbered securities of the Central Government or of any State Government; (iii) in unencumbered securities mentioned in sub-clauses (a) to (d) and (ee) of Section 20 of the Indian Trusts Act, 1882; (iv) in unencumbered bonds issued by any other company which is notified under sub-clause (f) of Section 20 of the Indian Trusts Act, 1882; (v) the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year referred above provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below fifteen percent of the amount of the debentures maturing during the year ending on the 31st day of March of that year. If we do not generate adequate profits, we may not be able to maintain an adequate DRR for the NCDs issued pursuant to this Prospectus, which may have a bearing on the timely redemption of the NCDs by our Company.

56. Changes in interest rates may affect the price of our NCDs.

All securities where a fixed rate of interest is offered, such as our NCDs, are subject to price risk issue. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities tend to fall and when interest rates drop, the prices tend to increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the price of our NCDs.

57. You may not be able to recover, on a timely basis or at all, the full value of the outstanding amounts and/or the interest accrued thereon in connection with the NCDs.

Our ability to pay interest accrued on the NCDs and/or the principal amount outstanding from time to time in connection therewith would be subject to various factors inter-alia including our financial condition, profitability and the general economic conditions in India and in the global financial markets. We cannot assure you that we would be able to repay the principal amount outstanding from time to time on the NCDs and/or the interest accrued thereon in a timely manner or at all. Although our Company will create appropriate security in favour of the Debenture Trustee for the NCD holders on the assets adequate to ensure 100.00% asset cover for the NCDs, which shall be free from any encumbrances, the realisable value of the assets charged as security, when liquidated, may be lower than the outstanding principal and/or interest accrued thereon in connection with the NCDs. A failure or delay to recover the expected value from a sale or disposition of the assets charged as security in connection with the NCDs could expose you to a potential loss.

58. There is no assurance that the NCDs issued pursuant to this Issue will be listed on Stock Exchanges in a timely manner, or at all.

In accordance with Indian law and practice, permissions for listing and trading of the NCDs issued pursuant to this Issue will not be granted until after the NCDs have been issued and Allotted. Approval for listing and trading will require all relevant documents to be submitted and carrying out of necessary procedures with the Stock Exchanges. There could be a failure or delay in listing the NCDs on the Stock Exchanges for reasons unforeseen. If permission to deal in and for an official quotation of the NCDs is not granted by the Stock Exchanges, our Company will forthwith repay, without interest, all monies received from the Applicants in accordance with prevailing law in this context, and pursuant to the Draft Shelf Prospectus.

There is no assurance that the NCDs issued pursuant to this Issue will be listed on Stock Exchanges in a timely manner, or at all.

59. Our Company may raise further borrowings and charge its assets after receipt of necessary consents from its existing lenders.

Our Company may, subject to receipt of all necessary consents from its existing lenders and the Debenture Trustee to the Issue, raise further borrowings and charge its assets. Our Company is free to decide the nature of security that may be provided for future borrowings. In such a scenario, the NCD holders will rank pari passu with other charge holder and to that extent, may reduce the amounts recoverable by the NCD holders upon our Company ȇs bankruptcy, winding-up or liquidation.

60. Payments to be made on the NCDs will be subordinated to certain tax and other liabilities preferred by law. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to

pay amounts due on the NCDs.

The NCDs will be subordinated to certain liabilities preferred by law such as the claims of the Government on account of taxes, and certain liabilities incurred in the ordinary course of our business. In particular, in the event of bankruptcy, liquidation or winding-up, our Company's assets will be available to pay obligations on the NCDs only after all of those liabilities that rank senior to these NCDs have been paid as per Section 327 of the Companies Act, 2013. In the event of bankruptcy, liquidation or winding-up, there may not be sufficient assets remaining to pay amounts due on the NCDs.

61. You may be subject to taxes arising on the sale of the NCDs.

Sales of NCDs by any holder may give rise to tax liability, as discussed in section titled "***Statement of Tax Benefits***" on page 63.

