



RATING RATIONALE

5 June 2020

Dewan Housing Finance Corporation Limited

Brickwork Ratings reaffirms 'BWR D' rating on Dewan Housing Finance Corporation Limited

Particulars:

Instruments **	Amount (Rs. Crs.)		Rating*	
	Previous Rated	Present ¹	Previous (June, 2019)	Present Reaffirmed
Secured NCDs (Public Issue)	15000	10944.8	BWR D	BWR D
	14000	14000	BWR D	BWR D
Secured NCDs (Private)	6900	4585.9	BWR D	BWR D
	5100		BWR D	BWR D
Subordinated NCD	2250	2082.7	BWR D	BWR D
IPDI	1300	1160.7	BWR D	BWR D
Fixed Deposit	12000	4988.20	BWR FD	BWR FD
Total	56550	37762.3	Rs. Thirty Seven Thousand Seven Hundred Sixty Two Crores and Thirty lakhs Only	

*Please refer to BWR website www.brickworkratings.com/ for the definition of the ratings

** Details of NCD/IPDI/Sub Debt are provided in Annexure-I&II

¹Outstanding principal as on 30 November 2019 for all instruments

RATING ACTION / OUTLOOK

Brickwork Ratings (BWR) has reaffirmed the rating on various debt instruments of Dewan Housing Finance Corporation Limited (DHFL or the company) based on the default certificate received from the company. The rating reaffirmation factors in continued delays and default in servicing debt by DHFL due to liquidity stress.

KEY COVENANTS OF THE INSTRUMENT/FACILITY RATED: NA



KEY RATING DRIVERS

Credit Risks:

- **Weak financial risk profile**

As of 31 December 2019, the company reported net income of Rs 1246 Crs and net loss of Rs. 5977 Crs, against net income of 2915 Crs and net loss of Rs. 1036 Crs as on 31 March 2019. Additionally, liquidity is inadequate for debt servicing, given the company has been referred to the National Company Law Tribunal under insolvency and bankruptcy code and the legal proceedings has restricted fund utilisation.

ANALYTICAL APPROACH AND APPLICABLE RATING CRITERIA

For arriving at its ratings, BWR has evaluated the risk profile of DHFL on a standalone basis and applied its rating methodology as detailed in the Rating Criteria below (hyperlinks provided at the end of this rationale).

RATING SENSITIVITIES: NA

LIQUIDITY INDICATORS: NA

COMPANY PROFILE

Dewan Housing Finance Corporation Limited (DHFL), incorporated in 1984, is a housing finance company registered under NHB, listed on the BSE/NSE and engaged in providing both housing and non-housing loans.

KEY FINANCIAL INDICATORS

Key Financial Indicators	Units	FY18	FY19
Result Type		Audited	Audited
Net Income	Rs in Crs	1614	2915
PAT	Rs in Crs	1240	(1036)
GNPA	%	0.96%	2.72%
NNPA	%	0.56%	2.12%
CRAR	%	15.29%	14.07%

NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY IF ANY:NA

RATING HISTORY FOR THE PREVIOUS THREE YEARS [including withdrawal and suspended]

Instrument	Current Rating (June 2020)			Rating History								
	Tenure	Amount (Rs.Crs.)	Rating	5 Jun 19	17 May 19	12 Apr 19	9 Mar 19	3 Feb 19	3 Sep 18	4 May 18	28 Dec 17	20 Jul 17
Secured NCDs (Public)	Long Term	24944.8	BWR D	BWR D	BWR BB B+ CW NI*	BWR AA- (CWN I)	BWR AA (CWN I)	BWR AA+ (CW NI)	BWR AAA (Stable)	BWR AAA (Stable)	BWR AAA (Stable)	BWR AAA (Stable)
Secured NCDs (Private)		4585.9	BWR D	BWR D	BWR BB B+ CW NI	BWR AA- (CWN I)	BWR AA (CWN I)	BWR AA+ (CW NI)	BWR AAA (Stable)	BWR AAA (Stable)	BWR AAA (Stable)	BWR AAA (Stable)
Subordinated Debt		2282.7	BWR D	BWR D	BWR BB B+ CW NI	BWR AA- (CWN I)	BWR AA (CWN I)	BWR AA+ (CW NI)	BWR AAA (Stable)	BWR AAA (Stable)	BWR AAA (Stable)	BWR AAA (Stable)
IPDI		1160.7	BWR D	BWR D	BWR BB B+ CW NI	BWR A+ (CWN I)	BWR AA- (CWN I)	BWR AA (CW NI)	BWR AA+ (Stable)	BWR AA+ (Stable)	BWR AA+ (Stable)	BWR AA+ (Stable)
Fixed Deposits		4988.20	BWR FD	BWR FD	BWR FBB B+ CW NI	BWR FAA- (CWN I)	BWR FAA (CWN I)	BWR FAA+ (CW NI)	BWR FAAA (Stable)	BWR FAAA (Stable)	BWR FAAA (Stable)	BWR FAAA (Stable)
Total			37762.3	Rs. Thirty Seven Thousand Seven Hundred Sixty Two Crores and Thirty lakhs Only								

