

Dewan Housing Finance Limited (DHFL)

The below mentioned schemes have exposure in secured, rated NCDs of Dewan Housing Finance Limited (DHFL). DHFL is a housing finance company which is currently under insolvency proceedings. Rating Agency – CARE has downgraded the credit ratings on our NCDs to CARE D on June 5, 2019. Based on AMFI’s recommended “Standard haircut for sub-investment grade debt securities”, the haircuts on all the below secured NCDs have been taken post the downgrade and are all currently valued at 75% haircut.

Latest developments/ key updates

- In November 2019, Reserve Bank of India (RBI), under the special powers conferred to it in terms of referring financial service providers, referred DHFL to National Company Law Tribunal (NCLT) for insolvency proceedings. A resolution professional has been appointed and a committee of creditors (COC) has been formed.
- Subsequently, in Jan/Feb 2020, expressions of interest (EOIs) from interested parties have been invited for submission of resolution plans under the Insolvency and Bankruptcy Code (IBC).
- Various timelines have been decided by the COC to evaluate bids and close the resolution. However, given the current Covid-19 crisis, there could be significant delays in completing the resolution process as per envisaged timelines.
- In light of the above and in accordance with the fair valuation principles, we have decided to prudently take remaining 25% write down on our exposure in DHFL.

Impact on valuation (Apr 27, 2020)

Scheme Name	ISIN	Issuer Name	Rating	Face value of exposure (In Crs.)	Market value/ Default Exposure (In Crs.)	NAV Impact post remaining 25% write-down in % on AUM (24 Apr 2020)
L&T Credit Risk Fund	INE202B07IJ3	Dewan Housing Finance Limited	CARE D	35.13	8.78	0.78%
	INE202B07HQ0		CARE D			
	INE202B07IK1		CARE D			
L&T Equity Savings Fund	INE202B07HQ0	Dewan Housing Finance Limited	CARE D	5	1.25	1.46%
L&T Low Duration Fund	INE202B07IJ3	Dewan Housing Finance Limited	CARE D	35.18	8.80	1.27%
	INE202B07IL9	Dewan Housing Finance Limited	CARE D			
	INE202B07HQ0	Dewan Housing Finance Limited	CARE D			
	INE202B07IK1	Dewan Housing Finance Limited	CARE D			
L&T Resurgent India Bond Fund	INE202B07HQ0	Dewan Housing Finance Limited	CARE D	5	1.25	0.09%

Dewan Housing Finance Limited (DHFL) - Latest Development with regard to exposure.

Kindly refer our valuation disclosure note with regard to DHFL highlighting the rationale for deviation in valuation in accordance with fair valuation principles and resultant impact on NAV as on 27th April 2020.

Further to the above, kindly note that on 6th July 2020, all the below mentioned securities of DHFL have been sold in secondary market.

Scheme Name	ISIN	Issuer Name	Rating	Face value of exposure (in Crs.)
L&T Credit Risk Fund	INE202B07IJ3	Dewan Housing Finance Limited	CARE D	35.13
	INE202B07HQ0		CARE D	
	INE202B07IK1		CARE D	
L&T Equity Savings Fund	INE202B07HQ0	Dewan Housing Finance Limited	CARE D	5.00
L&T Low Duration Fund	INE202B07IJ3	Dewan Housing Finance Limited	CARE D	35.00
	INE202B07HQ0	Dewan Housing Finance Limited	CARE D	
	INE202B07IK1	Dewan Housing Finance Limited	CARE D	
L&T Resurgent India Bond Fund	INE202B07HQ0	Dewan Housing Finance Limited	CARE D	5.00