62. There may be no active market for the non-convertible debentures on the WDM segment of the stock exchange. As a result the liquidity and market prices of the non-convertible debentures may fail to develop and may accordingly be adversely affected.

There can be no assurance that an active market for the NCDs will develop. If an active market for the NCDs fails to develop or be sustained, the liquidity and market prices of the NCDs may be adversely affected. The market price of the NCDs would depend on various factors inter alia including (i) the interest rate on similar securities available in the market and the general interest rate scenario in the country; (ii) the market for listed debt securities; (iii) general economic conditions; and (iv) our financial performance, growth prospects and results of operations. The aforementioned factors may adversely affect the liquidity and market price of the NCDs, which may trade at a discount to the price at which you purchase the NCDs and/or be relatively illiquid.

63. The fund requirement and deployment mentioned in the Objects of the Issue have not been appraised by any bank or financial institution

We intend to use the proceeds of the Issue, after meeting the expenditures of and related to the Issue, for the purpose of onward lending, financing, and for repayment of interest and principal of existing borrowings of the Company. For further details, see the section titled "*Objects of the Issue*". The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. The management will have significant flexibility in applying the proceeds received by us from the Issue. Further, as per the provisions of the Debt Regulations, we are not required to appoint a monitoring agency and therefore no monitoring agency has been appointed for the Issue.

64. There may be a delay in making refund to Applicants.

We cannot assure you that the monies refundable to you, on account of (i) withdrawal of your applications, (ii) our failure to receive minimum subscription in connection with the Base Issue, (ii) withdrawal of the Issue, or (iii) failure to obtain the final approval from the NSE for listing of the NCDs, will be refunded to you in a timely manner. We however, shall refund such monies, with the interest due and payable thereon as prescribed under applicable statutory and/or regulatory provisions.

SECTION III-INTRODUCTION

THE ISSUE

The following is a summary of terms of the NCDs, to be issued for an amount not exceeding the Shelf Limit. This chapter should be read in conjunction with, and is qualified in its entirety by, more detailed information in the chapter titled “***Terms of the Issue***” on page 203.

COMMON TERMS FOR ALL SERIES OF THE NCDs

Issuer	Dewan Housing Finance Corporation Limited
Type of instrument/ Name of the security/ Seniority	Secured Redeemable Non-convertible Debentures
Nature of the instrument	Secured Redeemable Non-convertible Debentures
Mode of the issue	Public issue
Lead Managers	Edelweiss Financial Services Limited, A. K. Capital Services Limited, ICICI Bank Limited, SBI Capital Markets Limited, Trust Investment Advisors Private Limited and YES Securities (India) Limited
Debenture Trustee	Catalyst Trusteeship Limited (formerly known as GDA Trusteeship Limited)
Depositories	NSDL and CDSL
Registrar	Karvy Computershare Private Limited
Base Issue Size	As specified in the relevant Tranche Prospectus for each Tranche Issue
Option to retain Oversubscription Amount	As specified in the relevant Tranche Prospectus for each Tranche Issue
Eligible Investors	Please refer to “***Issue Procedure – Who can apply?***” on page 217
Objects of the Issue	Please refer to the chapter titled “***Objects of the Issue***” on page 61
Details of utilization of the proceeds	Please refer to the chapter titled “***Objects of the Issue***” on page 61
Interest rate for each Category of Investors	As specified in the relevant Tranche Prospectus for each Tranche Issue
Step up/ Step down interest rates	As specified in the relevant Tranche Prospectus for each Tranche Issue
Interest type	As specified in the relevant Tranche Prospectus for each Tranche Issue
Interest reset process	As specified in the relevant Tranche Prospectus for each Tranche Issue
Issuance mode of the instrument	Physical and demat*
Trading mode of the instrument	Compulsorily in dematerialised form
Settlement mode of the Instrument	1. Direct credit; 2. NECS; 3. RTGS; 4. NEFT; and 5. Cheques / pay order / demand draft. For further details in respect of the aforesaid modes, please refer to the chapter titled “***Terms of the Issue – Terms of Payment***” on page 210.
Frequency of interest payment	As specified in the relevant Tranche Prospectus for each Tranche Issue
Interest payment date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Day count basis	Actual/ Actual
Interest on application money	As specified in the relevant Tranche Prospectus for each Tranche Issue
Default interest rate	Our Company shall pay interest in connection with any delay in allotment, refunds, listing, dematerialized credit, execution of Debenture Trust Deed, payment of interest, redemption of principal amount beyond the time limits prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated/ prescribed under applicable laws
Tenor	As specified in the relevant Tranche Prospectus for each Tranche Issue
Redemption Date	As specified in the relevant Tranche Prospectus for each Tranche Issue