*CWNI = Credit Watch with negative Implications

COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

• [General Criteria](#)

• [Banks & Financial Institutions](#)

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Dewan Housing Finance Corporation Limited
ANNEXURE I

Details of Bank Loan Facilities rated by BWR: NA

ANNEXURE II
INSTRUMENT DETAILS

Instrument	Issue Date	Amount in Crs (outstanding principal as on 30 Nov 2019)	Coupon Rate	Maturity Debt	ISIN Particulars
Perpetual Debt	23-Sep-11	100.0	12.75%	Perpetual	INE202B08389
Perpetual Debt	9-Nov-11	25.2	12.75%	Perpetual	INE202B08397
Perpetual Debt	28-Mar-13	3.3	12.18%	Perpetual	INE202B08595
Perpetual Debt	28-Mar-13	6.3	12.75%	Perpetual	INE202B08603
Perpetual Debt	28-Mar-13	0.4	12.37%	Perpetual	INE202B08611
Perpetual Debt	28-Mar-13	15.0	12.00%	Perpetual	INE202B08629
Perpetual Debt	10-May-13	15.0	12.00%	Perpetual	INE202B08660
Perpetual Debt	10-May-13	3.0	12.18%	Perpetual	INE202B08678
Perpetual Debt	31-Oct-13	2.4	12.75%	Perpetual	INE202B08686
Perpetual Debt	31-Oct-13	3.9	12.18%	Perpetual	INE202B08694

Perpetual Debt	31-Oct-13	1.2	12.05%	Perpetual	INE202B08702
Perpetual Debt	19-Dec-13	1.2	12.75%	Perpetual	INE202B08710
Perpetual Debt	19-Dec-13	0.5	12.18%	Perpetual	INE202B08728
Perpetual Debt	19-Dec-13	3.3	12.05%	Perpetual	INE202B08736
Perpetual Debt	31-Mar-14	1.0	12.75%	Perpetual	INE202B08744
Perpetual Debt	31-Mar-14	1.0	12.18%	Perpetual	INE202B08751
Perpetual Debt	31-Mar-14	3.0	12.05%	Perpetual	INE202B08769
Perpetual Debt	23-Aug-16	475.0	10.75%	Perpetual	INE202B08785
Perpetual Debt	3-Aug-17	500.0	9.85%	Perpetual	INE202B08793
Private NCD	25-Sep-13	12.0	10.70%	25-Sep-23	INE202B07878
Private NCD	31-Oct-13	22.0	10.70%	31-Oct-23	INE202B07902
Private NCD	22-Nov-13	25.0	10.70%	22-Nov-23	INE202B07928
Private NCD	5-Feb-14	22.0	10.80%	5-Feb-29	INE202B07936
Private NCD	5-Feb-14	40.0	10.70%	5-Feb-24	INE202B07944
Private NCD	5-Feb-14	75.0	10.70%	5-Feb-21	INE202B07951
Private NCD	21-Mar-14	20.0	10.70%	21-Mar-21	INE202B07993
Private NCD	30-Apr-14	50.0	10.70%	30-Apr-21	INE202B07A12
Private NCD	10-Jun-14	20.0	10.70%	10-Jun-24	INE202B07AX1
Private NCD	10-Jun-14	15.0	10.70%	10-Jun-21	INE202B07AY9
Private NCD	31-Mar-11	150.0	11.00%	31-Mar-21	INE202B08371
Private NCD	27-Mar-12	75.0	11.00%	27-Mar-22	INE202B08405
Private NCD	2-Nov-12	15.0	11.20%	2-Nov-22	INE202B08421
Private NCD	22-Nov-12	5.0	11.20%	22-Nov-22	INE202B08454
Private NCD	14-Dec-12	25.0	11.20%	14-Dec-22	INE202B08496
Private NCD	15-Feb-13	25.0	11.00%	15-Feb-23	INE202B08538
Private NCD	15-Feb-13	15.0	10.60%	15-Feb-23	INE202B08553
Private NCD	29-Jul-11	10.0	11.00%	29-Jul-21	INE202B07530
Private NCD	12-Aug-11	35.0	11.00%	12-Aug-21	INE202B07555
Private NCD	29-Jun-12	62.9	11.00%	29-Jun-22	INE202B07597
Private NCD	27-Aug-12	25.0	11.15%	22-Aug-22	INE202B07647
Private NCD	25-Sep-13	4.0	10.00%	25-Sep-23	INE202B07845
Private NCD	25-Sep-13	250.0	5.50%	24-Sep-23	INE202B07852
Private NCD	25-Sep-13	5.0	10.70%	25-Sep-23	INE202B07886
Private NCD	31-Oct-13	5.0	10.70%	31-Oct-23	INE202B07894
Private NCD	28-Mar-14	35.0	10.70%	28-Mar-21	INE202B07AB7
Private NCD	28-Mar-14	3.0	10.70%	28-Mar-24	INE202B07AC5
Private NCD	28-Mar-14	53.4	10.70%	28-Mar-24	INE202B07AD3
Private NCD	30-Apr-14	5.0	10.70%	30-Apr-21	INE202B07AJ0