Redemption Amount	The principal amount on the NCDs along with interest accrued on them, if any, as on the Redemption Date
Redemption premium/ discount	As specified in the relevant Tranche Prospectus for each Tranche Issue
Face Value of NCDs	` 1,000 per NCD
Issue Price (in `)	` 1,000 per NCD
Discount at which security is issued and the effective yield as a result of such discount.	As specified in the relevant Tranche Prospectus for each Tranche Issue
Put option date	Not applicable
Put option price	Not applicable
Call option date	Not applicable
Call option price	Not applicable
Put notification time.	Not applicable
Call notification time	Not applicable
Minimum Application size and in multiples of NCD thereafter	As specified in the relevant Tranche Prospectus for each Tranche Issue
Market Lot/ Trading Lot	One
Pay-in date	Application Date. The entire Application Amount is payable on Application.
Credit ratings	The NCDs proposed to be issued under this Issue have been rated "**CARE AAA (CARE Triple A)**" for an amount of ` 4,00,000 lacs, by CARE *vide* their letter dated July 7, 2016 and "**BWR AAA (Pronounced as BWR Triple A)** – **Outlook: Stable** for an amount of ` 4,00,000 lacs, by Brickworks *vide* their letter dated July 7, 2016. The rating of NCDs by CARE and Brickworks indicate that instruments with this rating are considered to have highest degree of safety regarding timely servicing of financial obligations and carry lowest credit risk. For the rationale for these ratings, see **Annexure A & B** of this Draft Shelf Prospectus.
Listing	The NCDs are proposed to be listed on NSE. The NCDs shall be listed within 12 Working Days from the date of Issue Closure. For more information, please refer to "***Other Regulatory And Statutory Disclosures***" on page 191.
Issue size	As specified in the respective Tranche Prospectuses
Modes of payment	Please refer to the chapter titled "***Issue Procedure – Terms of Payment***" on page 231.
Trading	In dematerialised form only
Issue opening date	As specified in the relevant Tranche Prospectus for each Tranche Issue
Issue closing date	As specified in the relevant Tranche Prospectus for each Tranche Issue *The Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. during the period indicated above, except that the Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company ("Board") or Committee. In the event of an early closure or extension of the Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in a daily national newspaper with wide circulation on or before such earlier or initial date of Issue closure. On the Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by NSE.*
Record date	15 (fifteen) days prior to the relevant interest payment date, relevant Redemption Date for NCDs issued under the relevant Tranche Prospectus. In case of redemption of NCDs, the trading in the NCDs shall remain suspended between the record date and the date of redemption. In event the Record Date falls on a Sunday or holiday of Depositories, the succeeding working day or a date notified by the Company to the stock exchanges shall be considered as Record Date
Security and Asset Cover	The NCDs proposed to be issued will be secured by a first ranking pari passu charge on present and future receivables of the Issuer for the principal amount and interest thereon. The Issuer reserves the right to sell or otherwise deal with

	the receivables, both present and future, including without limitation to create a charge on paripassu basis thereon for its present and future financial requirements, without requiring the consent of, or intimation to, the NCD holders or the Debenture Trustee in this connection, provided that a minimum security cover of 1 (one) time on the principal amount and interest thereon, is maintained.
Nature of Indebtedness/ Seniority	Secured
Issue documents	This Draft Shelf Prospectus, the Shelf Prospectus, the Tranche Prospectus read with any notices, corrigenda, addenda thereto, the Debenture Trust Deed and other documents, if applicable, and various other documents/ agreements/ undertakings, entered or to be entered by our Company with Lead Managers and/or other intermediaries for the purpose of this Issue including but not limited to the Debenture Trust Deed, the Debenture Trustee Agreement, the Tripartite Agreements, the Escrow Agreement, the Registrar Agreement, the Agreement with the Lead Managers and the Consortium Agreement. For further details please refer to "***Material Contracts and Documents for Inspection***" on page 247.
Conditions precedent to disbursement	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions precedents to disbursement.
Conditions subsequent to disbursement	Other than the conditions specified in the SEBI Debt Regulations, there are no conditions subsequent to disbursement.
Events of default / cross default	Please refer to "***Terms of the Issue – Events of Default***" on page 204
Deemed date of Allotment	The date on which the Board of Directors/or Finance Committee approves the Allotment of the NCDs for each Tranche Issue or such date as may be determined by the Board of Directors/ or Finance Committee and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for each Tranche Issue by way of the relevant Tranche Prospectus) shall be available to the Debentureholders from the Deemed Date of Allotment
Roles and responsibilities of the Debenture Trustee	Please refer to "***Terms of the Issue – Trustees for the NCD Holders***" on page 204
Governing law and jurisdiction	The governing law and jurisdiction for the purpose of the Issue shall be Indian law, and the competent courts of jurisdiction in Mumbai, India, respectively
Working day convention	If any Interest Payment Date falls on a day that is not a Working Day, the payment shall be made on the immediately succeeding Working Day along with interest for such additional period. Such additional interest will be deducted from the interest payable on the next date of payment of interest. If the Redemption Date of any series of the NCDs falls on a day that is not a Working Day, the redemption/maturity proceeds shall be paid on the immediately preceding Working Day along with interest accrued on the NCDs until but excluding the date of such payment

** In terms of Regulation 4(2)(d) of the SEBI Debt Regulations, our Company is required to undertake this public issue of the NCDs in dematerialised form. However, our Company has applied to SEBI on 8 July 2016 to exempt our Company from the aforementioned requirements and issue the NCDs in physical form, in terms of section 8(1) of the Depositories Act. However, trading in NCDs shall be compulsorily in dematerialized form.*

CPI Linked Floating Interest rate NCDs

Our Company is considering and may give an option to prospective investors (as may be detailed in the Shelf Prospectus and relevant Tranche Prospectus to be filed subsequently) to subscribe to a series of NCDs having floating interest rate linked to CPI Inflation rate. If offered, this will be in addition to the fixed interest rate series of NCDs as specified in the relevant tranche prospectus. For further details, please refer "***Issue Structure – CPI Linked Floating Interest rate NCDs***" on page 201.

SUMMARY OF BUSINESS

Overview

We are a deposit-taking housing finance company registered with the NHB and focused on providing financing products for the LMI segment in India primarily in Tier II and Tier III cities and towns. We have been active in the housing finance sector in India since 1984. We provide secured finance primarily to individuals, partnership firms and companies for the purchase, self-construction, improvement and extension of homes, new and resalable flats, commercial properties and land. We also provide certain categories of non-housing loans including loans for commercial property, medical equipment, and for plant and machinery.

We have a robust marketing and distribution network, with a presence across 349 locations including 182 branches, 146 service centers, 18 circle/ cluster offices, 2 disbursement hubs and one collection center, throughout India as at June 30, 2016. In addition to our network within India, we have international representative offices located in London and Dubai. To broaden our customer base and to penetrate further geographically, we have entered into tie-ups with public and private sector banks, including a public sector bank for eastern India and two other banks for pan-India.