Private NCD	12-Jun-14	55.0	10.70%	12-Jun-24	INE202B07AZ6
Private NCD	18-Jun-14	9.0	10.70%	18-Jun-21	INE202B07BC3
Private NCD	24-Jun-14	25.0	10.70%	24-Jun-24	INE202B07BH2
Private NCD	14-Aug-14	45.0	9.95%	14-Aug-24	INE202B07BI0
Private NCD	20-Aug-14	5.0	9.95%	20-Aug-24	INE202B07BJ8
Private NCD	19-Nov-14	75.0	9.75%	18-Nov-19	INE202B07CL2
Private NCD	19-Nov-14	15.0	9.85%	18-Nov-24	INE202B07CM0
Private NCD	20-May-15	562.0	9.50%	20-May-20	INE202B07EQ7
Private NCD	21-May-15	485.0	9.50%	21-May-20	INE202B07ER5
Private NCD	8-Jul-15	95.0	9.50%	8-Jul-20	INE202B07FI1
Private NCD	8-Jul-15	205.0	9.50%	8-Jul-25	INE202B07FJ9
Private NCD	16-Jul-15	110.0	9.50%	16-Jul-20	INE202B07FP6
Private NCD	16-Jul-15	90.0	9.50%	16-Jul-25	INE202B07FQ4
Private NCD	25-Aug-15	100.0	9.45%	25-Aug-20	INE202B07FX0
Private NCD	25-Aug-15	50.0	9.45%	25-Aug-25	INE202B07FY8
Private NCD	30-Oct-15	137.0	9.30%	30-Oct-20	INE202B07GF5
Private NCD	30-Oct-15	15.0	9.30%	28-Oct-22	INE202B07GG3
Private NCD	30-Oct-15	105.0	9.30%	30-Oct-25	INE202B07GH1
Private NCD	12-Jan-16	200.0	9.00%	12-Jan-21	INE202B07GJ7
Private NCD	23-Mar-16	25.0	9.00%	23-Mar-26	INE202B07GN9
Private NCD	23-Mar-16	60.0	9.15%	20-Sep-19	INE202B07GP4
Private NCD	25-Apr-16	33.2	9.00%	23-Apr-21	INE202B07GT6
Private NCD	25-Apr-16	11.5	9.00%	24-Apr-26	INE202B07GU4
Private NCD	3-Jun-16	20.0	9.00%	3-Jun-26	INE202B07GY6
Private NCD	10-Jun-16	35.0	9.00%	10-Jun-26	INE202B07HA4
Private NCD	17-Jun-16	50.0	9.10%	16-Apr-20	INE202B07HF3
Private NCD	17-Jun-16	4.0	9.10%	17-Jun-21	INE202B07HG1
Private NCD	17-Jun-16	1.1	9.10%	17-Jun-26	INE202B07HH9
Private NCD	28-Jul-16	274.0	9.07%	28-Jul-21	INE202B07HJ5
Private NCD	22-Aug-16	125.0	8.85%	20-Aug-21	INE202B07IE4
Private NCD	22-Aug-16	6.3	8.84%	23-Jul-19	INE202B07IG9
Private NCD	22-Aug-16	2.5	8.84%	5-Aug-19	INE202B07IH7
Private NCD	22-Aug-16	11.0	8.85%	6-Aug-19	INE202B07II5
Private NCD	28-Aug-18	500.0	9.24%	26-Aug-22	INE202B07JK9
Private NCD	31-Aug-18	250.0	9.20%	31-Aug-22	INE202B07JL7
Public NCD	16-Aug-16	0.7	8.74%	16-Aug-19	INE202B07HK3
Public NCD	16-Aug-16	16.1	8.83%	16-Aug-19	INE202B07HL1
Public NCD	16-Aug-16	0.3	8.74%	16-Aug-21	INE202B07HM9