We have received a number of awards and recognitions in the past, including, amongst others Best Corporate Brand Award 2015 by Economic Times (Fiscal 2016), Best Housing Finance Company in the BFSI Sector by ABP News and World HRD Congress (Fiscal 2016) and India's Most Trusted Housing Finance Brand by The Brand Trust Report (Fiscal 2016). For further details regarding awards and recognitions in the past, please refer to the chapter "***History and Other Corporate Matters***" on page 104.

In Fiscal 2014, we have also entered into a joint venture with PGLH of Delaware, Inc. (indirect wholly owned subsidiary of Prudential Financial Inc.) ("**Pramerica**") pursuant to which we and our Promoters' entities have 50.00% and 24.00% stakes, respectively, in DLF Pramerica Life Insurance Company Limited, a registered life insurance company in India regulated by the IRDA that has subsequently changed its name to DHFL Pramerica Life Insurance Company Limited ("**DPLIC**"). We, as well as AHFL, AFSL and DVHFL, act as DPLIC's corporate agents for distribution of DPLIC's life insurance products on a commission basis. Through this joint venture, we provide insurance services leveraging on the Company's pan-India distribution network.

In Fiscal 2015, we entered into a joint venture with Pramerica pursuant to which we acquired 50% stake in each of DPAMPL and DPTPL, the asset Management Company and Trustee Company of DHFL Pramerica Mutual Fund (erstwhile Pramerica Mutual Fund). DPAMPL develops, manages, markets and operates an asset management business headquartered in Mumbai with a presence in 19 cities in India. During the Fiscal 2016, DPAMPL, acquired Deutsche Asset Management (India) Private Limited ("**DBAMC**"), Deutsche Trustee Services (India) Private Limited, the asset Management Company and Trustee Company of Deutsche Mutual Fund ("**DB MF**") and Deutsche India Holdings Private Limited, sponsor of DB MF, to acquire (i) the rights to manage the schemes of DB MF, and (ii) portfolio management accounts of DBAMC. We are now in position to provide asset management services to customers in the LMI segment by leveraging on our pan-India distribution network, including our branches, staff and sales force, for the marketing, distribution and sale of mutual funds products. In addition, the acquisition of Deutsche Bank's asset management business in India allows us to expand our distribution platform and product portfolios significantly in India. On April 7, 2016, we (through our wholly owned subsidiary DAIPL) and Pramerica, each further subscribed to 30,00,00,000 equity shares of ₹10 each, of DPAMPL.

Further, during Fiscal 2016, we entered into a memorandum of understanding with Chola MS General Insurance where we serve as a group administrators and managers for group health and/or personnel accident insurance policy. To ensure adequate insurance coverage for the properties financed during the tenure of the loan, we also educate our customers in relation to insurance products suitable for them.

Our shares have been listed on BSE and NSE since 1985 and 2002, respectively.

As at March 31, 2016, our loan book stood at ₹ 61,77,502 lacs, and our assets under management were ₹ 69,52,388 lacs. As at March 31, 2016 our gross NPAs as a percentage of our loan book was 0.93% and our net NPAs as a percentage of our loan book was 0.58%.

For the years ended March 31, 2016, 2015, 2014, 2013 and 2012, our total revenue from operations was ₹ 7,31,183 lacs, ₹ 5,97,896 lacs, ₹ 4,96,558 lacs, ₹ 4,05,694 lacs and ₹ 2,43,514 lacs, respectively, and our profit after tax was ` 72,920 lacs, ` 62,129 lacs, ` 529,00 lacs, ` 45,185 lacs and ` 30,636 lacs, respectively. Our revenue from operations and profit after tax grew at a CAGR of 31.6% and 24.2%, respectively, over the five fiscal years ended March 31, 2016.

Key Strengths

We believe that the following key credit strengths will enable us to maintain a conservative risk profile while taking advantage of what we believe to be significant opportunities for growth.

Long track record of leadership in the LMI segment

The Company was established in 1984 with the main objective to provide loans to satisfy the housing needs of the LMI segment. As at March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012, housing loans made up 79.5%, 77.1%, 82.2%,87.1% and 87.3%, respectively, of our total outstanding assets. Through our focus on the LMI segment, we have evolved our loan sourcing expertise over a period of more than 30 years to better identify the needs of customers in the LMI segment and estimate their income and repayment capabilities. Our business strategies have been aligned to serve these segments effectively. We have developed a suite of products that caters to all segments with a focus on the LMI segment in various geographical territories of India. Moreover, we have recently created separate business verticals for housing loans and non-housing loans in order to allow each vertical to focus on its core business and use its expertise in underwriting loans.

We believe that our experience shows our ability to identify opportunities of housing finance demand, particularly in the LMI segment, and to meet such demand with flexible products to suit our customers ô needs. In addition, we believe that our years of experience have also established strong customer awareness of and loyalty to our brand and contributed to new and repeat business via word-of-mouth marketing. We believe that we have effectively established a uniform brand identity across a broad spectrum of consumer touch points, from corporate stationary to outdoor advertising. During Fiscals 2016, 2015, 2014, 2013 and 2012, we disbursed loans in the amount of ` 24,20,222 lacs, ` 19,82,154 lacs, ` 16,64,745 lacs, ` 13,35,773 lacs and ` 9,06,524 lacs, respectively.

We believe that our focus on, and experience working with, the LMI segment provide us with a significant competitive advantage in an area of the market that we expect to continue to grow and aligns us with the expected general economic and population growth trends and the GoI ô focus on improving the economic situation of this segment of the population.

Diversified funding mix with focused ALM

We use a variety of funding sources to optimize funding costs, protect interest margins and maintain a diverse funding portfolio that will enable us to further achieve funding stability and liquidity. Our weighted average borrowing cost as at March 31, 2016 was 9.67%. As at March 31, 2016, our sources of funding were primarily from banks and financial institutions (52.7%), non-convertible debentures (23.1%), public (fixed) deposits (8.3%), refinancing from NHB (2.4%), commercial papers (7.6%), subordinated debt (1.9%), multilateral agencies (3.7%) and perpetual debt (0.3%). We diversified our resources profile by accessing funds from multilateral agencies such as the IFC, Asian Development Bank, DEG, Bank of Baroda - Kingdom of Bahrain, CTBC Bank Co. Limited, Singapore, KDB Ireland Limited, the Korea Development Bank-Singapore Branch, State Bank of India- Singapore and Johannesburg, South Africa branches, Barclays Bank PLC, Taiwan Co-operative Bank, Offshore Banking Branch, Taiwan, Chang Hwa Commercial Bank Limited, Singapore Branch.

Because of the composition of our credit portfolio, which qualifies for priority sector lending, we are one of the preferred sources in the securitization market. We securitize a pool of certain housing and non-housing loans and manage servicing of such loan accounts under the securitization agreements with investors As at March 31, 2016, the balance outstanding in the pool aggregated to ` 7,74,886 lacs.

We have received the following credit ratings;

Nature of borrowing	Rating / Outlook			
	CARE	Brickworks	ICRA	CRISIL
Short-term debt / Commercial Paper	-	-	ICRA A1+	CRISIL A1+
Public (fixed) Deposits / Short Term Deposits	CARE AAA (FD)	BWR FAAA (Stable)	-	CRISIL A1+

Subordinated debt	CARE AA+	BWR AAA (Stable)	-	-
NCDs	CARE AAA	BWR AAA (Stable)	-	-
IPDIs	CARE AA	BWR AA+ (Stable)	-	-
Long-term bank loans	CARE AAA	-	-	-
Structured obligations	CARE AAA(SO)	-	ICRA AAA(SO)	CRISIL AAA(SO)

These ratings indicate the highest or a very strong degree of safety regarding timely servicing of financial obligations and allow us to access debt financing at competitive rates of interest. Based on our ratings, we expect to source funding at competitive rates from the capital markets and reduce our proportion of bank financing to bring down our overall funding costs.