Public NCD	16-Aug-16	10.8	8.88%	16-Aug-21	INE202B07HN7
Public NCD	16-Aug-16	0.5	8.74%	16-Aug-26	INE202B07HO5
Public NCD	16-Aug-16	44.5	8.93%	16-Aug-26	INE202B07HP2
Public NCD	16-Aug-16	946.3	9.10%	16-Aug-19	INE202B07HQ0
Public NCD	16-Aug-16	60.8	9.20%	16-Aug-19	INE202B07HR8
Public NCD	16-Aug-16	268.6	9.10%	16-Aug-21	INE202B07HS6
Public NCD	16-Aug-16	186.6	9.25%	16-Aug-21	INE202B07HT4
Public NCD	16-Aug-16	367.3	9.10%	16-Aug-26	INE202B07HU2
Public NCD	16-Aug-16	2,036.1	9.30%	16-Aug-26	INE202B07HV0
Public NCD	16-Aug-16	0.1	9.10%	16-Aug-19	INE202B07HW8
Public NCD	16-Aug-16	17.8	9.20%	16-Aug-19	INE202B07HX6
Public NCD	16-Aug-16	11.6	9.25%	16-Aug-21	INE202B07HZ1
Public NCD	16-Aug-16	0.0	9.10%	16-Aug-26	INE202B07IA2
Public NCD	16-Aug-16	13.8	9.30%	16-Aug-26	INE202B07IB0
Public NCD	16-Aug-16	16.2	9.10%	16-Aug-19	INE202B07IC8
Public NCD	16-Aug-16	1.9	9.20%	16-Aug-19	INE202B07ID6
Public NCD	9-Sep-16	2,536.8	9.05%	9-Sep-19	INE202B07IJ3
Public NCD	9-Sep-16	1,071.9	9.10%	9-Sep-19	INE202B07IK1
Public NCD	9-Sep-16	369.9	9.05%	9-Sep-21	INE202B07IL9
Public NCD	9-Sep-16	292.1	9.15%	9-Sep-21	INE202B07IM7
Public NCD	9-Sep-16	1,661.0	9.05%	9-Sep-23	INE202B07IN5
Public NCD	9-Sep-16	4,068.3	9.25%	9-Sep-23	INE202B07IO3
Public NCD	4-Jun-18	5,840.1	8.90%	4-Jun-21	INE202B07IY2
Public NCD	4-Jun-18	396.4	8.90%	4-Jun-23	INE202B07IZ9
Public NCD	4-Jun-18	1,051.4	9.00%	4-Jun-23	INE202B07JA0
Public NCD	4-Jun-18	175.4	8.90%	4-Jun-25	INE202B07JB8
Public NCD	4-Jun-18	458.9	8.90%	4-Jun-28	INE202B07JC6
Public NCD	4-Jun-18	106.9	9.00%	4-Jun-28	INE202B07JD4
Public NCD	4-Jun-18	160.5	9.10%	4-Jun-28	INE202B07JE2
Public NCD	4-Jun-18	57.4	8.56%	4-Jun-21	INE202B07JF9
Public NCD	4-Jun-18	1.9	8.56%	4-Jun-23	INE202B07JG7
Public NCD	4-Jun-18	73.0	8.65%	4-Jun-23	INE202B07JH5
Public NCD	4-Jun-18	2,501.5	MIBOR+2.16%	4-Jun-21	INE202B07JI3
Public NCD	4-Jun-18	121.4	9.00%	4-Jun-25	INE202B07JJ1
Subordinated Debt	24-Nov-10	175.0	10.40%	24-Nov-20	INE202B08363
Subordinated Debt	22-Nov-12	18.0	11.20%	22-Nov-22	INE202B08447
Subordinated Debt	14-Dec-12	39.0	11.20%	14-Dec-22	INE202B08488
Subordinated Debt	15-Feb-13	31.0	11.00%	15-Feb-23	INE202B08504



Subordinated Debt	15-Feb-13	16.7	10.60%	15-Feb-23	INE202B08520
Subordinated Debt	28-Mar-13	13.0	10.75%	28-Mar-23	INE202B08561
Subordinated Debt	22-Apr-13	36.0	10.75%	22-Apr-23	INE202B08637
Subordinated Debt	22-Apr-13	44.0	10.50%	22-Apr-23	INE202B08652
Subordinated Debt	10-May-16	400.0	9.40%	8-May-26	INE202B08777
Subordinated Debt	12-Apr-18	1,000.0	8.80%	12-Apr-28	INE202B08801
Grand Total		32,774.1			

ANNEXURE III

List of entities consolidated : NA

For print and digital media

The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

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