Healthy asset quality reinforced by strong risk management framework

We endevaour to maintain quality loan portfolios through careful targeting of customers, a comprehensive risk assessment process and diligent risk remediation procedures. We place emphasis on risk management measures to ensure an appropriate balance between risk and return and have taken steps to implement robust and comprehensive policies and procedures to identify, measure, monitor and manage risk. Our risk management procedure in the loan approval process begins with our sales team where we conduct initial interviews. Our credit team assesses key documents and we also conduct mandatory KYC on the customer. Our legal or empaneled legal team prepares relevant loan documentation and conducts due diligence on the property while our technical or empaneled technical operations team will conduct site visits to examine the structure of property and prepare valuations. If all necessary criteria are met, the loan will be approved for disbursement or otherwise the proposal will be sent to the head office for further evaluation. Our gross NPAs as a percentage of outstanding loans were 0.93%, 0.95%, 0.78%, 0.71% and 0.76% as at March 31, 2016, 2015, 2014, 2013 and 2012, respectively. Our net NPAs as a percentage of outstanding loans were 0.58%, 0.68%, 0.52%, 0.46%and 0.52% as at March 31, 2016, 2015, 2014, 2013 and 2012, respectively.

Being a housing finance company, the operations of our Company are regulated by the NHB. Our Company maintains minimum capital adequacy of 12% and has transferred 20.0% of our annual profits for financial year ending March 31, 2016 to a reserve fund, as per the NHB norms. We have also made provisioning for NPAs at a higher rate than that prescribed by the NHB.

We have implemented the provisions of the SARFAESI Act to our advantage for recovery of NPAs. We also engage outsourced collection agencies in a few markets. Our branch managers and staff interact closely with customers at the time of loan disbursal. Their involvement extends to the collection process, thus ensuring higher collection efficiency and stronger relationships. Our stringent recovery procedures help us ensure good collections and low NPAs. As at March, 31, 2016 the NPA amount stood at ` 57,307 lacs. We have adopted a three-pronged approach that includes; (i) effective monitoring of all standard accounts to capture early alert signals and recover overdue installments; (ii) persuasion with all NPA borrowers through personal contacts for recovery of the overdue amount, to upgrade the account to standard category; and (iii) within one to two months of the account turning NPA, initiation of the process under the SARFAESI Act to recover the outstanding amounts. This approach has helped us upgrade a large number of accounts.

Strong growth opportunity supported by Government critical policy agenda

The housing finance industry in India is growing rapidly and is served by multiple institutions that cater to people in diverse geographies and across income spreads. Mortgage lending has significantly contributed to the growth in housing construction and housing demand. CRISIL Research estimates that outstanding housing finance loans in India increased 18.9% year-to-year from ` 4,219 billion in the year 2009-2010 to estimated ` 10,260 billion in the year 2014-2015. (*Source: CRISIL NBFC Report, August 2015*) In spite of India ȏ housing industry flourishing, the country still faces huge shortage of houses, especially in urban areas. The proportion of the Indian population living in urban areas has been increasing steadily from approximately 28.8% in 2004 to approximately 31.8% in 2014. India ȏ urban population grew at a CAGR of 2.8% from 2001 to 2011. CRISIL Research expects the CAGR growth rate from 2015 to 2021 for the urban population will be 2.0% to 2.5% as compared to 1.2% for the overall population in India during the same period. (Source: CRISIL NBFC Report, August 2015) India ȏ urban population is expected to increase to 5,330 lac in 2025, from 2,853.0 lac in 2011. (*Source: NHB, Report on Trend and Progress of Housing in India, 2014*)

We target the LMI segment of the Indian population. We believe that these segments present significant potential as the GoI has turned its focus towards inclusive growth to extend the benefits of economic prosperity to the broader population. We have developed credit appraisal mechanisms targeting the LMI segment of customers in Tier II and Tier III cities and towns, including private salaried persons, public servants, entrepreneurs, traders and other professionals. We believe that our credit appraisal mechanisms provide us with a significant competitive advantage in the LMI segment in which the credit quality of potential customers is difficult to assess.

"Affordable Housing for All" is an important policy agenda of the GoI. In the past, the GoI has sought to create an enabling and supportive environment for expanding credit flow and increasing home ownership in the country and introduced an interest subvention scheme for housing loans implemented through scheduled commercial banks and HFCs such as the Company. We have also participated in other key government initiatives

To boost development of the affordable housing in India, the GoI has increased deduction limit on interest on housing loans for self-occupied constructed property from ` 1.5 lac to ` 2 lac and increased tax exemption limit under section 80C of the Indian Income Tax Act from ` 1.5 lac to ` 2 lac for principal repayment. The GoI has allocated ` 4,00,000 lac to the NHB for lending to the urban poor population, EWS and LIG and ` 800,000 lac for rural housing. GOI has also established a National Investment and Infrastructure Fund to ensure annual flow of upto ` 2,00,00,00,000 lac to invest it as equity in infrastructure finance companies and NHB. Also, the GoI has removed the minimum size requirement for the FDI projects with 30% or higher low cost housing component to further develop low cost housing sector in India.

Strong Management Team and Corporate Governance

The Company has an experienced Board that oversees and guides our strategy and operations. Our Board has constituted several Board committees including the Risk Management Committee, the Finance Committee, the Audit Committee, the Stakeholders' Relationship Committee, the Corporate Responsibility Committee, and the Nomination and Remuneration Committee for timely decision-making and to ensure effective governance. Our directors include individuals experienced in a wide range of subjects relevant to our business including banking, finance, corporate law, insurance law and real estate. In addition, our Promoter Directors, Mr. Kapil Wadhawan and Mr. Dheeraj Wadhawan, have approximately 20 and 9 years of experience, respectively, in the housing finance and the development and construction industries. Similarly, the members of our experienced management team and our employees share our common vision of excellence in execution and exhibit a diverse set of backgrounds with substantial experience including credit evaluation, technical evaluation, risk management, treasury, technology and marketing. We are supported by members of Group Management team appointed by our Promoter entity, Wadhawan Global Capital Private Limited, i.e. Mr. G. Ravishankar, Mr. Srinath Sridharan, Mr. K. Srinivas and Mr. Suresh Mahalingam, which provides strategic direction and enhance cohesion across groups in the Company. The diversity of experience helps us adapt a creative and cross-functional approach. For further details on our Board, refer to the chapter "**Our *Management***" on page 115 of this Draft Shelf Prospectus.

Our strict adherence to regulatory and supervisory norms, systems-driven framework of supervisory committees and a diligent Board are a few examples of how the culture, policies and relationships reflect our strong corporate governance. Our Company believes that good corporate governance is an important constituent in enhancing stakeholder value. The corporate governance framework is based on an effective independent Board, separation of the supervisory role of the Board from the executive management team and constitution of the committees of the Board, as required under applicable law.

Our Business Strategy

Our objective is to continue to service the needs of the LMI segment while growing profitability and increasing shareholder value by pursuing and executing the following business strategies:

Engage in competitive loan pricing and customize and cross-sell products and services to attract more customers

We seek to participate actively in the market through competitive offering both from the products and pricing perspective. Even though the LMI segment will continue to be our primary target markets, we seek to achieve higher growth and a diversified portfolio by providing access to our services to the broader population. This will also help us to optimally utilize our wide distribution network that encompasses the largest metro cities to Tier